CITY OF ONTARIO

Regular City Council/Housing Authority Meeting
MAY 3, 2022

City Hall
303 East B Street, Ontario, CA 91764

MAYOR PAUL S. LEON • MAYOR PRO TEM ALAN D. WAPNER
COUNCIL MEMBERS JIM W. BOWMAN, DEBRA DORST-PORADA AND RUBEN VALENCIA

CITY CLERK SHEILA MAUTZ • TREASURER JAMES R. MILHISER
CITY MANAGER SCOTT OCHOA • CITY ATTORNEY RUBEN DURAN

WELCOME TO A MEETING OF THE ONTARIO CITY COUNCIL

All documents for public review are on file with the Records Management/City Clerk's Department located at 303 East B Street, Ontario, CA 91764.

Anyone wishing to speak in person during public comment or on a particular item will be required to fill out a blue slip. Blue slips must be turned in prior to public comment beginning or before an agenda item is taken up. The Clerk will not accept blue slips after that time. To comment by email, submit your comments no later than 4:00 p.m. on the day of the meeting by emailing your name, agenda item you are commenting on and your comments to publiccomments@ontarioca.gov. All comments received by the deadline will be forwarded to the City Council for consideration before action is taken on the matter and will be entered into the record.

Comments will be limited to 3 minutes. Speakers will be alerted when they have 1 minute remaining and when their time is up. Speakers are then to return to their seats and no further comments will be permitted.

In accordance with State Law, remarks during public comment are to be limited to subjects within Council's jurisdiction. Remarks on other agenda items will be limited to those items.

Remarks from those seated or standing in the back of the chamber will not permitted. All those wishing to speak including Council and Staff need to be recognized by the Chair before speaking.

WEARING A MASK DURING THE PUBLIC MEETING IS STRONGLY ENCOURAGED.

If you need special assistance or accommodations to participate in this meeting, please contact

the City Clerk's office at 909-395-2009. Notification of 48 hours prior to the meeting will help the City make reasonable arrangements. Equipment for the hearing impaired is available in the Records Management Office.

ORDER OF BUSINESS

The regular City Council and Housing Authority meeting begins with Public Comment at 6:30 p.m. immediately followed by the Regular Meeting and Public Hearings. No agenda item will be introduced for consideration after 10:00 p.m. except by majority vote of the City Council.

CALL TO ORDER *(OPEN SESSION)*

ROLL CALL

Wapner, Bowman, Dorst-Porada, Valencia, Mayor/Chairman Leon

PLEDGE OF ALLEGIANCE

Mayor Pro tem Wapner

INVOCATION

Pastor Francesca Fajinmi, Dios International Missionary Church

PUBLIC COMMENTS 6:30 P.M.

The Public Comment portion of the Council/Housing Authority meeting is limited to 30 minutes with each speaker given a maximum of 3 minutes. An opportunity for further Public Comment may be given at the end of the meeting. Under provisions of the Brown Act, Council is prohibited from taking action on oral requests.

To comment by email, submit your comments by email no later than 4:00 p.m. on the day of the meeting by emailing your name, agenda item you are commenting on and your comment to publiccomments@ontarioca.gov. All Comments received by the deadline will be forwarded to the City Council for consideration before action is taken on the matter and entered into the record. As previously noted -- if you wish to address the Council, fill out one of the blue slips at the rear of the chambers and give it to the City Clerk.

AGENDA REVIEW/ANNOUNCEMENTS

The City Manager will go over all updated materials and correspondence received after the Agenda was distributed to ensure Council Members have received them. He will also make any necessary recommendations regarding Agenda modifications or announcements regarding

Agenda items to be considered.

CONSENT CALENDAR

All matters listed under CONSENT CALENDAR will be enacted by one motion in the form listed below – there will be no separate discussion on these items prior to the time Council votes on them, unless a member of the Council requests a specific item be removed from the Consent Calendar for a separate vote.

Each member of the public wishing to address the City Council on items listed on the Consent Calendar will be given a total of 3 minutes.

1. APPROVAL OF MINUTES

Minutes for the regular meetings of the City Council and Housing Authority of April 5, 2022, and approving the same as on file in the Records Management Department.

ATTACHMENT: 20220405 (Not official until approved)

2. BILLS & PAYROLL

Bills April 1, 2022 through April 14, 2022, and Payroll March 27, 2022 through April 9, 2022 when audited by the Finance Committee.

3. AMENDMENT TO THE PURCHASE AND INSTALLATION OF REPLACEMENT FIRE STATION ALERTING SYSTEM

That the City Council take the following actions:

A. Authorize the City Manager to execute an additional sole source purchase with US Digital Designs of Tempe, Arizona, in the amount of $72,900 for a fire station alerting system for a total not to exceed amount to $647,884;
B. Authorize a $20,000 contingency to address any unforeseen needs that may arise with US Digital Designs;
C. That the City Council approve Amendment No. 1 to increase the contracted dollar amount with Bergelectric Corp. of Encino, California, by $54,999, which would increase the total not to exceed amount to $280,299;
D. Authorize a 15% contingency of $41,588 to address any unforeseen issues that may arise with Bergelectric Corp.; and
E. Authorize the City Manager or his designee to execute all documents required for the completion of the project, including, but not limited to contracts, agreements, assessments, easements, reduction of retention accounts, and filing notice of completion at the conclusion of all construction related activities.

4. A RESOLUTION APPROVING THE UPDATED DELEGATION OF AUTHORITY TO REQUEST DISBURSEMENTS OF CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST (CERBT) FUND

ADMINISTERED BY CALPERS

That the City Council consider and approve a Resolution updating the City's delegation of authority to request disbursements from California Employers' Retiree Benefit Trust (CERBT).

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING THE DELEGATION OF AUTHORITY TO ADDITIONAL POSITIONS TO REQUEST, ON BEHALF OF THE CITY, DISBURSEMENTS FROM THE CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST FUND.

ATTACHMENT: 20220503 Updating CERBT Delegation^RESO^RM
ATTACHMENT: 20220503 CERBT Delegation of Authority to Request Disbursements^Exhibit A.pdf

5. AMENDMENT TO THE MAINTENANCE SERVICES AGREEMENT FOR CITYWIDE LANDSCAPE FERTILIZATION, WEED CONTROL, PEST, AND DISEASE CONTROL SERVICES

That the City Council authorize the City Manager to execute the optional two (2) one-year terms to the Maintenance Service Agreement (on file with Records Management) for contract No. PM1617-8 with RPW, Inc. of Fullerton, California, for citywide landscape fertilization, weed control, pest, and disease control services.

6. MAINTENANCE SERVICES AGREEMENT FOR CONCRETE REPAIR AND MAINTENANCE SERVICES

That the City Council authorize the City Manager to execute a Maintenance Services Agreement (on file with the Records Management Department) for Contract No. SM2223-1 with Towo Enterprise Inc. of Fullerton, California, for concrete repair and maintenance in the not to exceed amount of $3,321,000 for a three-year term, with an option to extend for two additional one-year terms at $1,441,700 for the first optional year and $1,574,550 for the second optional year, for a total not to exceed amount of $6,337,250, consistent with future budgets approved by the City Council.

7. THE RENEWAL OF AN EXISTING AGREEMENT FOR LAND MANAGEMENT SYSTEM FOR COMMUNITY DEVELOPMENT AGENCY, FIRE PREVENTION, AND THE ONTARIO MUNICIPAL UTILITIES COMPANY

That the City Council authorize the City Manager to negotiate and execute a one (1) year agreement, with an optional renewal period for two (2) years (on file in the Records Management Department) with Accela, Inc. of San Ramon, California, to renew and extend the use of the Accela citizen access, land management, mobile office and GIS systems used by Community Development, Fire Prevention, and the Ontario Municipal Utilities Company in the amount of $558,480, including an amount of $180,685 for the first year and $186,106 and $191,689 for the optional second and third years, subject to City Council approved budgets.

8. MAINTENANCE SERVICES AGREEMENT FOR GRAFFITI REMOVAL SERVICES AT VARIOUS CITY LOCATIONS

That the City Council authorize the City Manager, or his designee, to execute a five-year Maintenance Services Agreement (on file with the Records Management Department) for Contract No. 1617-5 with Graffiti Protective Coatings of Los Angeles, California, for graffiti removal services at various city locations for an annual cost of $691,200, with a 5% contingency of $34,560, for a total annual amount of $725,760, or not to exceed of $3,628,800 over a five-year term.

9. PRE-AUTHORIZED LIST OF VENDORS TO PROVIDE MAINTENANCE SERVICE AND PARTS FOR THE POLICE HELICOPTERS

That the City Council approve the attached list of pre-authorized vendors to provide maintenance service, equipment, parts and tools for the Police Helicopters.

ATTACHMENT: Pre-Authorized List of Vendors for Police Helicopters 2022

10. AUTHORIZE THE PURCHASE OF FIRE APPARATUSES

That the City Council authorize the purchase and delivery of one (1) KME Fire Pumper in the amount of $971,000 and one (1) KME Fire Aerial Tractor in the amount of $1,917,000 from Kovatch Mobile Equipment (KME) of Fontana, California.

11. AMENDMENT NO. 3 TO THE LETTER OF AGREEMENT FOR WORKPLACE INVESTIGATIONS, CONSULTING AND LEGAL SERVICES

That the City Council authorize the City Manager, or his designee, to execute Amendment No. 3 (on file in the Records Management Department) adding $100,000 to the existing Letter of Agreement with Atkinson, Andelson, Loya, Ruud & Romo (AALRR) for Workplace Investigations, Consulting and Legal Services for a revised contract authority of $200,000, and to extend the contract term to June 30, 2024. This would extend the contract by 2 additional years, making the life of the contract a total of seven (7) years.

PUBLIC HEARINGS

Pursuant to Government Code Section 65009, if you challenge the City's zoning, planning or any other decision in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to the public hearing. Affidavits of posting compliance, for all items below, are on file with the Records Management Department.

---

12. A PUBLIC HEARING FOR THE INTRODUCTION OF AN ORDINANCE ADDING CHAPTER 33 TO TITLE 5 OF VOLUME I TO THE ONTARIO MUNICIPAL CODE, ESTABLISHING A PUBLIC ART PROGRAM, ESTABLISHING A PUBLIC ART ADVISORY COMMITTEE, AND INCLUDING A DEVELOPMENT FEE TO SUPPORT PUBLIC ART, AND FINDING THE ACTION EXEMPT FROM CEQA

That the City Council consider and take action to add Chapter 33 to Title 5 of Volume I to the Ontario Municipal Code relating to: establishing a Public Art Program, establishing a Public Art Advisory committee, and a development fee to support public art.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ADDING CHAPTER 33 TO TITLE 5 OF VOLUME I TO THE ONTARIO MUNICIPAL CODE, ESTABLISHING A PUBLIC ART PROGRAM, ESTABLISHING A PUBLIC ART ADVISORY COMMITTEE, AND INCLUDING A DEVELOPMENT FEE TO SUPPORT PUBLIC ART, AND FINDING THE ACTION EXEMPT FROM CEQA.

ATTACHMENT: 20220503 Public Art Fee^01^ORD^RM

13. A PUBLIC HEARING TO CONSIDER A RESOLUTION CALLING A SPECIAL ELECTION FOR PROPOSED CHANGES TO THE RATE AND METHOD OF APPORTIONMENT OF THE EXISTING SPECIAL TAX OF THE CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH-FACILITIES); A RESOLUTION OF CHANGE, DECLARING RESULTS OF A SPECIAL ELECTION, DETERMINING THAT CHANGES TO THE RATE AND METHOD OF APPORTIONMENT OF THE EXISTING SPECIAL TAX OF COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH-FACILITIES) ARE LAWFULLY AUTHORIZED AND DIRECTING THE RECORDING OF AN AMENDMENT TO NOTICE OF SPECIAL TAX LIEN; A N D AN ORDINANCE AMENDING AND RESTATING ORDINANCE NO. 3082 LEVYING SPECIAL TAXES WITHIN THE CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH-FACILITIES); A RESOLUTION DEEMING IT NECESSARY TO AMEND RESOLUTION NO. 2017-124 IN ORDER TO INCREASE THE MAXIMUM AGGREGATE AMOUNT OF BONDED INDEBTEDNESS THAT CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH-FACILITIES) IS AUTHORIZED TO INCUR; A RESOLUTION CALLING A SPECIAL ELECTION FOR CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH-FACILITIES); AND A RESOLUTION DECLARING THE RESULTS OF THE SPECIAL ELECTION.

That the City Council consider and:

A. Adopt a Resolution calling a special election for proposed changes to the Rate and Method of Apportionment (the "RMA") of the existing Special Tax of City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South-Facilities), (the "CFD")
B. Adopt a Resolution declaring results of the special election, determining that changes to the Rate and Method of Apportionment of the existing Special Tax of City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South-Facilities) are lawfully authorized and directing recording of an amendment to Notice of Special Tax Lien,
C. Introduce and waive further reading of an Ordinance amending and restating Ordinance No. 3082 levying special taxes within City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South-Facilities).
D. Adopt a resolution deeming it necessary to amend Resolution No. 2017-124 in order to increase the maximum aggregate amount of bonded indebtedness that Community Facilities District No. 35 (Countryside Phase 2 South-Facilities) is authorized to incur;
E. Adopt a Resolution calling a special election for Community Facilities District No. 35 (Countryside Phase 2 South-Facilities); and
F. Adopt a Resolution declaring the results of the special election.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA,

CALLING A SPECIAL ELECTION FOR PROPOSED CHANGES TO THE RATE AND METHOD OF APPORTIONMENT OF THE EXISTING SPECIAL TAX OF CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH-FACILITIES).

A RESOLUTION OF CHANGE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, DECLARING RESULTS OF SPECIAL ELECTION, DETERMINING THAT CHANGES TO THE RATE AND METHOD OF APPORTIONMENT OF THE EXISTING SPECIAL TAX OF CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH-FACILITIES) ARE LAWFULLY AUTHORIZED AND DIRECTING RECORDING OF AN AMENDMENT TO NOTICE OF SPECIAL TAX LIEN.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, AMENDING AND RESTATING ORDINANCE NO. 3082 LEVYING SPECIAL TAXES WITHIN THE CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH-FACILITIES).

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, DEEMING IT NECESSARY TO AMEND RESOLUTION NO. 2017-124 IN ORDER TO INCREASE THE MAXIMUM AGGREGATE AMOUNT OF BONDED INDEBTEDNESS THAT CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH-FACILITIES) IS AUTHORIZED TO INCUR.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, CALLING SPECIAL ELECTION FOR CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH-FACILITIES).

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, DECLARING RESULTS OF SPECIAL ELECTION OF COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH-FACILITIES).

ATTACHMENT: 20220503 CFD No. 35 Countryside Phase 2 So-Fac 01^RESO Calling Special^RM
ATTACHMENT: 20220503 CFD No. 35 Countryside Phase 2 So-Fac 01A^EXH A RMA
ATTACHMENT: 20220503 CFD No. 35 Countryside Phase 2 So-Fac 02^RESO Declaring Results^RM
ATTACHMENT: 20220503 CFD No. 35 Countryside Phase 2 So-Fac 03^ORD^RM
ATTACHMENT: 20220503 CFD No. 35 Countryside Phase 2 So-Fac 04^RESO^Deeming it Necessary to Incur^RM
ATTACHMENT: 20220503 CFD No. 35 Countryside Phase 2 So-Fac 05^RESO Calling Special Election^RM
ATTACHMENT: 20220503 CFD No. 35 Countryside Phase 2 So-Fac 06^RESO^Declaring Results of Special^Election^RM

14. A PUBLIC HEARING TO CONSIDER FILE NO. PCUP21-009, A CONDITIONAL USE PERMIT TO ESTABLISH A 128-ROOM LIMITED-SERVICE HOTEL ON 1.83 ACRES OF LAND LOCATED AT 5060 EAST FOURTH STREET, WITHIN THE FREEWAY COMMERCIAL LAND USE DISTRICT OF

THE EXCHANGE SPECIFIC PLAN (APN: 0238-012-30)

That the City Council consider and adopt a Resolution approving the Conditional Use Permit, File No. PCUP21-009, establishing a 128-room limited-service hotel located at 5060 East Fourth Street.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING FILE NO. PCUP21-009, A CONDITIONAL USE PERMIT TO ESTABLISH AND OPERATE A 128-ROOM LIMITED-SERVICE HOTEL ON 1.83 ACRES OF LAND LOCATED AT 5060 EAST FOURTH STREET, WITHIN THE FREEWAY COMMERCIAL LAND USE DISTRICT OF THE EXCHANGE SPECIFIC PLAN AND MAKING FINDINGS IN SUPPORT THEREOF - APN: 0238-012-30.

ATTACHMENT: 20220419 File No. PCUP21-009 Extended Stay Hotel^01 PC BACKUP.pdf
ATTACHMENT: 20220405 File No. PCUP21-009 Extended Stay Hotel^02 RESO^RM
ATTACHMENT: 20220419 File No. PCUP21-009 Extended Stay Hotel^03 Revised COA.pdf

15. A PUBLIC HEARING TO CONSIDER A RESOLUTION REGARDING THE FORMATION OF THE CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 63 (OLIVE AND OLEANDER); ADOPTION OF A RESOLUTION TO INCUR BONDED INDEBTEDNESS; AND INTRODUCTION OF AN ORDINANCE LEVYING SPECIAL TAXES

That the City Council consider and:

A. Adopt a Resolution of formation of Community Facilities District No. 63 (Olive and Oleander), authorizing the levy of special taxes within the community facilities district, and establishing an appropriations limit for the community facilities district;
B. Adopt a Resolution deeming it necessary to incur bonded indebtedness within Community Facilities District No. 63 (Olive and Oleander);
C. Adopt a resolution calling a special election for City of Ontario Community Facilities District No. 63 (Olive and Oleander);
D. Adopt a resolution declaring the results of the special election and directing the recording of a Notice of Special Tax Lien;
E. Introduce and waive further reading of an ordinance levying special taxes within City of Ontario Community Facilities District No. 63 (Olive and Oleander); and
F. Adopt a resolution authorizing the execution and delivery of an acquisition and funding agreement with Shea Homes Limited Partnership, a California limited partnership.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, OF FORMATION OF THE CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 63 (OLIVE AND OLEANDER), AUTHORIZING THE LEVY OF A SPECIAL TAX.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, DEEMING IT NECESSARY TO INCUR BONDED INDEBTEDNESS WITHIN CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 63 (OLIVE AND OLEANDER).

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, CALLING SPECIAL ELECTION FOR CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 63 (OLIVE AND OLEANDER).

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, DECLARING RESULTS OF SPECIAL ELECTION AND DIRECTING RECORDING OF NOTICE OF SPECIAL TAX LIEN FOR CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 63 (OLIVE AND OLEANDER).

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, LEVYING SPECIAL TAXES WITHIN COMMUNITY FACILITY DISTRICT NO. 63 (OLIVE AND OLEANDER).

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, AUTHORIZING THE EXECUTION AND DELIVERY OF AN ACQUISITION AND FUNDING AGREEMENT WITH SHEA HOMES LP OF CALIFORNIA.

ATTACHMENT: 20220503 CFD No. 63 Olive and Oleander 01^RESO Formation^RM
ATTACHMENT: 20220503 CFD No. 63 Olive and Oleander 01A^EXH B RMA
ATTACHMENT: 20220503 CFD No. 63 Olive and Oleander 02^RESO Necessary to Incur RM
ATTACHMENT: 20220503 CFD No. 63 Olive and Oleander 03^RESO Calling Special Election RM
ATTACHMENT: 20220503 CFD No. 63 Olive and Oleander 04^RESO Declaring Election RM
ATTACHMENT: 20220503 CFD No. 63 Olive and Oleander 05^ORD RM

STAFF MATTERS

City Manager Ochoa

COUNCIL MATTERS

Mayor Leon
Mayor Pro tem Wapner
Council Member Bowman
Council Member Dorst-Porada
Council Member Valencia

ADJOURNMENT

ONTARIO CITY COUNCIL/
ONTARIO HOUSING AUTHORITY
MINUTES
APRIL 5, 2022
(Not official until approved)

JOINT MEETINGS

The regular meetings of the Ontario City Council and Housing Authority were held on Tuesday, April 5, 2022 at Ontario City Hall, 303 E. B Street Ontario, California.

CALL TO ORDER

Mayor Leon called the Joint City Council and Ontario Housing Authority meetings to order at 6:30 p.m.

ROLL CALL

PRESENT:	Mayor/Chairman	Paul S. Leon
	Council/Authority Members:	Jim W. Bowman, Debra Dorst-Porada and Ruben Valencia
ABSENT:	Mayor pro Tem/Vice Chair:	Alan D. Wapner

Also present were City Manager / Executive Director Scott Ochoa, Assistant City Attorney/Legal Counsel Ryan Guiboa, and City Clerk/Secretary Sheila Mautz.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Council Member Dorst-Porada.

INVOCATION

The Invocation was led by Pastor Mike Urciuoli, Calvary Chapel Ontario.

PUBLIC COMMENTS

Two emailed comments were entered into the record as follows:

Jeff L. Lopez, regarding rent increases.

Amanda Rohrer, regarding park safety and security.

Mayor Leon called upon the first speaker:

Andrew Gerardo, with the D'Andre Lampkin Foundation announced upcoming events.

Cassandra Sanchez, requested a billboard sign to garner information on the Jesus Sanchez homicide case.

Karen Haughey, representative of San Bernardino County Board Supervisor Hagman's office, announced upcoming events.

Donna Villareal, spoke regarding truck traffic on Francis Street.

Xochitl Escamilla, spoke on the importance of communication.

AGENDA REVIEW/ANNOUNCEMENTS

City Manager Ochoa requested that Item No. 09 be pulled. He also announced an update to Item No. 10, clarify the updated Government Code Section to 53083 which deals with sales offices versus warehouses.

CONSENT CALENDAR

MOTION: Moved by Council Member Dorst-Porada, seconded by Council Member Bowman and carried by unanimous vote 4-0, to approve the Consent Calendar as presented, with Mayor pro Tem Wapner absent.

1. APPROVAL OF MINUTES

The City Council approved minutes for the regular meetings of the City Council and Housing Authority of March 1, 2022, approving the same as on file in the Records Management Department.

2. BILLS & PAYROLL

Approved Bills from February 25, 2022 through March 17, 2022 in the amount of $24,475,275.04 and Payroll February 25, 2022 through March 12, 2022 in the amount of $7,690,176.37, when audited by the Finance Committee.

3. RIGHTS-OF-WAY JOINT USE AGREEMENTS WITH SOUTHERN CALIFORNIA EDISON FOR RIGHTS-OF-WAY ON ONTARIO RANCH ROAD AND OLD EDISON AVENUE AT MILL CREEK AVENUE

The City Council approved and authorized the City Manager to execute Joint Use Agreements with Southern California Edison (SCE) for the rights-of-way on Ontario Ranch Road and Old Edison Avenue at Mill Creek Avenue within the Rich Haven Specific Plan area.

4. A RESOLUTION AUTHORIZING SUBMITTAL OF A CLAIM TO THE SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY FOR TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUNDS FOR THE BUS STOP PAD INSTALLATION PROJECT

The City Council adopted a Resolution approving the submittal of a claim for $67,050 from the San Bernardino County Transportation Authority (SBCTA) for Transportation Development Act (TDA) Article 3 Funds for the Bus Stop Pad Installation Project and authorized the City Manager, or his designee, to execute all necessary documents to submit a reimbursement claim.

RESOLUTION NO. 2022-026 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, AUTHORIZING SUBMITTAL OF A CLAIM TO THE SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY FOR TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUNDS FOR THE BUS STOP PAD INSTALLATION PROJECT.

5. A DEVELOPMENT IMPACT FEE CREDIT AGREEMENT (FILE NO. PDIF21-002) BETWEEN THE CITY OF ONTARIO AND SHEA HOMES LIMITED PARTNERSHIP, FOR FACILITY CONSTRUCTION ASSOCIATED WITH TRACT MAP 20265 (FILE NO. PMTT19-006), LOCATED ON THE EAST SIDE OF MILL CREEK AVENUE, APPROXIMATELY 670 FEET SOUTH OF ONTARIO RANCH ROAD, WITHIN THE STANDALONE RESIDENTIAL LAND USE DISTRICT OF THE RICH HAVEN SPECIFIC PLAN

The City Council approved the Development Impact Fee Credit Agreement (File No. PDIF21-002) between the City of Ontario and Shea Homes Limited Partnership, for facility construction associated with Tract Map 20265 (File No. PMTT19-006), located on the east side of Mill Creek Avenue, approximately 670 feet south of Ontario Ranch Road, within the Standalone Residential land use district of the Rich-Haven Specific Plan, and have the City Manager execute the Agreement.

6. AN ORDINANCE FOR THE ARTS DISTRICT WEST PLANNED UNIT DEVELOPMENT (FILE NO. PUD22-001), ESTABLISHING DEVELOPMENT STANDARDS, DESIGN GUIDELINES AND INFRASTRUCTURE REQUIREMENTS TO FACILITATE A COMMERCIAL DEVELOPMENT ON 0.86-ACRE OF LAND LOCATED AT 125 WEST EMPORIA STREET, WITHIN THE MU-1/LUA-2N (DOWNTOWN MIXED-USE/ARTS DISTRICT - NORTH) AND EA (EUCLID AVENUE OVERLAY) ZONING DISTRICTS (APN: 1049-059-14)

The City Council considered and adopted an Ordinance approving the Arts District West Planned Unit Development, File No. PUD22-001, establishing development standards, design guidelines, and infrastructure requirements to facilitate a commercial development at 125 West Emporia Street. Introduction took place at a regular City Council meeting on March 15, 2022.

ORDINANCE NO. 3207 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING FILE NO. PUD22-001, THE ARTS DISTRICT WEST PLANNED UNIT DEVELOPMENT, ESTABLISHING DEVELOPMENT STANDARDS, DESIGN GUIDELINES, AND INFRASTRUCTURE REQUIREMENTS FOR 0.86-ACRE OF LAND LOCATED AT 125 WEST EMPORIA STREET, WITHIN MU-1/LUA-2N (DOWNTOWN MIXED-USE/ARTS DISTRICT – NORTH) AND EA (EUCLID AVENUE OVERLAY) ZONING DISTRICTS, AND MAKING FINDINGS IN SUPPORT THEREOF—APN: 1049-059-14.

7. SEWER CONNECTION FEE REIMBURSEMENT PILOT PROGRAM

The City Council considered and approved the adoption of the Sewer Connection Fee Reimbursement Pilot Program and authorized City Manager, or his designee, to make any necessary program adjustments and execute all necessary documents to implement the Sewer Connection Fee Reimbursement Pilot Program.

8. AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH UC RIVERSIDE CENTER FOR ECONOMIC FORECASTING AND DEVELOPMENT AT THE SCHOOL OF BUSINESS ADMINISTRATION, FOR THE PURPOSE OF EXTENDING THE SCOPE, TIME OF PERFORMANCE, AND THE NOT TO EXCEED AMOUNT

The City Council approved an amendment to the Professional Services Agreement between UC Riverside ("UCR") Center for Economic Forecasting and Development at the School of Business Administration and the City of Ontario for the purpose of extending the time of performance an additional year, updating the Scope of Work, and increasing the not to exceed amount to $109,500.

Mayor Leon spoke in support of Item No. 06. Council Member Dorst-Porada spoke on the positive look the project will bring to the community.

PUBLIC HEARINGS

9. INTRODUCTION OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ADDING CHAPTER 33 TO TITLE 5 OF VOLUME I TO THE ONTARIO MUNICIPAL CODE, ESTABLISHING A PUBLIC ART PROGRAM, ESTABLISHING A PUBLIC ART ADVISORY COMMITTEE, AND INCLUDING A DEVELOPMENT FEE TO SUPPORT PUBLIC ART, AND FINDING THE ACTION EXEMPT FROM CEQA

This item was pulled from the agenda.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ADDING CHAPTER 33 TO TITLE 5 OF VOLUME I TO THE ONTARIO MUNICIPAL CODE, ESTABLISHING A PUBLIC ART PROGRAM, ESTABLISHING A PUBLIC ART ADVISORY COMMITTEE, AND INCLUDING A DEVELOPMENT FEE TO SUPPORT PUBLIC ART, AND FINDING THE ACTION EXEMPT FROM CEQA

10. A PUBLIC HEARING REGARDING AN ECONOMIC DEVELOPMENT SUBSIDY REPORT AND OPERATING COVENANT AGREEMENT BETWEEN THE CITY OF ONTARIO AND SID TOOL, INC. A SUBSIDIARY OF MSC INDUSTRIAL DIRECT CO., INC. PURSUANT TO GOVERNMENT CODE SECTION 53083.1; AND CONSIDERATION OF A RESOLUTION ACCEPTING THE ECONOMIC DEVELOPMENT SUBSIDY REPORT, APPROVING THE OPERATING COVENANT AGREEMENT

The City Council took the following actions:

A. Held the public hearing;
B. Adopted a resolution accepting the Economic Development Subsidy Report prepared pursuant to Government Code Section 53083.1 regarding an Operating Covenant Agreement by and between the City of Ontario and Sid Tool, Inc. a subsidiary of MSC Industrial Direct Co., Inc. hereafter referred to as "Sid Tool"
C. Adopted a resolution approving the Operating Covenant Agreement and authorizing the City Manager to execute the Agreement, and making related findings; and
D. Directed City sta to file a Notice of Exemption based upon the City Council's finding that the impacts for this agreement is not a project and subject to environmental review and that there is no possibility that the activity in question may have a significant e ect on the environment.

RESOLUTION NO. 2022-027 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ACCEPTING THE ECONOMIC DEVELOPMENT SUBSIDY REPORT PREPARED PURSUANT TO GOVERNMENT CODE SECTION 53083 REGARDING THE DEVELOPMENT AND RETENTION OF A SALES OFFICE LOCATION FOR SID TOOL, INC. A SUBSIDIARY OF MSC INDUSTRIAL DIRECT CO., INC. IN THE CITY OF ONTARIO AND APPROVING AN OPERATING COVENANT AGREEMENT BETWEEN THE PARTIES.

Notice of public hearing has been duly given and affidavits of compliance are on file in the Records Management Department.

There were no written communications. Mayor Leon opened the public hearing asking those persons interested in this item to speak. Hearing no one wishing to speak, Mayor Leon opened the item for Council discussion and closed the public hearing.

MOTION: Moved by Council Member Bowman, seconded by Council Member Dorst-Porada and carried by unanimous vote of 4-0, with Mayor pro Tem Wapner absent to adopt Resolution No. 2022-027.

Mayor Leon recessed the meeting at 7:02 p.m. and reconvened at 7:03 p.m.

11. PUBLIC HEARING #1 TO RECEIVE PUBLIC COMMENTS ON TRANSITIONING TO DISTRICT-BASED ELECTIONS UNDER THE CALIFORNIA VOTING RIGHTS ACT

The City Council opened the Public Hearing and received input regarding the formation of districts and closed the public hearing.

Notice of public hearing were duly given and affidavits of compliance are on file in the Records Management Department. There was one written communication.

Sky Allen, concerns over the districting process.

Mayor Leon opened the public hearing asking those persons interested in this item to speak.

Loree Masonis, expressed her opposition to districts.

Xochitl Escamilla, spoke on her expectation of the community workshops.

Council Member Valencia spoke on the importance of providing information in a timely manner.

Mayor Leon spoke on the challenges of transitioning to districts.

Council Member Dorst-Porada noted districts are great for politicians, but not for residents.

Chris Robles, stated he sued the City of Ontario in pursuit of fair representation.

Celina Lopez, spoke on her expectations of the districting process.

Elizabeth Sena, spoke on the Fontana districting process.

Joaquin Castillejos, spoke on the districting process.

Ana Gonzalez, with the Center for Community Action and Environmental Justice announced her intent to host community workshops.

Hearing no one else wishing to speak, Mayor Leon closed the public hearing.

STAFF MATTERS

City Manager Ochoa made no comments.

COUNCIL MATTERS

Council Member Valencia stated there are politics on both sides of the districting process.

Council Member Bowman had no comments.

Council Member Dorst-Porada announced the City's bulky item pick-up, "Spring Cleaning" and an upcoming aviation program in partnership with Mt. San Antonio College, Chaffey College, and the Ontario International Airport.

Mayor Leon expressed his thoughts over the districting process and spoke on the success of the Ontario State of the City event.

ADJOURNMENT

Mayor Leon adjourned the meetings of the Joint Agencies at 7:58 p.m. and announced the next regular meeting to be held on Tuesday, April 19, 2022.

Respectfully submitted,

_____
SHEILA MAUTZ, CITY CLERK/SECRETARY

APPROVED:

_____
PAUL S. LEON, MAYOR/CHAIRMAN

CITY OF ONTARIO *Agenda Report* **May 3, 2022**	**SECTION:** **CONSENT CALENDAR**
Department: Fire Department Prepared By: Janny Phan Staff Member Presenting: Ray Gayk, Fire Chief Reviewed By: Jordan T Villwock Approved By:	Submitted To: Council/OHA Approved: _____ Continued To: _____ Denied: _____ Item No: 3

SUBJECT: AMENDMENT TO THE PURCHASE AND INSTALLATION OF REPLACEMENT FIRE STATION ALERTING SYSTEM

RECOMMENDATION: That the City Council take the following actions:

A. Authorize the City Manager to execute an additional sole source purchase with US Digital Designs of Tempe, Arizona, in the amount of $72,900 for a fire station alerting system for a total not to exceed amount to $647,884;
B. Authorize a $20,000 contingency to address any unforeseen needs that may arise with US Digital Designs;
C. That the City Council approve Amendment No. 1 to increase the contracted dollar amount with Bergelectric Corp. of Encino, California, by $54,999, which would increase the total not to exceed amount to $280,299;
D. Authorize a 15% contingency of $41,588 to address any unforeseen issues that may arise with Bergelectric Corp.; and
E. Authorize the City Manager or his designee to execute all documents required for the completion of the project, including, but not limited to contracts, agreements, assessments, easements, reduction of retention accounts, and filing notice of completion at the conclusion of all construction related activities.

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:
Maintain the Current High Level of Public Safety

FISCAL IMPACT: The Fiscal Year 2021-22 Adopted Budget includes appropriations in the General Fund for the purchase of a replacement fire station alerting system in the amount of $24,822. Additional appropriation is included in the Fire Mutual Aid Fund in the amount of $132,100. The total not to exceed amount for the project is $1,117,670. Additional funding will be included in Fiscal Year 2022-23 proposed operating budget.

BACKGROUND & ANALYSIS: Since the 1990's, the Ontario Fire Department utilized Sigler Systems for fire station alerting. While that system served the Fire Department well, it got to the end of its

life. Over the last 20 years, technological advancements have also progressed to meet the demands of the modern fire service. An Agency Strategic Objective in FY 2019/2020, detailed the Ontario Fire Department's completion of a Staff Study Report which researched and recommended an up to date fire station alerting system. The research was completed by a team of Ontario Fire Department employees visiting multiple fire agencies of comparative size and complexity to appropriately compare system capabilities.

As a result, the Ontario Fire Department entered into an Agreement with US Digital Designs, Inc. (USDD) for fire station alerting systems for Fire Stations No. 2 through 8. Fire Station No. 1 was not included in the initial Agreement scope, as the relocation of the building was still being discussed. Additionally, The Ontario International Airport Authority (OIAA) Fire Station will be submitted at a later date during OIAA's budget process.

The USDD station alerting system was selected because it includes a streamlined notification system and multimedia monitors throughout the station, which immediately display maps, addresses, and other important call information. The system also includes contingency alerting methods, such as VHF radio activation in the event network communications fail. This feature will bring the Fire Department into compliance with the current industry standard, NFPA 1710. Additionally, the USDD alerting system utilizes ramped tones and zoned alerting that only notifies required stations and/or individual units. The ramped alerting tones contribute to firefighter wellness by reducing cardiac stress, anxiety, optical shock, and sleep deprivation. Research indicates that adding these capabilities to station alerting will not only improve the efficiency of 911 response times, but also improve the health and wellness of our firefighters.

The original Agreement with USDD included equipment purchase in the amount of $575,000 for Fire Stations No. 2 through 8. However, after working with USDD, Staff confirmed that a system installed at Fire Station No. 1 would have the capability to be relocated after installation. This is ideal should the building be relocated. Therefore, Staff recommends an Amendment in the amount of $72,900 to include an alerting system for Fire Station No. 1, as well as additional equipment now needed for Fire Stations No. 2 through 8. The total not-to-exceed amount will be $647,884.

As for system implementation, the Ontario Fire Department has a negotiated sole source contract with Bergelectric Corporation, a certified G2 installer. The original contract amount with Bergelectric Corporation for installation of equipment at Fire Stations No. 2 through 8 was $225,275. Staff recommends a contract amendment in the amount of $55,022 for install at Fire Station No. 1 and additional work at Fire Station No. 6. The total not-to-exceed for the contract will be $280,322.

CITY OF ONTARIO *Agenda Report* **May 3, 2022**	**SECTION:** **CONSENT CALENDAR**
Department: Investments & Revenue Resources Prepared By: William B Quan Staff Member Presenting: Armen Harkalyan, Executive Director of Finance Approved By:	Submitted To: Council/OHA Approved: _____ Continued To: _____ Denied: _____ Item No: 4

SUBJECT: A RESOLUTION APPROVING THE UPDATED DELEGATION OF AUTHORITY TO REQUEST DISBURSEMENTS OF CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST (CERBT) FUND ADMINISTERED BY CALPERS

RECOMMENDATION: That the City Council consider and approve a Resolution updating the City's delegation of authority to request disbursements from California Employers' Retiree Benefit Trust (CERBT).

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:
Operate in a Businesslike Manner

FISCAL IMPACT: There is no direct fiscal impact associated with this Resolution to update the City's delegation of authority to request disbursements from California Employers' Retiree Benefit Trust (CERBT).

BACKGROUND & ANALYSIS: The City Council adopted Resolution 2019-096 on July 16, 2019, approving an agreement and election to prefund other post-employment benefits through CalPERS, approving the delegation of authority to request disbursements, and authorizing the City Manager (or his designee) to take any additional actions necessary to participate in the California Employers' Retiree Benefit Trust (CERBT) Fund. An update to Section 2 of the Resolution is recommended at this time. Section 2 of the Resolution lists the City positions who are delegated the authority to request, on behalf of the City, eligible disbursements from the California Employers' Retiree Benefit Trust Fund and to certify as to the purpose for which the disbursed funds will be used.

The current list of positions consists of the Assistant City Manager, Executive Director of Finance, Fiscal Services Director, and the Departmental Administrator of the Financial Services Agency. The recommendation is to add the following positions to the list: Assistant Finance Director, Chief Investment Officer, and Investment Officer and delete the position of Fiscal Services Director. A Resolution to update the positions is attached as Exhibit A.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING THE DELEGATION OF AUTHORITY TO ADDITIONAL POSITIONS TO REQUEST, ON BEHALF OF THE CITY, DISBURSEMENTS FROM THE CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST FUND.

WHEREAS, the City provides medical benefits to retirees known as Other Post-Employment Benefits (OPEB); and

WHEREAS, the City prefunds OPEB expenses through an irrevocable OPEB trust that allows the City to invest OPEB assets in higher-yield investments; and

WHEREAS, on July 16, 2019, the City entered into an agreement with the California Public Employees' Retirement System (CALPERS) in order to prefund OPEB liabilities through the California Employers' Retiree Benefit Trust (CERBT) program; and

WHEREAS, on July 16, 2019, the Assistant City Manager, Executive Director of Finance, Fiscal Services Director and the Departmental Administrator of the Financial Services Agency were delegated the authority to request, on behalf of the City, eligible disbursements from the CERBT Fund; and

WHEREAS, the City Council now desires to delegate authority to request eligible disbursements to additional positions.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, AS FOLLOWS:

SECTION 1. Incorporation of Recitals. The foregoing recitals are true and correct and are incorporated herein and made an operative part of this Resolution.

SECTION 2. Delegation of Authority. The Assistant City Manager, Executive Director of Finance, Assistant Finance Director, Chief Investment Officer, Departmental Administrator of the Financial Services Agency, and the Investment Officer are delegated the authority to request, on behalf of the City, eligible disbursements from the California Employers' Retiree Benefit Trust Fund and to certify as to the purpose for which the disbursed funds will be used. A copy of the CERBT resolution is attached to this Resolution as Exhibit "A".

SECTION 3. Severability. If any provision of this Resolution is held invalid, the remainder of this Resolution shall not be affected by such invalidity, and the provisions of this Resolution are severable.

SECTION 4. Effective Date. This Resolution shall become effective immediately upon its adoption.

The City Clerk of the City of Ontario shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 3rd day of May 2022.

_____
PAUL S. LEON, MAYOR

ATTEST:

_____
SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

_____
BEST BEST AND KRIEGER LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2022-__ was duly passed and adopted by the City Council of the City of Ontario at their regular meeting held May 3, 2022 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2022-__ duly passed and adopted by the Ontario City Council at their regular meeting held May 3, 2022.

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

EXHIBIT A

CERBT RESOLUTION

California Public Employees' Retirement System
California Employers' Retiree Benefit Trust (CERBT) 400
Q Street, Sacramento, CA 95811
www.calpers.ca.gov

Delegation of Authority to Request Disbursements
California Employers' Retiree Benefit Trust
(CERBT)

RESOLUTION
OF THE

City Council
(GOVERNING BODY)

OF THE

City of Ontario
(NAME OF EMPLOYER)

The City Council of the City of Ontario (GOVERNING BODY) delegates to the incumbents in the positions of Assistant City Manager (TITLE) and/or Executive Director of Finance (TITLE) and/or Assistant Finance Director (TITLE) and/or Chief Investment Officer (TITLE) and/or Departmental Administrator of the Financial Services Agency (TITLE) and/or Investment Officer (TITLE) authority to request on behalf of the Employer disbursements from the Other Post Employment Prefunding Plan and to certify as to the purpose for which the disbursed funds will be used.

By _____

Title Mayor

Witness _____

Date May 3, 2022

CITY OF ONTARIO *Agenda Report* **May 3, 2022**	**SECTION:** **CONSENT CALENDAR**
Department: Parks & Maintenance Prepared By: Alfredo Banuelos Staff Member Presenting: Tito Haes, Executive Director Public Works Reviewed By: Bonnie Tam Approved By:	Submitted To: Council/OHA Approved: _____ Continued To: _____ Denied: _____ Item No: 5

SUBJECT: **AMENDMENT TO THE MAINTENANCE SERVICES AGREEMENT FOR CITYWIDE LANDSCAPE FERTILIZATION, WEED CONTROL, PEST, AND DISEASE CONTROL SERVICES**

RECOMMENDATION: That the City Council authorize the City Manager to execute the optional two (2) one-year terms to the Maintenance Service Agreement (on file with Records Management) for contract No. PM1617-8 with RPW, Inc. of Fullerton, California, for citywide landscape fertilization, weed control, pest, and disease control services.

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:
Invest in the City's Infrastructure (Water, Streets, Sewers, Parks, Storm Drains and Public Facilities)
Ensure the Development of a Well Planned, Balanced, and Self-Sustaining Community in Ontario Ranch

FISCAL IMPACT: The estimated annual base cost of the proposed option Year One and Year Two to the Maintenance Service Agreement is $68,640, plus $3,432 for urgency services, for a total of $72,072 each option year for a new total not to exceed amount of $477,479. Appropriations for maintenance cost for the chemical application services in Facility Maintenance Fund are included in the Fiscal Year 2022-23 Proposed Budget.

BACKGROUND & ANALYSIS: In March 2017, the City solicited bids for citywide landscape fertilization, weed control, pest, and disease control services. Two bids were received, and both proposals met the bid criteria and standards necessary to perform this work. RPW, Inc. was selected based on their experience, expertise, pricing, equipment, and specific knowledge of the City. They submitted a proposal that met all the required specification with base cost, five-year total of $317,460 plus $15,875 for urgency services. Based on this, Staff recommended to award RPW, Inc. the Maintenance Services Agreement.

Exercising the option years will allow the City to limit the potential for higher yearly increases to the bid amounts, avoid the costs of re-bidding the contract annually, provide service continuity, and project future costs.

CITY OF ONTARIO *Agenda Report* **May 3, 2022**	**SECTION:** **CONSENT CALENDAR**
Department: Parks & Maintenance Prepared By: Alfredo Banuelos Staff Member Presenting: Tito Haes, Executive Director Public Works Reviewed By: Bonnie Tam Approved By:	Submitted To: Council/OHA Approved: _____ Continued To: _____ Denied: _____ Item No: 6

SUBJECT: MAINTENANCE SERVICES AGREEMENT FOR CONCRETE REPAIR AND MAINTENANCE SERVICES

RECOMMENDATION: That the City Council authorize the City Manager to execute a Maintenance Services Agreement (on file with the Records Management Department) for Contract No. SM2223-1 with Towo Enterprise Inc. of Fullerton, California, for concrete repair and maintenance in the not to exceed amount of $3,321,000 for a three-year term, with an option to extend for two additional one-year terms at $1,441,700 for the first optional year and $1,574,550 for the second optional year, for a total not to exceed amount of $6,337,250, consistent with future budgets approved by the City Council.

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:
Invest in the City's Infrastructure (Water, Streets, Sewers, Parks, Storm Drains and Public Facilities)

FISCAL IMPACT: The estimated cost of the proposed maintenance service is $3,321,000 over the initial three-year term. At the City's discretion, two additional one-year extensions may be exercised at $1,441,700 for the first optional year and $1,574,550 for the second optional year, for a total not to exceed amount of $6,337,250. If approved, the Fiscal Year 2022-23 Proposed Budget will include appropriations in the General Fund to complete scheduled projects, such as reconstruction of sidewalk and drive approaches and the reconstruction of curb and gutter. Actual expenditures will be based on the fixed unit pricing applied to the extent of services rendered. Having the ability to exercise the optional years allows Staff to limit the potential for higher yearly increases to the bid amounts and provide service continuity.

BACKGROUND & ANALYSIS: On February 23, 2022, the City solicited bids for Contract No. SM2223-1 for citywide concrete repair services. Four (4) bids were received that met the bid criteria and standards necessary to perform the work. The three-year base cost proposals ranged from $3,321,000 to $3,967,040.

Vendor	Location	Bids

Towo Enterprise, Inc.	Fullerton, California	$3,321,000
S&H Civilworks	Colton, California	$3,457,900
CT&T Concrete Paving, Inc.	Diamond Bar, California	$3,516,209
Gentry General Engineering, Inc.	Rancho Cucamonga, California	$3,967,040

Towo Enterprise, Inc., located in Fullerton, California, submitted the lowest bid that met all the required specifications. Based on the bid, credentials, pricing and reference checks, Staff recommends award of a Maintenance Services Agreement to Towo Enterprise, Inc.

CITY OF ONTARIO *Agenda Report* **May 3, 2022**	**SECTION:** **CONSENT CALENDAR**
Department: Information Technology Prepared By: Samantha Robles Staff Member Presenting: Colin Fernandes, Executive Director Information Technology Approved By:	Submitted To: Council/OHA Approved: _____ Continued To: _____ Denied: _____ Item No: 7

SUBJECT: **THE RENEWAL OF AN EXISTING AGREEMENT FOR LAND MANAGEMENT SYSTEM FOR COMMUNITY DEVELOPMENT AGENCY, FIRE PREVENTION, AND THE ONTARIO MUNICIPAL UTILITIES COMPANY**

RECOMMENDATION: That the City Council authorize the City Manager to negotiate and execute a one (1) year agreement, with an optional renewal period for two (2) years (on file in the Records Management Department) with Accela, Inc. of San Ramon, California, to renew and extend the use of the Accela citizen access, land management, mobile office and GIS systems used by Community Development, Fire Prevention, and the Ontario Municipal Utilities Company in the amount of $558,480, including an amount of $180,685 for the first year and $186,106 and $191,689 for the optional second and third years, subject to City Council approved budgets.

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:
Operate in a Businesslike Manner

FISCAL IMPACT: The term of the subscription agreement will be for one (1) year, with an optional renewal period for two (2) years. Annual software licensing will be $180,685 for year one, $186,106 for year two, and $191,689 for year three. These amounts will be funded through the Information Technology Fund. FY 2021-22 budget includes appropriations for the current contract year. If approved, appropriations will be added to the future years' budgets consistent with the annual adoption process.

BACKGROUND & ANALYSIS: The Community Development Agency and Fire Prevention Department have been using the Accela Automation Land Management Systems since 2010 to manage permits issued by the City. In 2016, the Ontario Municipal Utilities Company Environmental Department also started to use it to manage Wastewater Permits. This software calculates and collects permit fees, manages the permit approval process, and tracks credits issued and used as part of the Developers Impact Fee program. Citizens and Developers can track the status of permits using the Accela Citizen Access website.

CITY OF ONTARIO *Agenda Report* **May 3, 2022**	**SECTION:** **CONSENT CALENDAR**
Department: Parks & Maintenance Prepared By: Alfredo Banuelos Staff Member Presenting: Tito Haes, Executive Director Public Works Reviewed By: Bonnie Tam Approved By:	Submitted To: Council/OHA Approved: _____ Continued To: _____ Denied: _____ Item No: 8

SUBJECT: MAINTENANCE SERVICES AGREEMENT FOR GRAFFITI REMOVAL SERVICES AT VARIOUS CITY LOCATIONS

RECOMMENDATION: That the City Council authorize the City Manager, or his designee, to execute a five-year Maintenance Services Agreement (on file with the Records Management Department) for Contract No. 1617-5 with Graffiti Protective Coatings of Los Angeles, California, for graffiti removal services at various city locations for an annual cost of $691,200, with a 5% contingency of $34,560, for a total annual amount of $725,760, or not to exceed of $3,628,800 over a five-year term.

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:
Invest in the City's Infrastructure (Water, Streets, Sewers, Parks, Storm Drains and Public Facilities)

FISCAL IMPACT: The estimated annual cost of the proposed Maintenance Services Agreement is $691,200 plus a $34,560 contingency for a total annual amount of $725,760, and a total of $3,628,800 over the five-year term. If approved, the Fiscal Year 2022-23 Proposed Budget will include the appropriations in the General Fund for this Maintenance Services Agreement for Graffiti Removal Services.

BACKGROUND & ANALYSIS: The proposed Maintenance Agreement provides routine services, regular route checks in high impact areas throughout the city, a seven (7) days per week and twenty-four (24) hours per day on-call service, with a maximum twenty-four (24) hours response time for routine graffiti abatement request.

In January 2022, the City solicited bids for citywide graffiti removal services. On February 18, 2022, one (1) bid was received for Bid No. 1617-5. Graffiti Protective Coatings, located in Los Angeles, California, submitted a proposal that met all the required specifications with a five-year cost total of $3,456,000. Having a five-year term will allow the City to limit the potential for higher yearly increases to the bid amounts and provide service continuity. Based on the credentials, pricing, and favorable reference check, Staff recommends award of a Maintenance Services Agreement to Graffiti Protective Coatings.

CITY OF ONTARIO *Agenda Report* **May 3, 2022**	**SECTION:** **CONSENT CALENDAR**
Department: Police Department Prepared By: Zina Hullings Staff Member Presenting: Mike Lorenz, Chief of Police Approved By:	Submitted To: Council/OHA Approved: _____ Continued To: _____ Denied: _____ Item No: 9

SUBJECT: PRE-AUTHORIZED LIST OF VENDORS TO PROVIDE MAINTENANCE SERVICE AND PARTS FOR THE POLICE HELICOPTERS

RECOMMENDATION: That the City Council approve the attached list of pre-authorized vendors to provide maintenance service, equipment, parts and tools for the Police Helicopters.

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:
Maintain the Current High Level of Public Safety
Operate in a Businesslike Manner

FISCAL IMPACT:
The designation of pre-authorized vendors to provide services and parts for the police helicopters does not commit the City to any specific level of future expenditures with these vendors. Expenditures for each vendor, and in total for each fiscal year, will not exceed the Police Department's appropriations limits established by the City Council.

BACKGROUND & ANALYSIS: The Police Department Air Support Unit maintains three Airbus Helicopters for air patrol. To ensure that the helicopters are safe to operate and readily available (to support police, fire and departmental services), maintenance and repairs are necessary on a regular basis; and undue time delays affect the City's ability to provide services to the community. Due to specialized parts used on the helicopters, there is a limited number of authorized vendors that can provide them. In many cases, there is only a single authorized vendor that is qualified or authorized to provide the part or service.

For these reasons, it is not cost-effective for the City to follow its standard purchasing procedures to solicit bids or requests for proposal. Establishing a pre-authorized list of vendors will facilitate the following:

- Ensure that the helicopters are serviced and repaired when needed;
- Service is performed by qualified vendors familiar with Airbus Helicopters; and
- Better maintenance because vendors will be familiar with the service and repair history of the helicopters.

The attached list of pre-authorized vendors was developed based on authorized vendors and recommendations from Airbus Helicopters Inc., as well as the City's past experience with previously Council approved vendors.

Ontario Municipal Code Section 2-6.23(b) and 2-6.23(c) authorizes the Purchasing Officer to make purchases without following the standard purchasing procedures whenever (1) the goods can be obtained from only one source, and/or (2) a breakdown in machinery, equipment or an essential service which requires an immediate purchase of supplies and equipment to protect public health, safety and welfare generates circumstances that a competitive process would be unavailing or would not produce an advantage, and the advertisement for competitive bid would thus be undesirable, impractical, or impossible.

APPROVED LIST OF AUTHORIZED VENDORS
FOR SERVICE AND MAINTENANCE OF POLICE HELICOPTER
***Effective July 1, 2022: Not to Exceed for the 5-Year Period**

Sole Source Vendors	Service/Maintenance Performed	Not to Exceed*
Airbus Helicopters Inc. 2701 Forum Drive Grand Prairie, TX 75052 (*Formerly American Eurocopter Corp*.)	Aircraft manufacturer and Airbus Helicopter parts distribution, repair, paint & service	**$500,000**
Aviation Specialties Unlimited (ASU) 4632 West Aeronca St. Boise, ID 83705	Night Vision Goggles (NVG's), parts, accessories and recertification options	**$50,000**
Bassco Services, Inc. 9219 Viscount Row Dallas, TX 75247	Jet-A Fuel Truck maintenance, parts & services	**$25,000**
Flightdocs, II, LLC 27598 Riverview Center Blvd. Bonita Springs, FL 34134	Annual helicopter software subscription and maintenance tracking inventory system	**$100,000**
Freedom Aero 3200 Howard St. McClellan, CA 95652	Starter/Generator and electric motor sales, repair and overhaul	**$100,000**
Hangar One Avionics, Inc. 2026 Palomar Airport Road Carlsbad, CA 92011	Avionic and mission equipment installation & completion, paint, & ongoing maintenance	**$150,000**
Heli-Mart, Inc. 3184 Airway Ave. # E Costa Mesa, CA 92626	Airbus Helicopter parts, supplies and service	**$150,000**
Helistream Inc. 3000 Airway Ave. Suite #350 Costa Mesa, CA 92626	Specialized helicopter pilot & flight training, and recertification of night vision goggles	**$300,000**
Helitender Inc. 10300 Airpark Way, Hangar 3 Pacoima, CA 91331	Airbus Helicopter service, maintenance & repairs	**$150,000**
Safran Helicopter Engines USA Inc. 2709 Forum Drive Grand Prairie, TX 75052 (*Formerly Turbomeca Corp.*)	Turbomeca engine manufacture parts, overhauls & repairs	**$700,000**

APPROVED LIST OF AUTHORIZED VENDORS
FOR SERVICE AND MAINTENANCE OF POLICE HELICOPTER
***Effective July 1, 2022: Not to Exceed for the 5-Year Period**

Sole Source Vendors	**Service/Maintenance Performed**	**Not to Exceed***
Spectrolab Inc. 12500 Gladstone Sylmar, CA 91345	Nightsun (spotlight) manufacturer repair & parts services	**$30,000**
Shotover 5660 Airport Blvd, Suite 101 Boulder, CO 80301 (*Formerly Churchill Navigation*)	Mapping system manufacturer, repair services and support	**$150,000**
Standard Aero Helicopter Services Inc. 4551 Agar Drive Richmond, B.C. Canada V7B 1A4 (*Formerly Vector Aerospace*)	Engine overhauls, main & tail rotor gear boxes & overhaul helicopter components	**$200,000**
Troll Systems 24950 Anza Dr Valencia, CA 91355	Downlink manufacturer, repair services and support	**$150,000**
Wescam Inc. 649 North Service Road West Burlington, Ontario, L7P 5B9 Canada (*Formerly L3 Wescam*)	Wescam (infrared camera) manufacturer repair & parts services	**$125,000**

Non-Sole Source Vendors	**Supplies, Parts, Tools & Hardware**	**Not to Exceed***
Aircraft Spruce & Specialty Co. 225 Airport Circle Corona, CA 92878-4000	Miscellaneous aircraft supplies & hardware	**$60,000**
McMaster Carr 9360 Norwalk Blvd. Santa Fe Springs, CA 90670	Miscellaneous aircraft supplies & hardware	**$10,000**

CITY OF ONTARIO *Agenda Report* **May 3, 2022**	**SECTION:** **CONSENT CALENDAR**
Department: Fire Department Prepared By: Brian McFarlane Staff Member Presenting: Ray Gayk, Fire Chief Reviewed By: Belinda Ramirez Approved By:	Submitted To: Council/OHA Approved: _____ Continued To: _____ Denied: _____ Item No: 10

SUBJECT: AUTHORIZE THE PURCHASE OF FIRE APPARATUSES

RECOMMENDATION: That the City Council authorize the purchase and delivery of one (1) KME Fire Pumper in the amount of $971,000 and one (1) KME Fire Aerial Tractor in the amount of $1,917,000 from Kovatch Mobile Equipment (KME) of Fontana, California.

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:
Maintain the Current High Level of Public Safety
Operate in a Businesslike Manner

FISCAL IMPACT: If approved, the funding is available in the NMC - Fire Impact Fund. A total not to exceed amount of $2,888,000 will be allocated for the purchase of a KME Fire Pumper and KME Fire Aerial Tractor. The appropriations for purchase of the vehicles will be included in the FY 2021-22 Year-End Budget Update.

BACKGROUND & ANALYSIS: On June 1, 2021, City Council approved Kovatch Mobile Equipment (KME) as a sole source vendor for fire apparatus. Due to the development in Ontario Ranch, the Fire Department requires two additional apparatuses to provide fire protection and emergency medical services to the growing community. These two apparatuses will be housed in the future Fire Station 11 located in Ontario Ranch, which is anticipated to be opened in mid/late 2023.

CITY OF ONTARIO *Agenda Report* **May 3, 2022**	**SECTION:** **CONSENT CALENDAR**
Department: Human Resources Prepared By: Michelle Cervantes Staff Member Presenting: Angela C. Lopez, Executive Director Human Resources Approved By:	Submitted To: Council/OHA Approved: _____ Continued To: _____ Denied: _____ Item No: 11

SUBJECT: AMENDMENT NO. 3 TO THE LETTER OF AGREEMENT FOR WORKPLACE INVESTIGATIONS, CONSULTING AND LEGAL SERVICES

RECOMMENDATION: That the City Council authorize the City Manager, or his designee, to execute Amendment No. 3 (on file in the Records Management Department) adding $100,000 to the existing Letter of Agreement with Atkinson, Andelson, Loya, Ruud & Romo (AALRR) for Workplace Investigations, Consulting and Legal Services for a revised contract authority of $200,000, and to extend the contract term to June 30, 2024. This would extend the contract by 2 additional years, making the life of the contract a total of seven (7) years.

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:
Operate in a Businesslike Manner
Maintain the Current High Level of Public Safety

FISCAL IMPACT: The proposed Amendment authorizes services to be provided on an ongoing basis, as needed, with expenditures limited to a not-to-exceed contract amount of $200,000 for the term of the contract. Additional budget allocations are not needed for the increase of the contract amount, it is already included in the General Fund for Fiscal Year 2021-22. These amounts may increase due to the unforeseen circumstances and if such conditions should occur, Staff will present to City Council for approval.

BACKGROUND & ANALYSIS:

In 2017, the City entered into an Agreement with AALRR for consultation, training and investigative services relating to labor relations and other general employment law matters. To date, the firm has primarily provided training and investigation services for the City. The firm also provides a variety of employer and employee relations legal services including; labor relations, grievances, appeal hearings and litigation defense. John H. Bakhit recently joined the firm serving as a co-leader of the firms Public Safety Team and has extensive knowledge in public safety labor relations, negotiations and employment matters. His depth of knowledge and experience is specialized for the City and the proposed Amendment to the AALRR Agreement will enable the City to have an expanded scope of services.

CITY OF ONTARIO *Agenda Report* **May 3, 2022**	**SECTION:** **PUBLIC HEARINGS**
Department: Community Life & Culture Prepared By: Lacey A Rightmer Staff Member Presenting: Helen McAlary, Executive Director Community Life and Culture Approved By:	Submitted To: Council/OHA Approved: _____ Continued To: _____ Denied: _____ Item No: 12

SUBJECT: **A PUBLIC HEARING FOR THE INTRODUCTION OF AN ORDINANCE ADDING CHAPTER 33 TO TITLE 5 OF VOLUME I TO THE ONTARIO MUNICIPAL CODE, ESTABLISHING A PUBLIC ART PROGRAM, ESTABLISHING A PUBLIC ART ADVISORY COMMITTEE, AND INCLUDING A DEVELOPMENT FEE TO SUPPORT PUBLIC ART, AND FINDING THE ACTION EXEMPT FROM CEQA**

RECOMMENDATION: That the City Council consider and take action to add Chapter 33 to Title 5 of Volume I to the Ontario Municipal Code relating to: establishing a Public Art Program, establishing a Public Art Advisory committee, and a development fee to support public art.

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:
Invest in the Growth and Evolution of the City's Economy
Focus Resources in Ontario's Commercial and Residential Neighborhoods
Operate in a Businesslike Manner
Encourage, Provide or Support Enhanced Recreational, Educational, Cultural and Healthy City Programs, Policies and Activities

FISCAL IMPACT: Development fees are based on building activity and vary each year. Based on historical data, fees collected for public art from new development and tenant improvements from prior years would have generated: $240,000 in fiscal year 2019-20, $290,000 in fiscal year 2020-21, and $130,000 for development in fiscal year 2021-22.

BACKGROUND & ANALYSIS: On December 6, 2016, the City Council introduced a Reference I, Public Art Program, to the City of Ontario Development Code to promote public art. As the City continues to mature, the finer arts have taken on a greater significance in the community with the introduction of art into several City projects; most notably in Ontario Town Square, at the Anthony Munoz Community Center, and the increased visitation to our local museums (Ontario Museum of Art & History and the Chaffey Community Museum of Art), as well as other art-related events such as the Ontario Festival of the Arts, and the Culture Fest. As a result, the Public Art Program was created to properly outline guidance on the installation of public displays. Since its inception in 2016, Staff has continued to refine the criteria of the Program to address provisions for placement and/or donations of artwork to the City for display on public property in the Ontario Development

Code.

The Community Life & Culture Agency and the Planning Department recommend that the Public Art Program is best suited to be placed in the Municipal Code instead of the Development Code. The Public Art Advisory Committee, not the Planning Commission will be the primary body that considers City-commissioned public art projects. The Historic Preservation Commission would still have a role to evaluate public art projects that are proposed in historic districts or upon historic resources.

This Ordinance builds upon the Public Art Program existing in the Development Code but, places the Public Art Program in the Municipal Code. New additions include the following:

A. Expand the definition of Artwork to include additional projects, including earthworks, performing arts, literary arts, special events, festivals, other arts and culture programming, and other visual arts. Art is defined as both temporary and permanent installations and does not include objects that are mass-produced.
B. Expand the Public Art Program Advisory Committee from three members to five. Members shall be comprised as follows:
    1. Three (3) of the five (5) members shall be given priority consideration from each of the following organizations, provided that the City has received an application from at least one representative from each organization.
        a. A representative from the Chaffey Community Museum of Art;
        b. A representative from Ontario Heritage;
        c. A representative from the Ontario Museum of History & Art Associates;
    2. The remaining two (2) members, or more if the City has not received an application from each of the three (3) organizations listed above, may be selected from the following:
        a. Local non-profit historic preservation advocacy organizations;
        b. Local arts educators;
        c. Local artists;
        d. Local performers;
        e. Arts professionals;
        f. College-level arts students; and
        g. Architects, landscape architects, and other design professionals
C. Create a new Public Art in Development program to collect a minimal fee from all new commercial and industrial development valued at $5,000,000 or more, as well as tenant improvements on commercial and industrial developments valued at $500,000 or more, or allow the development or tenant improvement to install art as part of the project. The fee structure is as follows:

Eligibility	On-Site Fee Option	City Fee Option
New commercial/industrial development $5,000,000 or more.	Developer installs On-Site public art display valuated at 1% of the total final project valuation as determined by the building official or designee.	Developer provides the City $10,000 for City to deposit into the Public Art Fund to be used for the installation of a new public art display or maintain, upgrade, or expand an existing display.
Tenant Improvement on commercial/industrial development $500,000 or more.	Developer installs On-Site public art display valuated at 1% of the total final project improvement valuation as determined by the building official or designee.	Developer provides the City $5,000 for City to deposit into the Public Art Fund to be used for the installation of a new public art display or maintain, upgrade, or expand an existing display.

D. Establish some basic regulations for the installation of murals. City-commissioned murals on City property will need to be approved by the Public Art Program Advisory Committee, and the Ordinance outlines some basic standards for the Committee to consider when reviewing a mural proposal. Non-City-commissioned murals will be subject to an objective design checklist established, and amended from time to time, by Resolution, and subject to ministerial City review. The Ordinance establishes an application of $100 per non-City-commissioned mural application, which may be amended from time to time by Resolution.

ENVIRONMENTAL REVIEW: The project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ADDING CHAPTER 33 TO TITLE 5 OF VOLUME I TO THE ONTARIO MUNICIPAL CODE, ESTABLISHING A PUBLIC ART PROGRAM, ESTABLISHING A PUBLIC ART ADVISORY COMMITTEE, AND INCLUDING A DEVELOPMENT FEE TO SUPPORT PUBLIC ART, AND FINDING THE ACTION EXEMPT FROM CEQA.

WHEREAS, the City of Ontario ("City") desires to introduce art and artworks into the community; and

WHEREAS, public art enriches the lives of City residents and visitors by exposure to art in various forms; and

WHEREAS, the City encourages public dialogue and interaction through a public art program; and

WHEREAS, the City desires embracing a broad range of artworks, which are reflective of the overall diversity of the City's residents and visitors; and

WHEREAS, the City desires to establish a public art program that would allow and regulate a variety of artworks, including murals, that are either developed on City-owned public property or on private property as part of a development project; and

WHEREAS, the City desires to impose a requirement on certain commercial and/or industrial developments to install public art as part of the project or to pay a fee to the City which would support the City's efforts in installing public art throughout the City.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF ONTARIO DOES ORDAIN AS FOLLOWS:

SECTION 1. The recitals above are true and correct and are hereby incorporated herein by this reference.

SECTION 2. Chapter 33 is hereby added to Title 5 of Volume I of the Ontario Municipal Code to state, in full, as follows:

"Chapter 33: Public Art Program

5-33.01 Purpose
5-33.02 Public Artworks: Definitions
5-33.03 Public Art Program Advisory Committee
5-33.04 Policy for the Gift or Long Term Loan of Public Art
5-33.05 Public Art in Commercial and Industrial Development Projects
5-33.06 Murals

Sec. 5-33.01. Purpose

This Chapter may be known and cited as the “Ontario Public Art Program.” It is the goal of the City’s Public Art Program to promote public art and art in public places, as a cultural resource for the community, and act as a mechanism to enhance the City’s commercial vitality and economic stability. Furthermore, it is intended that the Ontario Public Art Program will serve to enrich the community aesthetic and built urban environment, by making available to the public a diverse collection of artworks throughout the City. The aforementioned goals will be realized through bringing contemporary art into the environment and life of Ontario, enriching the lives of City residents and visitors by the exposure to art in various forms, encouraging both emerging and established artists living in Ontario and the Ontario region by supporting and purchasing their work, acquiring a distinguished collection of art representing varying genres, styles, scales, mediums, forms, and intent, and reflective of trends and disciplines in art on a local, regional, national, and international level, integrating artists into the City’s design process, encouraging public dialogue and interaction through a public art program; embracing a broad range of artworks, which are reflective of the overall diversity of current works in the field of visual arts, enriching the quality of life and economic vitality of Ontario, and further defining distinct characteristics of neighborhoods.

Sec. 5-33.02. Public Artworks: Definitions.

As used in this Chapter, the words, terms, and phrases listed below in correct alphabetical order, shall have the following meanings:

(a) “Artworks” means original pieces of art, including limited editions, not limited by medium used. It may include paintings, sculptures, murals, mosaics, and fountains. These categories may be realized through such media as steel, bronze, stained glass, concrete, wood, ceramic tile, stone, and other suitable materials. Artworks may also include earthworks, performing arts, literary arts, special events, festivals, and other arts and culture programming and/or visual arts not specifically outlined herein, as may be deemed appropriate by the Public Art Program Advisory Committee. Artworks include both temporary and permanent projects. Artworks does not include objects that are mass produced.

(b) “Commercial Message” means any message that advertises a business conducted, services rendered, or goods produced or sold.

(c) “Commercial project” means any site, structure, facility, or land use allowed pursuant to Table 5.02-1 (Land Use Matrix) of the City of Ontario Development Code, within any of the commercial zoning districts established under Section 5.01.005.B (Commercial Zoning Districts) of the Development Code, or within the commercial portion of any residential mixed-use development.

(d) “Industrial project” means any site, structure, facility, or land use allowed pursuant to Table 5.02-1 (Land Use Matrix) of the City of Ontario Development Code, within any of the industrial zoning districts established under Section 5.01.005.D (Industrial Zoning Districts) of the Development Code, or within the industrial portion of any nonresidential mixed-use development.

(e) “Original Art Mural” means a unique, hand-painted, hand-tiled, or digitally printed image on the exterior wall of a building that does not contain any commercial message.

(f) “Public Place” means any area on public property, either interior or exterior, which must be accessible and visible to the general public.

(g) “Project Applicant” means the property owner, developer or other responsible party proposing a project requiring an art component.

(h) “Project Improvement Valuation” means the value of the tenant improvements as determined by the then-current City total valuation methodology.

(i) “Project Valuation” means the value of the project as determined by the then-current City total valuation methodology.

(j) “Project Site” means the location of the improvements being developed.

(k) “Public Art on City Property” means original works of art located on, affixed to, or applied on City-owned property.

(l) “Private Art for Public Enjoyment” means original works of art located on, affixed to, or applied on private property that are accessible and/or visible to the general public.

(m) “Public Art Program Advisory Committee” means the five-member advisory committee appointed by the City Council that is responsible for ensuring that the criteria established by this Public Art Program have been met.

(n) “Vintage Original Art Mural” means an original art mural that existed prior to the enactment of this Chapter.

Sec. 5-33.03. Public Art Program Advisory Committee.

(a) There is hereby created and established a Public Art Program Advisory Committee. The Public Art Program Advisory Committee shall be comprised of five members who shall be appointed by the City Council.

(b) Members of the Public Art Advisory Committee shall be comprised as follows:

(1) Three (3) of the five (5) members shall be given priority consideration from each of the following organizations, provided that the City has received an application from at least one representative from each organization.

(A) A representative from the Chaffey Community Museum of Art;

(B) A representative from Ontario Heritage;

(C) A representative from the Ontario Museum of History & Art Associates;

(2) The remaining two (2) members, or more if the City has not received an application from each of the three (3) organizations listed in Section 5-33.03(b)(1)(A)-(C), may be selected from the following:

(A) Local non-profit historic preservation advocacy organization;

(B) Local arts educators;

(C) Local artists;

(D) Local performers;

(E) Arts professionals;

(F) College-level arts students; and

(G) Architects, landscape architects, and other design professionals.

(3) Notwithstanding any contrary provision in the Ontario Municipal Code, members of the Public Art Advisory Committee may be non-residents of the City, subject to the limitation that no more than two (2) of the five (5) members may be non-residents of the City.

(4) The City Councilmember Liaison to the Ontario Museum of History & Art, shall serve as an ex officio, non-voting member.

(c) The process for appointment to the Public Art Advisory Committee shall be as follows. A call for applications will be sent out for interested appointees. Community Life & Culture staff will review the applications received and determine whether the applicants meet the basic requirement from this Section. Community Life & Culture staff will then present the qualified candidates to the City Council for their review and nomination. The Mayor shall appoint the members of the Committee, subject to ratification by a vote of the entire City Council. Each Councilmember may suggest one member from the list of qualified candidates for the Mayor to appoint to the Committee.

(d) Members of the Public Art Program Advisory Committee shall serve a term of four (4) years. A person may serve multiple terms.

(e) Powers and Duties. The Public Art Program Advisory Committee shall ensure that all criteria established by this Public Art Program have been complied with. The Advisory Committee shall review all requests for the installation of public art, examining proposals for public safety, weather resistance, balance with the program, public response, proper lighting, public accessibility, installation methods, proportion, composition, the artist's previous experience, art training, and exhibition record. Advisory Committee support shall be provided by the Museum, Arts & Culture Director.

(1) Construction and Installation of Public Artworks (Permanent). The following procedure is to be followed in the construction of on-site permanent public artworks:

(A) The composition of the proposed artwork shall be of a permanent type of material in order to be a durable against vandalism, theft, and weather, and require a low level of ongoing maintenance.

(B) The artwork shall be related in terms of scale, material, form and content to immediate and adjacent buildings and landscaping so that it complements the site and surrounding environment. A Certificate of Appropriateness pursuant to Ontario Development Code Section 4.02.050 may be required to ensure that the artwork does not cause an adverse impact to historic resources.

(C) The artwork shall be constructed by persons experienced in the production and installation of such artwork.

(D) The artwork shall be permanently affixed to the property unless it is designated a temporary exhibit in the scope of the project when commissioned.

(E) Installation of the artwork shall be planned and implemented to enhance the piece and allow for unobstructed viewing from as many angles as possible.

(F) The City shall obtain from the artist, complete maintenance instructions, including methods to maintain the piece and the frequency of maintenance.

(G) Each piece of artwork shall be identified by a plaque at the site of an appropriate size and scale to the piece. The plaque shall be made of cast metal and then placed in a location near the art piece listing the title of the piece, the artist, and the date as well as the city and the art in public places program.

(2) Construction and Installation of Public Artworks (Temporary). The following procedure is to be followed in the construction of on-site temporary public artworks:

(A) The composition of the proposed artwork shall be of a type of material in order to be a durable against vandalism, theft, and weather, and require a low level of maintenance.

(B) The artwork shall be related in terms of scale, material, form and content to immediate and adjacent buildings and landscaping so that it complements the site and surrounding environment.

(C) The artworks shall be constructed by persons experienced in the production and installation of such artwork.

(D) The method of attachment or securing the artwork shall be identified.

(E) Installation of the artwork shall be planned and implemented to enhance the piece and allow for unobstructed viewing from as many angles as possible.

(F) The City shall obtain from the artist, complete maintenance instructions, including methods to maintain the piece and the frequency of maintenance.

(G) Each piece of artwork shall be identified by a plaque at the site of an appropriate size and scale to the piece. The plaque shall be made of cast metal and then placed in a location near the art piece listing the title of the piece, the artist, and the date as well as the city and the art in public places program.

(H) Any security measures needed to secure the artwork, the estimated cost of the security, and a source of funding for the security shall be identified.

(I) Any temporary artwork must include a deinstallation plan that clearly identifies which parts of the artwork (if any) need to be returned to the artist and which may be disposed of after the term of the installation.

Sec. 5-33.04 Policy for the Gift or Long Term Loan of Public Art.

(a) Purpose. Unsolicited gifts or long term loans to the City can be an important part of the City's art collection. The purpose of this Section is to ensure that proposed gifts of public art undergo a review process to ensure that acceptance of such gifts takes place in a fair and uniform manner. Furthermore, it is the intent of this Section to ensure that potential gifts of public artworks are evaluated as carefully as artworks that are commissioned, and that such artworks undergo a careful review process that evaluates a gift based upon acceptance criteria established according to the purposes, guidelines, goals, and selection process that guides artworks that are commissioned.

(b) Applicability. This Section applies to all unsolicited offers of donation or long term loans of artworks to the City of Ontario.

(c) Procedures for Gifts or Long Term Loans. For each proposed gift or long term loan of public art, a written proposal or letter of intent shall be submitted to the City Manager. The City Manager shall refer the proposal to the Public Art Advisory Committee for review and recommendation. The City Council’s decision shall be final and conclusive. The proposal shall consist of the following items:

(1) Completed application form;

(2) Photographs, drawings, models, or designs of proposed artwork;

(3) Description and samples (if available) of materials and colors;

(4) Appraisal by a professional art appraiser (for long term loans);

(5) A site plan, to include photographs of site and neighborhood, drawings of the proposed site with the project to scale. If located within a historic district or on any other historic resource, a Certificate of Appropriateness may be required pursuant to Ontario Development Code Section 4.02.050;

(6) Proposed transportation/delivery schedule, and request of City responsibility for transport of the artwork to the City, if applicable;

(7) Proposed installation schedule;

(8) Maintenance manual, including the long-term intent of artist for the preservation and maintenance of artwork;

(9) Maintenance schedule prepared by professional art curator;

(10) Estimated budget for installation and maintenance;

(11) Resume and examples of artist's previous work;

(12) Duration of the loan (if applicable)

(13) Proof of insurance sufficient to meet the requirements of the City's Risk Manager, if necessary; and

(14) Building permits, if necessary.

(d) Criteria for the Evaluation of Proposed Gifts or Long Term Loans of Public Art. The following criteria shall be used in evaluating proposed gifts of long term loans of public art for review and acceptance by the City:

(1) Artworks may be existing or proposed works of art;

(2) Artworks must be one-of-a-kind or part of an original series. Reproductions of originals are not considered eligible for acceptance;

(3) Gifts must maintain high artistic standards and are appropriate in relationship or historical relevance to the City;

(4) The proposed location (if specified) is available and is appropriate to the artwork's content, scale, and material. Factors to be considered in selecting an appropriate site include type of artwork, relationship to architectural and natural features, visibility and public access, traffic patterns, future development plans for the area (if known), and public use patterns of the site and surrounding area. If a location is on a historic building, site, landscape or within a district issuance of a Certificate of Appropriateness may be required pursuant to Ontario Development Code Section 4.02.050;

(5) Restrictions from the donor, if any;

(6) Artwork proposals must demonstrate how the surrounding community has been involved and consulted in the process;

(7) Costs of installation and maintenance and repair over the expected life of the artwork shall be defined;

(8) Artistic quality (vision, originality and craftsmanship);

(9) Context (architectural, historical, geographical and socio-cultural context of the site);

(10) Quality and permanency of materials (if ephemeral material: is appropriate documentation included?);

(11) Safety;

(12) Diversity of artists (gender, race, culture) representation in the existing collection of publicly-accessible artworks; and

(13) Diversity of artworks (media, scale, style, intention) in the existing collection of publicly accessible artworks.

(e) Long Term Loans of Artwork. Upon recommendation by the Public Art Program Advisory Committee and acceptance by the City Council, long term loans of artwork may be displayed upon execution of a contract between the City and the artist clearly identifying the terms and conditions of the loan and the rights and responsibilities of all parties.

(f) Acceptance of Gifts of Public Art. Upon recommendation by the Public Art Program Advisory Committee and acceptance by the City Council, gifts of artworks will be deemed part of the permanent collection of the City, and registered with the City's Department of Museum Arts & Culture, once the donor has supplied the City with the following:

(1) Written certification of the installation of the artwork, if completed by artist;

(2) An executed contract between the City and the artist transferring title of the artwork and clearly defining the rights and responsibilities of all parties;

(3) Written instructions for the care, maintenance, preservation, and handling of the artwork, prepared with the assistance of a professional art conservator to be provided by the artist;

(4) A sworn statement of no liens, claims, or other encumbrances associated with the artwork;

(5) A written assignment of any and all warranties for materials used, or labor performed by subcontractors or other persons; and

(6) A written assignment conveying, at a minimum, a perpetual license for the City to reproduce the artwork in digital or print medium for City purposes. The written assignment may include, should it be the artist's desire, the conveying of all rights, including copyrights and waiver of all rights under the Visual Artist's Rights Act of 1990, and its amendments (Section 106A of the United States Copyright Act; Pub. L. No. 101-650).

(g) Title and Ownership. Permanent gifts of artwork to the City shall become the property of the City once an Agreement for Acceptance Donated Artwork has been fully executed and the Donor has delivered the Bill of Sale/Transfer of Title. At such time, all rights of title and ownership shall be conveyed to the City, and all future decisions regarding the use and continued ownership of the artwork shall be under the sole discretion of the City. As owner of the artwork, the City may exercise any and all legal rights of ownership, including, but not limited to, sale, relocation, or removal of the artwork.

(h) Maintenance. When artwork gifts are situated at or on City owned or occupied properties or facilities, the City shall assume its continued maintenance.

(i) Removal, Relocation, or Deaccession of an Artwork. Artworks gifted to the City may be relocated, removed, or deaccessioned from the City's public art collection if the artwork becomes a hazard or liability, if the approved terms of acceptance are not fulfilled, or for any other reason as determined by the City Council, upon recommendation by the Public Art Program Advisory Committee.

(j) Exemption. Gifts of state presented to the City by foreign governments or by other political jurisdictions of the United States that may be accepted by the City Council or City Manager on behalf of the City. Permanent placement of any such artworks will be determined jointly by the City Manager and the Public Art Program Advisory Committee. If not provided by the donor, maintenance of the art will be the responsibility of the host City department.

Sec. 5-33.05 Private Art for Public Enjoyment in Commercial and Industrial Development Projects.

(a) Purpose.

(1) The purpose of this Section is to establish a program for private art for public enjoyment in which private developers shall be required to integrate artworks throughout the commercial and industrial sectors of the City, for the benefit of the general public. The goals of this program are as follows:

(A) Differentiate the City of Ontario as a special place to live, work, play, visit, and invest;

(B) Strengthen cultural awareness, creativity, and innovative thinking in the community;

(C) Integrate the vision of artists with the perspective of other design professionals into the planning and design of the urban landscape;

(D) Ensure public artworks are visually accessible to every member of the community;

(E) Provide an acceptable counterbalance to what many consider to be the undesirable effects of commercial and industrial development (e.g. construction noise, traffic, congestion, and pollution); and

(F) Build a diverse collection of outdoor artworks by qualified artists and ensure the collection is continually maintained.

(2) The public art in commercial and industrial development projects program provides developers a way to make a lasting and visible contribution to the community and alleviate the undesirable effects that may be associated with commercial and industrial development.

(b) Applicability.

(1) All new commercial and industrial development projects valued at $5,000,000 or more, and new tenant improvements constructed in or on new or existing commercial and industrial buildings valued at $500,000 or more, shall be subject to the requirements of this Section. This Section does not apply to the residential portion of mixed-use projects.

(2) All residential projects and public facilities projects constructed by the City or by nonprofit organizations shall be exempt from the requirements of this Section.

(c) Minimum Public Art Allocation.

(1) The required minimum public art allocation fees shall be as follows, and may be amended from time to time by Resolution:

Eligibility	On-Site Fee Option	City Fee Option
New commercial/industrial development $5,000,000 or more.	Developer installs On-Site public art display valuated at 1% of the total final project valuation as determined by the building official or designee.	Developer provides the City $10,000 for City to deposit into the Public Art Fund to be used for the installation of a new public art display or maintain, upgrade, or expand an existing display.
Tenant Improvement on commercial/industrial development $500,000 or more.	Developer installs On-Site public art display valuated at 1% of the total final project improvement valuation as determined by the building official or designee.	Developer provides the City $5,000 for City to deposit into the Public Art Fund to be used for the installation of a new public art display or maintain, upgrade, or expand an existing display.

(2) All projects created through the On-Site Fee Option must be reviewed and approved by the City and shall be installed in compliance with all federal, state, and local applicable laws and regulations.

(3) All projects, whether installed through the On-Site Fee Option or the City Fee Option, must be maintained by the developer during the life of the buildings and structures.

(4) If the artwork installed pursuant to this Section is altered, removed, is not maintained in good condition, or is not provided as required, the City may exercise any and all available legal and/or equitable remedies.

(d) Penalties. Violations of this Section may be subject to the penalties set forth in Chapter 2 of Title 1 of Volume I of the Ontario Municipal Code and/or subject to revocation of the entitlements for the development project.

Sec. 5-33.06 Murals.

(a) Murals commissioned by the City may only be installed and maintained if they have been approved by the Public Art Program Advisory Committee. Other murals not commissioned by the City will be subject to an objective design checklist established, and amended from time to time, by Resolution, and subject to ministerial City review. Murals may only be located in commercial, industrial, city-owned public, and private property. The Advisory Committee shall have the authority to review and approve City commissioned murals in accordance with the procedures and standards outlined in this Chapter.

(b) Standards. The Public Art Program Advisory Committee shall ensure that City commissioned murals are consistent with the following standards:

(1) Murals shall be an original art mural, a work of art, that is hand-painted, hand-tiled or digitally printed image or digital display system on the exterior surfaces of a building or site designed as a work of art. The image cannot be advertising or other commercial message with brand name, product name, abbreviation thereof, company or business name or logo, trademark, brand imagery or products and services for sale. The Public Art Program Advisory Committee will determine if an image, painting pattern, or other element on the exterior of a building or site is a work of art. If the Public Art Program Advisory Committee determines that the image, painting pattern, or other element is not a work of art, then other applicable law may be applied such as sign or building design guidelines by other City departments.

(2) Murals must be durable and capable of being well-maintained.

(3) Murals shall not compromise the proper function of any building or use or diminish public safety.

(4) Murals shall not incorporate recognized signs of hatred or discrimination against any race, color, sex, age, national origin, disability, religion, ancestry, marital status, familial status, gender identity or expression, or sexual orientation.

(5) Murals shall not be obscene or harmful to minors as defined by law.

(6) A Certificate of Appropriateness shall be required if the mural is on a historic building or site pursuant to Ontario Development Code Section 4.02.050.

(c) Application fee. There shall be an application fee of $100 per non-City-commissioned mural application, which may be amended from time to time by Resolution.

(d) An Original Art Mural is not considered a sign as defined in the Ontario Development Code. However, nothing contained in this Chapter is intended to change the rules governing the determination of whether a mural may be placed on a historic building.

(e) A City commissioned mural shall remain in place, without alteration, for a minimum of six (6) months.

(f) Removal. A City commissioned mural may be removed after six (6) months from the date of registration, so long as it is not a registered historic landmark itself or associated with a registered historic landmark property, under any the following circumstances as determined by the Executive Director of the Community Life & Culture Agency:

(1) The property is sold;

(2) The structure or property is substantially remodeled or altered in a way that precludes continuance of the mural;

(3) The property undergoes a change of use authorized."

SECTION 3. The City Council hereby directs the Planning Director to proceed with a Development Code Amendment repealing the Public Art provisions from the Development Code following approval of this Ordinance.

SECTION 4. If any section, subsection, subdivision, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional, invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this ordinance or any part thereof. The City Council hereby declares that it would have adopted each section irrespective of the fact that any one or more subsections, subdivisions, sentences, clauses, or phrases be declared unconstitutional, invalid or ineffective.

SECTION 5. This Ordinance shall become effective thirty (30) days after its adoption by the City Council.

SECTION 6. CEQA. The City Council finds that adoption of this Ordinance is exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15358 (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly. Moreover, the City Council finds that this Ordinance is also exempt under CEQA pursuant to Guidelines Section 15061(b)(3) (there exists no possibility that the activity will have a significant adverse effect on the environment).

SECTION 7. The Mayor shall sign this Ordinance and the City Clerk shall certify as to the adoption and shall cause a summary thereof to be published at least once, in a newspaper of general circulation in the City of Ontario, California within fifteen (15) days of the adoption. The City Clerk shall post a certified copy of this Ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with Government Code Section 36933.

PASSED, APPROVED, AND ADOPTED this ____ day of _____ 2022.

_____
PAUL S. LEON, MAYOR

ATTEST:

_____
SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

_____
BEST BEST & KRIEGER LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Ordinance No. ____ was duly introduced at a regular meeting of the City Council of the City of Ontario held April 5, 2022 and adopted at the regular meeting held _____, 2022 by the following roll call vote, to wit:

AYES: MAYOR/COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

I hereby certify that the foregoing is the original of Ordinance No. ____ duly passed and adopted by the Ontario City Council at their regular meeting held _____, 2022 and that Summaries of the Ordinance were published on May 10, 2022 and _____, 2022, in the Inland Valley Daily Bulletin newspaper.

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

CITY OF ONTARIO *Agenda Report* **May 3, 2022**	**SECTION:** **PUBLIC HEARINGS**
Department: Investments & Revenue Resources Prepared By: Nicole Phillips Staff Member Presenting: Armen Harkalyan, Executive Director of Finance Reviewed By: Cecilia House, Armen Harkalyan Approved By:	Submitted To: Council/OHA Approved: _____ Continued To: _____ Denied: _____ Item No: 13

SUBJECT: **A PUBLIC HEARING TO CONSIDER A RESOLUTION CALLING A SPECIAL ELECTION FOR PROPOSED CHANGES TO THE RATE AND METHOD OF APPORTIONMENT OF THE EXISTING SPECIAL TAX OF THE CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH-FACILITIES); A RESOLUTION OF CHANGE, DECLARING RESULTS OF A SPECIAL ELECTION, DETERMINING THAT CHANGES TO THE RATE AND METHOD OF APPORTIONMENT OF THE EXISTING SPECIAL TAX OF COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH-FACILITIES) ARE LAWFULLY AUTHORIZED AND DIRECTING THE RECORDING OF AN AMENDMENT TO NOTICE OF SPECIAL TAX LIEN; AND AN ORDINANCE AMENDING AND RESTATING ORDINANCE NO. 3082 LEVYING SPECIAL TAXES WITHIN THE CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH-FACILITIES); A RESOLUTION DEEMING IT NECESSARY TO AMEND RESOLUTION NO. 2017-124 IN ORDER TO INCREASE THE MAXIMUM AGGREGATE AMOUNT OF BONDED INDEBTEDNESS THAT CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH-FACILITIES) IS AUTHORIZED TO INCUR; A RESOLUTION CALLING A SPECIAL ELECTION FOR CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH-FACILITIES); AND A RESOLUTION DECLARING THE RESULTS OF THE SPECIAL ELECTION.**

RECOMMENDATION: That the City Council consider and:

A. Adopt a Resolution calling a special election for proposed changes to the Rate and Method of Apportionment (the "RMA") of the existing Special Tax of City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South-Facilities), (the "CFD")
B. Adopt a Resolution declaring results of the special election, determining that changes to the Rate and Method of Apportionment of the existing Special Tax of City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South-Facilities) are lawfully authorized and directing recording of an amendment to Notice of Special Tax Lien,
C. Introduce and waive further reading of an Ordinance amending and restating Ordinance No. 3082 levying special taxes within City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South-Facilities).

D. Adopt a resolution deeming it necessary to amend Resolution No. 2017-124 in order to increase the maximum aggregate amount of bonded indebtedness that Community Facilities District No. 35 (Countryside Phase 2 South-Facilities) is authorized to incur;
E. Adopt a Resolution calling a special election for Community Facilities District No. 35 (Countryside Phase 2 South-Facilities); and
F. Adopt a Resolution declaring the results of the special election.

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:
Operate in a Businesslike Manner
Focus Resources in Ontario's Commercial and Residential Neighborhoods
Ensure the Development of a Well Planned, Balanced, and Self-Sustaining Community in Ontario Ranch

FISCAL IMPACT: The use of Mello-Roos financing for facilities in the residential development of the Countryside Phase 2 South-Facilities project is estimated to generate approximately $42 million in bond proceeds to be used to fund a portion of the public infrastructure improvements needed to serve the project. Mello-Roos bonds are not a direct obligation of the City and are paid from special taxes levied on each taxable parcel in the district; therefore, there is no General Fund impact from the issuance of Mello Roos bonds. City Council approval will be required in future years to process annual special tax levies.

BACKGROUND & ANALYSIS: The Mello-Roos Community Facilities Act of 1982 (the Act) provides local government the authority to establish a community facilities district (CFD) for the purpose of financing various kinds of public infrastructure facilities. In October, 2017, the City established CFD No. 35 (Countryside Phase 2 South-Facilities) to finance public improvements for the project. The Countryside Phase 2 South-Facilities project addresses the development of approximately 34.22 gross acres located generally east of the Cucamonga Creek Channel, west of Archibald Avenue, south of Chino Avenue, and north of Schaefer Avenue. At build out, the development is projected to include 235 single-family detached units.

The developer, Lennar Homes of California, LLC (Lennar), has provided a written petition to the City Council to commence change proceedings pursuant to the Act to change the Rate and Method of Apportionment (RMA) of the existing special tax levied within the CFD to reflect recent movements in the housing market which may affect the estimated home price of for-sale units within the CFD. In consideration of such petition, City staff requested a second price point study to be performed by Empire Economics, the City's Price Point Study and Market Absorption Consultant. The City's study was concluded in January 2022 and found that estimated home prices for market comparables had increased approximately 40.2% for the development, as compared to the initial price point study performed in July 2017.

At the City Council meeting on March 15, 2022, the City Council formally accepted the written petition from Lennar and approved Resolution No. 2022-017, a Resolution of Consideration and a Resolution of Intention on the proposal to increase in the maximum aggregate amount of bonded indebtedness that the CFD is authorized to incur from $27,000,000 to $42,000,000 by amending Resolution No. 2017-124 adopted in October 2017, setting the public hearing on the proposed

changes to the RMA for April 19, 2022. City Council opened the hearing on April 19, 2022, and continued the hearing to May 3, 2022. In accordance with the requirements of the Resolution of Consideration, the City Clerk has published a notice of the time and place of this hearing pursuant to Section 53322 of the California Government Code at least seven days before the hearing, and the City's special tax consultant has prepared the Amended and Restated Rate and Method of Apportionment; which reflects the overall estimated price point increase of 40.2%. Under the Amended and Restated RMA, certain special tax rates within CFD No. 35 would be increased.

Attached for consideration is the Amended and Restated RMA, the terms of which are consistent with the City Council's adopted Mello-Roos Local Goals and Policies (Resolution No. 2006-021) in all respects. Also attached are Resolutions and an Ordinance for consideration. The first Resolution calls for a special election on the proposition to change the RMA to be held on May 3, 2022. The second Resolution declares the results of the special election and includes a statement from the City Clerk as to the canvass of ballots, and directs the recording of an Amendment to the Notice of Special Tax Lien. The ordinance amends and restates Ordinance No. 3082 levying special taxes within the CFD and reflects the updates included in the Amended and Restated RMA. The third Resolution deems it necessary to amend Resolution No. 2017-124 in order to increase the maximum aggregate amount of bonded indebtedness that the district is authorized to incur from $27,000,000 to $42,000,000. The fourth Resolution calls for a special landowner election be held on May 3, 2022 to approve the proposed increase in the maximum aggregate amount of bonded indebtedness that the CFD is authorized to incur. The fifth Resolution declares the results of the special election, determining that the maximum aggregate amount of bonded indebtedness that the CFD is authorized to incur shall be increased from $27,000,000 to $42,000,000.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, CALLING A SPECIAL ELECTION FOR PROPOSED CHANGES TO THE RATE AND METHOD OF APPORTIONMENT OF THE EXISTING SPECIAL TAX OF CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH - FACILITIES).

WHEREAS, the City Council (the "City Council") of the City of Ontario (the "City") has previously established City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities) (the "Community Facilities District") pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act"); and

WHEREAS, on March 15, 2022, the City Council adopted a resolution entitled "A Resolution of the City Council of the City of Ontario, California, of Consideration to Change the Rate and Method of Apportionment of the Existing Special Tax of City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities)" (the "Resolution of Consideration") proposing changes to the rate and method of apportionment of the special tax (the "Special Tax") levied within the Community Facilities District so as to increase certain of the Special Tax rates thereunder and setting the date for a public hearing to be held on such proposed changes; and

WHEREAS, pursuant to the Resolution of Consideration, notice of said public hearing was published in the *Inland Valley Daily Bulletin*, a newspaper of general circulation published in the area of the Community Facilities District, in accordance with the Act; and

WHEREAS, on this date, the City Council opened, conducted and closed said public hearing; and

WHEREAS, at the hearing, the testimony of all persons for or against the proposed changes to the rate and method of apportionment of the Special Tax was heard; and

WHEREAS, written protests against the proposed changes to the rate and method of apportionment of the Special Tax tax were not made or filed at or before said hearing by 50% or more of the registered voters, or six registered voters, whichever is more, residing within the Community Facilities District, or the owners of one-half or more of the area of land in the territory included in the Community Facilities District and not exempt from the Special Tax; and

WHEREAS, pursuant to the provisions of the Resolution of Consideration, the proposition to change the rate and method of apportionment of the Special Tax is to be submitted to the qualified electors of the Community Facilities District as required by the Act; and

WHEREAS, the City Council desires to designate the City Clerk of the City (the "City Clerk") as the election official for the special election provided for herein; and

WHEREAS, there has been filed with the City Clerk of the City a letter from the Registrar of Voters of the County of San Bernardino indicating that no persons were registered to vote within the territory included in the Community Facilities District as of March 17, 2022, and, accordingly, that 12 or more persons have not been registered to vote within the territory included in the Community Facilities District for each of the 90 days preceding the close of said public hearing; and

WHEREAS, there has been filed with the City Clerk consents and waivers of all of the landowners of record in the Community Facilities District waiving any time limit specified by Section 53326 of the Act and any requirement pertaining to the conduct of said special election, consenting to the holding of said special election on May 3, 2022 and waiving any impartial analysis, arguments or rebuttals, as set forth in Sections 53326 and 53327 of the Act; and

WHEREAS, the City Clerk has concurred in said waivers and has concurred in holding said special election on May 3, 2022.

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

SECTION 1. The foregoing recitals are true and correct, and the City Council so finds and determines.

SECTION 2. The proposed changes to the rate and method of apportionment of the Special Tax are modifications that increase certain of the Special Tax rates thereunder. The proposed changes are reflected in the City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities) Amended and Restated Rate and Method of Apportionment of Special Tax (the "Restated Rate and Method") attached hereto as Exhibit A, which is by this reference incorporated herein.

SECTION 3. The proposed changes to the rate and method of apportionment of the Special Tax have not been precluded by majority protest pursuant to Section 53338 of the Act.

SECTION 4. Pursuant to Section 53338 of the Act, the proposition to change the rate and method of apportionment of the Special Tax so as to increase certain of the Special Tax rates thereunder, as reflected in the Restated Rate and Method, shall be submitted to the qualified electors of the Community Facilities District at an election called therefor as provided herein.

SECTION 5. The City Clerk is hereby designated as the official to conduct said election.

SECTION 6. The City Council hereby finds and determines that no persons were registered to vote within the territory included in the Community Facilities District as of March 17, 2022, and that 12 or more persons have not been registered to vote within the territory included in the Community Facilities District for each of the 90 days preceding the close of the public hearing heretofore held by the City Council on the proposed changes to the rate and method of apportionment of the Special Tax. Accordingly,

pursuant to Section 53326 of the Act, the vote shall be by the landowners of the Community Facilities District and each person who is the owner of land as of the close of said public hearing, or the authorized representative thereof, shall have one vote for each acre or portion of an acre that he or she owns within the Community Facilities District not exempt from the Special Tax.

SECTION 7. The City Council hereby finds and determines that the qualified electors of the Community Facilities District have unanimously consented (a) to the waiver of any time limit specified by Section 53326 of the Act and any requirement pertaining to the conduct of said election, (b) to the holding of said election on May 3, 2022, and (c) to the waiver of any impartial analysis, arguments or rebuttals, as set forth in Sections 53326 and 53327 of the Act. The City Council herby finds and determines that the City Clerk has concurred in said waivers and has concurred in holding said election on May 3, 2022.

SECTION 8. The City Council hereby calls a special election to submit to the qualified electors of the Community Facilities District the proposition to change the rate and method of apportionment of the Special Tax so as to increase certain of the Special Tax rates thereunder, as reflected in the Restated Rate and Method, which election shall be held at 303 East B Street, Ontario, California, on May 3, 2022. The City Council has caused to be provided to the City Clerk, as the official to conduct said election, the Resolution of Consideration, a certified map of sufficient scale and clarity to show the boundaries of the Community Facilities District, and a sufficient description to allow the City Clerk to determine the boundaries of the Community Facilities District.

The voted ballots shall be returned to the City Clerk not later than 7:30 p.m. on May 3, 2022; provided, however, that if all of the qualified electors have voted prior to such time, the election may be closed with the concurrence of the City Clerk.

SECTION 9. Pursuant to Section 53326 of the Act, the election shall be conducted by mail or hand-delivered ballots pursuant to Section 4000 *et. seq.* of the California Elections Code. Except as otherwise provided in the Act, the provisions of law regulating elections of the City, insofar as they may be applicable, will govern the election.

SECTION 10. The form of the ballot for said election is attached hereto as Exhibit B and by this reference incorporated herein, and such form of ballot is hereby approved. The City Clerk shall cause to be delivered to each of the qualified electors of the Community Facilities District a ballot in said form. Each ballot shall indicate the number of votes to be voted by the respective landowner to which it pertains.

Each ballot shall be accompanied by all supplies and written instructions necessary for the use and return of the ballot. The identification envelope for return of the ballot shall be enclosed with the ballot, shall have the return postage prepaid, and shall contain (a) the name and address of the landowner, (b) a declaration, under penalty of perjury, stating that the voter is the owner of record or the authorized representative of the landowner entitled to vote and is the person whose name appears on the identification envelope, (c) the printed name, signature and address of the voter, (d) the date of signing and place of execution of the declaration described in clause (b), above, and (e) a notice that the envelope contains an official ballot and is to be opened only by the canvassing board.

Analysis and arguments with respect to the ballot proposition are hereby waived, as provided in Section 53327 of the Act.

SECTION 11. The City Clerk shall accept the ballots of the qualified electors in the office of the City Clerk at 303 East B Street, Ontario, California, to and including 7:30 p.m. on May 3, 2022, whether said ballots be personally delivered or received by mail. The City Clerk shall have available ballots that may be marked at said location on the election day by said qualified electors.

SECTION 12. All actions heretofore taken by the officers, employees and agents of the City with respect to the proposed changes to the rate and method of apportionment of the Special Tax, or in connection with or related to any of the documents referred to herein, are hereby approved, confirmed and ratified.

SECTION 13. The officers, employees and agents of the City are hereby authorized and directed to take all actions and do all things that they, or any of them, may deem necessary or desirable to accomplish the purposes of this Resolution and not inconsistent with the provisions hereof.

SECTION 14. This Resolution shall take effect immediately upon its adoption.

The City Clerk of the City of Ontario shall certify as to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 3rd day of May 2022.

_____
PAUL S. LEON, MAYOR

ATTEST:

_____
SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

_____
BEST BEST & KRIEGER, LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2022- was duly passed and adopted by the City Council of the City of Ontario at their regular meeting held May 3, 2022 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2022- duly passed and adopted by the Ontario City Council at their regular meeting held May 3, 2022.

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

EXHIBIT A

CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH - FACILITIES) AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

EXHIBIT B

OFFICIAL BALLOT

CITY OF ONTARIO
May 3, 2022

SPECIAL ELECTION

This ballot is for a special, landowner election. The number of votes to be voted pursuant to this ballot is ____.

INSTRUCTIONS TO VOTERS:

To vote on the measure, mark a cross (+ or X) in the voting square after the word "YES" or after the word "NO". All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Ontario and obtain another.

CITY OF ONTARIO
COMMUNITY FACILITIES DISTRICT NO. 35
(COUNTRYSIDE PHASE 2 SOUTH - FACILITIES)

MEASURE SUBMITTED TO VOTE OF VOTERS: Shall the rate and method of apportionment of the special tax levied within City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities) (the "Community Facilities District") be changed so as to increase certain of the special tax rates thereunder, all as specified in the Resolution entitled "A Resolution of the City Council of the City of Ontario, California, Calling A Special Election for Proposed Changes to the Rate And Method of Apportionment of the Existing Special Tax of City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities)," adopted by the City Council of the City of Ontario on May 3, 2022?

Yes: ☐

No: ☐

EXHIBIT A

CITY OF ONTARIO
COMMUNITY FACILITIES DISTRICT NO. 35
(COUNTRYSIDE PHASE 2 SOUTH – FACILITIES)
AMENDED AND RESTATED
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax shall be levied on all Assessor's Parcels in the City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South – Facilities) ("CFD No. 35") and collected each Fiscal Year, commencing in Fiscal Year 2018-19, in an amount determined by the City Council of the City of Ontario through the application of the Rate and Method of Apportionment, as described below. All of the real property in CFD No. 35, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or **"Acreage"** means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Subdivision Map, parcel map, condominium plan, or other recorded County map.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 35: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or CFD No. 35 or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City or CFD No. 35 of complying with arbitrage rebate requirements; the costs to the City or CFD No. 35 of complying with City, CFD No. 35, or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City or CFD No. 35 related to the analysis and reduction, if any, of the Special Tax on Single Family Property in accordance with Section C.1 herein; the costs of the City or CFD No. 35 related to an appeal of the Special Tax; the costs associated with the release of funds from any escrow account; the City's administration fees and third party expenses; the costs of City staff time and reasonable overhead relating to CFD No. 35; and amounts estimated or advanced by the City or CFD No. 35 for any other

administrative purposes of the CFD, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"Assessor's Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel Number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means, with respect to an Assessor's Parcel, that number assigned to such Assessor's Parcel by the County for purposes of identification.

"Assigned Special Tax" means the Special Tax for each Land Use Class of Developed Property, as determined in accordance with Section C.1.a.2 below.

"Backup Special Tax" means the Special Tax for each Land Use Class of Developed Property, as determined in accordance with Section C.1.a.3 below.

"Bonds" means any bonds or other debt (as defined in Section 53317(d) of the Act) issued by CFD No. 35 under the Act and payable from Special Taxes.

"Buildable Lot" means an individual lot, within a Final Subdivision Map or an area expected by CFD No. 35 to become Final Mapped Property, such as the area within a Tentative Tract Map, for which a building permit may be issued without further subdivision of such lot.

"CFD Administrator" means an official of the City responsible for determining the Special Tax Requirement, providing for the levy and collection of the Special Taxes, and performing the other duties provided for herein.

"CFD No. 19" means City of Ontario Community Facilities District No. 19 (Countryside Phase 1 – Services).

"CFD No. 35" means City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South – Facilities).

"City" means the City of Ontario, California.

"City Council" means the City Council of the City, acting as the legislative body of CFD No. 35.

"Contractual Impositions" means (a) a voluntary contractual assessment established and levied on an Assessor's Parcel pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (commencing with Section 5898.10 *et seq.*), as amended from time to time, (b) a special tax established and levied on an Assessor's Parcel pursuant to Section 53328.1 of the California Government Code and related provisions of the Act, as amended from time to time, and (c) any other fee, charge, tax, or assessment established and levied on an individual Assessor's Parcel pursuant to a

contractual agreement or other voluntary consent by the owner thereof (e.g., property owner association assessments).

"County" means the County of San Bernardino.

"Designated Buildable Lot" means a Buildable Lot for which a building permit has not been issued by the City as of the date of calculation of the Backup Special Tax.

"Developed Property" means for each Fiscal Year, all Taxable Property, exclusive of Final Mapped Property, Taxable Property Owner Association Property, and Taxable Public Property, for which a building permit or other applicable permit for new construction was issued after January 1, 2017, and before May 1 of the prior Fiscal Year.

"Expected Residential Lot Count" means 235 Buildable Lots of Single Family Property or, as determined by the CFD Administrator, the number of Buildable Lots of Single Family Property based on the most recent Tentative Tract Map(s) or most recently recorded Final Subdivision Map(s) or modified Final Subdivision Map(s).

"Facilities" means the public facilities authorized to be financed, in whole or in part, by CFD No. 35.

"Final Mapped Property" means, for each Fiscal Year, all Taxable Property, exclusive of Developed Property, Taxable Property Owner Association Property, and Taxable Public Property, which as of January 1 of the previous Fiscal Year was located within a Final Subdivision Map. The term Final Mapped Property shall include any parcel map or Final Subdivision Map, or portion thereof, that creates individual lots for which a building permit may be issued, including Parcels that are designated as a remainder Parcel (i.e., one where the size, location, etc., precludes any further subdivision or taxable use).

"Final Subdivision Map" means a final tract map, parcel map, or lot line adjustment approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or a condominium plan recorded in accordance with California Civil Code Section 4285 that, in either case, creates individual lots for which building permits may be issued without further subdivision.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Indenture" means the indenture, fiscal agent agreement, resolution, or other instrument pursuant to which Bonds are issued, as modified, amended, and/or supplemented from time to time.

"Land Use Class" means any of the classes listed in Table 1 below.

"Lower Income Household Welfare Exemption Property" means, for each Fiscal Year, an Assessor's Parcel within the boundaries of CFD No. 35 that is subject to a welfare exemption under subdivision (g) of Section 214 of the California Revenue and

Taxation Code (or any successor statute), as indicated in the most recent County assessor's roll finalized prior to such Fiscal Year.

"Maximum Special Tax" means, with respect to an Assessor's Parcel of Taxable Property, the Maximum Special Tax determined in accordance with Section C.1 below that can be levied in any Fiscal Year on such Assessor's Parcel of Taxable Property.

"Minimum Sale Price" means the minimum price at which Units of a given Land Use Class have sold or are expected to be sold in a normal marketing environment and shall not include prices for such Units that are sold at a discount to expected sales prices for the purpose of stimulating the initial sales activity with respect to such Land Use Class.

"Non-Residential Property" means all Assessor's Parcels of Developed Property for which a building permit was issued by the City permitting the construction of one or more non-residential structures or facilities.

"Other Residential Property" means all Assessor's Parcels of Developed Property for which a building permit was issued by the City for purposes of constructing Units, excluding Single Family Attached Property and Single Family Detached Property.

"Outstanding Bonds" means all Bonds which are outstanding under and in accordance with the provisions of the Indenture.

"Price Point Consultant" means any consultant or firm of such consultants selected by CFD No. 35 that (a) has substantial experience in performing price point studies for residential units within community facilities districts established under the Act or otherwise estimating or confirming pricing for residential units in such community facilities districts, (b) has recognized expertise in analyzing economic and real estate data that relates to the pricing of residential units in such community facilities districts, (c) is in fact independent and not under the control of CFD No. 35 or the City, (d) does not have any substantial interest, direct or indirect, with or in (i) CFD No. 35, (ii) the City, (iii) any owner of real property in CFD No. 35, or (iv) any real property in CFD No. 35, and (e) is not connected with CFD No. 35 or the City as an officer or employee thereof, but who may be regularly retained to make reports to CFD No. 35 or the City.

"Price Point Study" means a price point study or a letter updating a previous price point study prepared by the Price Point Consultant pursuant to Section C herein.

"Property Owner Association Property" means, for each Fiscal Year, any property within the boundaries of CFD No. 35 that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

"Proportionately" means (a) for Developed Property in the first step of Section D below, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Developed Property; however, for Developed Property in the fourth step of Section D below, Proportionately means that the amount of the increase above the Assigned Special Tax, if necessary, is equal for all Assessor's Parcels of Developed Property, except that if the Backup Special Tax limits the increase on any

Assessor's Parcel(s), then the amount of the increase shall be equal for the remaining Assessor's Parcels; (b) for Final Mapped Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Final Mapped Property; (c) for Undeveloped Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Undeveloped Property; (d) for Taxable Property Owner Association Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Taxable Property Owner Association Property; and (e) for Taxable Public Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Taxable Public Property.

"Public Property" means, for each Fiscal Year, property within the boundaries of CFD No. 35 that is (a) owned by, irrevocably offered to, or dedicated to the federal government, the State, the County, the City, or any local government or other public agency or (b) encumbered by an easement for purposes of public or utility right-of-way that makes impractical its use for any purpose other than that set forth in such easement, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

"Rate and Method of Apportionment" means this Amended and Restated Rate and Method of Apportionment of Special Tax.

"Residential Floor Area" means all of the Square Footage of living area within the perimeter of a Unit, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area shall be as set forth in the building permit(s) issued for such Assessor's Parcel, or as set forth in other official records maintained by the City's Building Department or other appropriate means selected by CFD No. 35. The actual Square Footage shall be rounded up to the next whole square foot. Once such determination has been made for an Assessor's Parcel, it shall remain fixed in all future Fiscal Years unless an appeal pursuant to Section F below is approved that results in a change in the actual Square Footage.

"Services" means the services authorized to be financed, in whole or in part, by CFD No. 35.

"Single Family Attached Property" means all Assessor's Parcels of Developed Property for which a building permit or use permit was issued for construction of a residential structure consisting of two or more Units that share common walls, have separate Assessor's Parcel Numbers assigned to them (except for a duplex unit, which may share an Assessor's Parcel with another duplex unit), and may be purchased by individual homebuyers (which shall still be the case even if the Units are purchased and subsequently offered for rent by the owner of the Unit), including such residential structures that meet the statutory definition of a condominium contained in California Civil Code Section 4125.

"Single Family Detached Property" means all Assessor's Parcels of Developed Property for which a building permit was issued for construction of a Unit, on one legal lot, that does not share a common wall with another Unit.

"Single Family Property" means all Assessor's Parcels of Single Family Attached Property and Single Family Detached Property.

"Special Tax" means the special tax authorized by the qualified electors of CFD No. 35 to be levied within the boundaries of CFD No. 35.

"Special Tax Requirement" means for any Fiscal Year that amount required, after taking into account available amounts held in the funds and accounts established under the Indenture, for CFD No. 35 to: (i) pay debt service on all Outstanding Bonds which is due in the calendar year that commences in such Fiscal Year; (ii) pay periodic costs on the Bonds, including, but not limited to, credit enhancement and rebate payments on the Bonds; (iii) pay Administrative Expenses; (iv) provide any amounts required to establish or replenish any reserve fund for the Bonds; (v) pay directly for acquisition or construction of Facilities, or the cost of Services, to the extent that the inclusion of such amounts does not increase the Special Tax levy on Final Mapped Property or Undeveloped Property; (vi) provide an amount equal to Special Tax delinquencies based on the historical delinquency rate for the Special Tax as determined by the CFD Administrator.

"Square Footage" or **"Sq. Ft."** means the floor area square footage reflected on the original construction building permit, or as set forth in other official records maintained by the City's Building Department or other appropriate means selected by CFD No. 35, issued for construction of Single Family Property, Other Residential Property, or Non-Residential Property, plus any square footage subsequently added to a building of Non-Residential Property after issuance of a building permit for expansion or renovation of such building.

"State" means the State of California.

"Taxable Property" means, for each Fiscal Year, all of the Assessor's Parcels within the boundaries of CFD No. 35 that are not exempt from the Special Tax pursuant to law or Section E below.

"Taxable Property Owner Association Property" means, for each Fiscal Year, all Assessor's Parcels of Property Owner Association Property that are not exempt from the Special Tax pursuant to Section E below.

"Taxable Public Property" means, for each Fiscal Year, all Assessor's Parcels of Public Property that are not exempt from the Special Tax pursuant to law or Section E below.

"Tentative Tract Map" means a map: (i) showing a proposed subdivision of an Assessor's Parcel(s) and the conditions pertaining thereto; (ii) that may or may not be based on a detailed survey; and (iii) that is not recorded by the County to create legal lots.

"Total Tax Burden" means, for a Unit within a Land Use Class, for the Fiscal Year in which Total Tax Burden is being calculated, the sum of (a) the Assigned Special Tax for such Land Use Class for such Fiscal Year, plus (b) the CFD No. 19 special tax for such Land Use Class for such Fiscal Year, plus (c) the *ad valorem* property taxes, special assessments, special taxes for any other overlapping community facilities districts, and any other governmental fees, charges (other than fees or charges for services such as sewer and trash), taxes, and assessments (which do not include Contractual Impositions) collected by the County on *ad valorem* tax bills and that the CFD Administrator estimates would be levied or imposed on such Unit in such Fiscal Year if the residential dwelling unit thereon or therein had been completed and sold, and was subject to such fees, charges, taxes, and assessments in such Fiscal Year.

"Trustee" means the trustee or fiscal agent under the Indenture.

"TTM 17449" means Tentative Tract Map No. 17449, the area of which is located within CFD No. 35.

"TTM 17450" means Tentative Tract Map No. 17450, the area of which is located within CFD No. 35.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Final Mapped Property, Taxable Public Property, or Taxable Property Owner Association Property.

"Unit" means an individual single-family detached or attached home, townhome, condominium, apartment, or other residential dwelling unit, including each separate living area within a half-plex, duplex, triplex, fourplex, or other residential structure.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, beginning with Fiscal Year 2018-19, all Taxable Property within CFD No. 35 shall be classified as Developed Property, Final Mapped Property, Taxable Public Property, Taxable Property Owner Association Property, or Undeveloped Property and shall be subject to Special Taxes in accordance with the Rate and Method of Apportionment as determined pursuant to Sections C and D below. Assessor's Parcels of Single Family Property shall be assigned to Land Use Classes 1 through 7, as listed in Table 1 below based on the Residential Floor Area of the Units on such Assessor's Parcels. Other Residential Property shall be assigned to Land Use Class 8, and Non-Residential Property shall be assigned to Land Use Class 9.

C. MAXIMUM SPECIAL TAX

1. Special Tax

At least 30 days prior to the issuance of Bonds, the Assigned Special Tax on Developed Property (set forth in Table 1 below) shall be analyzed in accordance with and subject to the conditions set forth in this Section C. At such time, CFD

No. 35 shall select and engage a Price Point Consultant and the CFD Administrator shall request the Price Point Consultant to prepare a Price Point Study setting forth the Minimum Sale Price of Units within each Land Use Class. If based upon such Price Point Study the CFD Administrator calculates that the Total Tax Burden applicable to Units within one or more Land Use Classes of Single Family Property to be constructed within CFD No. 35 exceeds 1.95% of the Minimum Sale Price of such Units, the Assigned Special Tax shall be reduced to the extent necessary to cause the Total Tax Burden that shall apply to Units within such Land Use Class(es) not to exceed 1.95% of the Minimum Sale Price of such Units.

Each Assigned Special Tax reduction for a Land Use Class shall be calculated by the CFD Administrator separately, and it shall not be required that such reduction be proportionate among Land Use Classes. In connection with any reduction in the Assigned Special Tax, the Backup Special Tax shall also be reduced by the CFD Administrator based on the percentage reduction in Maximum Special Tax revenues within the Tentative Tract Map area(s) where the Assigned Special Tax reductions occurred. Upon determining the reductions, if any, in the Assigned Special Tax and Backup Special Tax required pursuant to this Section C, the CFD Administrator shall complete the Certificate of Modification of Special Tax substantially in the form attached hereto as Exhibit A (the "Certificate of Modification"), shall execute such completed Certificate of Modification, and shall deliver such executed Certificate of Modification to CFD No. 35. Upon receipt thereof, if in satisfactory form, CFD No. 35 shall execute such Certificate of Modification. The reduced Assigned Special Tax and Backup Special Tax specified in such Certificate of Modification shall become effective upon the execution of such Certificate of Modification by CFD No. 35.

The Special Tax reductions required pursuant to this section shall be reflected in an amended notice of Special Tax lien, which CFD No. 35 shall cause to be recorded with the County Recorder as soon as practicable after execution of the Certificate of Modification by CFD No. 35. The reductions in this section apply to Single Family Property, but not to Other Residential Property or Non-Residential Property.

a. Developed Property

1) *Maximum Special Tax*

The Maximum Special Tax that may be levied in any Fiscal Year for each Assessor's Parcel classified as Developed Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax or (ii) the amount derived by application of the Backup Special Tax. The Maximum Special Tax shall not increase in future years, other than as calculated pursuant to Section C.1.a.3 below.

2) *Assigned Special Tax*

The Assigned Special Tax that may be levied in any Fiscal Year for each Land Use Class is shown below in Table 1.

TABLE 1
ASSIGNED SPECIAL TAX – DEVELOPED PROPERTY

Land Use Class	Description	Residential Floor Area (Square Footage)	Assigned Special Tax
1	Single Family Property	< 1,501	$3,175 per Unit
2	Single Family Property	1,501 – 1,700	$3,283 per Unit
3	Single Family Property	1,701 – 1,900	$3,449 per Unit
4	Single Family Property	1,901 – 2,100	$3,665 per Unit
5	Single Family Property	2,101 – 2,300	$3,748 per Unit
6	Single Family Property	2,301 – 2,500	$3,881 per Unit
7	Single Family Property	> 2,500	$4,065 per Unit
8	Other Residential Property		$50,380 per Acre
9	Non-Residential Property		$50,380 per Acre

3) *Backup Special Tax*

The Backup Special Tax shall be $3,662 per Unit for Single Family Property. However, if the Expected Residential Lot Count does not equal 235 for Single Family Property, and the City has not issued Bonds, then the Backup Special Tax for Designated Buildable Lots of Single Family Property shall be calculated according to the following formula:

Backup Special Tax = $860,583 ÷ Expected Residential Lot Count for Single Family Property

If any portion of a Final Subdivision Map, or any area expected by CFD No. 35 to become Final Mapped Property, such as the area within TTM 17449, TTM 17450, or any other Tentative Tract Map, changes any time after the City has issued Bonds, causing an adjustment to the number of Designated Buildable Lots, then the Backup Special Tax for all Designated Buildable Lots of Single Family Property subject to the change shall be calculated according to the following steps:

Step 1: Determine the total Backup Special Taxes that could have been collected from Designated

Buildable Lots of Single Family Property prior to the Final Subdivision Map or expected Final Mapped Property change.

Step 2: Divide the amount determined in Step 1 by the number of Designated Buildable Lots of Single Family Property that exists after the Final Subdivision Map or expected Final Mapped Property change.

Step 3: Apply the amount determined in Step 2 as the Backup Special Tax per Unit for Single Family Property.

The Backup Special Tax for an Assessor's Parcel shall not change once an Assessor's Parcel is classified as Developed Property.

b. Final Mapped Property, Taxable Public Property, Taxable Property Owner Association Property, and Undeveloped Property

The Maximum Special Tax for Final Mapped Property, Taxable Public Property, Taxable Property Owner Association Property, and Undeveloped Property shall be $50,380 per Acre, and shall not be subject to increase or reduction and, therefore, shall remain the same in every Fiscal Year.

2. Multiple Land Use Classes on an Assessor's Parcel

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax levied on such Assessor's Parcel shall be the sum of the Maximum Special Tax for all Units of Single Family Property and Acres of Other Residential Property and Non-Residential Property (based on the pro rata share of Square Footage between Other Residential Property and Non-Residential Property, according to the applicable building permits, Final Subdivision Map, parcel map, condominium plan, or other recorded County map) located on that Assessor's Parcel.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Each Fiscal Year, beginning with Fiscal Year 2018-19, the CFD Administrator shall determine the Special Tax Requirement for such Fiscal Year. The Special Tax shall then be levied as follows:

First: If needed to satisfy the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property up to 100% of the applicable Assigned Special Tax;

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Final Mapped Property up to 100% of the Maximum Special Tax for Final Mapped Property;

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for Undeveloped Property;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Developed Property whose Maximum Special Tax is determined through the application of the Backup Special Tax shall be increased Proportionately from the Assigned Special Tax up to the Maximum Special Tax for each such Assessor's Parcel;

Fifth: If additional monies are needed to satisfy the Special Tax Requirement after the first four steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Property Owner Association Property up to the Maximum Special Tax for Taxable Property Owner Association Property;

Sixth: If additional monies are needed to satisfy the Special Tax Requirement after the first five steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property up to the Maximum Special Tax for Taxable Public Property.

Notwithstanding the above, under no circumstances shall the Special Tax levied in any Fiscal Year on any Assessor's Parcel of Single Family Property or Other Residential Property for which an occupancy permit for private residential use has been issued be increased as a result of delinquency or default by the owner or owners of any other Assessor's Parcel or Assessor's Parcels within CFD No. 35 by more than ten percent above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

E. EXEMPTIONS

No Special Tax shall be levied on up to 2.44 Acres of Public Property and up to 14.12 Acres of Property Owner Association Property. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property becomes Public Property or Property Owner Association Property.

Property Owner Association Property or Public Property that is not exempt from the Special Tax under this section shall be subject to the levy of the Special Tax and shall be taxed Proportionately as part of the fifth or sixth step, respectively, in Section D above, up to 100% of the applicable Maximum Special Tax for Taxable Property Owner Association Property and Taxable Public Property. No Special Tax shall be levied in any Fiscal Year on Assessor's Parcels that have fully prepaid the Special Tax obligation pursuant to the formula set forth in Section H.

No Special Tax shall be levied on Lower Income Household Welfare Exemption Property; provided, however, that if, in any Fiscal Year, applicable law does not require that Lower Income Household Welfare Exemption Property be exempt from some portion, or all, of the Special Tax, such portion, or all, of the Special Tax shall be levied on such property in accordance with this Rate and Method of Apportionment based on the Land Use Class to which the Assessor's Parcel is assigned.

F. APPEALS

Any property owner may file a written appeal of the Special Tax with CFD No. 35 claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Tax that is disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made.

The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD Administrator's decision relative to the appeal, the owner may then file a written appeal with the City Council whose subsequent decision shall be final and binding on all interested parties. If the decision of the CFD Administrator or subsequent decision by the City Council requires the Special Tax to be modified or changed in favor of the property owner, then the CFD Administrator shall determine if sufficient Special Tax revenue is available to make a cash refund. If a cash refund cannot be made, then an adjustment shall be made to credit future Special Tax levy(ies).

This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

G. MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that the Special Taxes may be collected in such other manner as the City Council shall determine, including direct billing of affected property owners.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

"CFD Public Facilities" means $12,110,000 each Prepayment Period, or such lower number as determined by the City Council to be sufficient to fund the Facilities and Services to be provided by CFD No. 35.

"Expenditures Fund" means funds or accounts, regardless of their names, that are established to hold moneys that are available to acquire or construct Facilities and to fund Services.

"Future Facilities Costs" means the CFD Public Facilities minus (i) Facilities and Services costs previously paid from the Expenditures Fund during the Prepayment Period in which the prepayment is being made, (ii) moneys currently on deposit in the Expenditures Fund from deposits made during the Prepayment Period in which the prepayment is being made, and (iii) moneys currently on deposit in an escrow fund that are expected to be available to finance Facilities costs. In no event shall the amount of Future Facilities Costs be less than zero.

"Prepayment Period" means one of three periods of time during which a Special Tax prepayment may be made.

"Prepayment Period 1" means July 1, 2018, through June 30, 2052.

"Prepayment Period 2" means July 1, 2052, through June 30, 2085.

"Prepayment Period 3" means July 1, 2085, through June 30, 2119.

1. Prepayment in Full

The obligation of an Assessor's Parcel to pay the Special Tax may be prepaid as described herein, provided that a prepayment may be made only for Assessor's Parcels for which a building permit for new construction was issued after January 1, 2017, and only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the CFD Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD Administrator shall notify such owner of the prepayment amount for such Assessor's Parcel. The CFD Administrator may charge a fee for providing this service. Prepayment in any six month period must be made not less than 45 days prior to the next occurring date that notice of redemption of Bonds from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture.

The Special Tax Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

Bond Redemption Amount	
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance Amount
plus	Administrative Fees and Expenses
less	Reserve Fund Credit
Total	Prepayment Amount

As of the proposed date of prepayment, the Special Tax Prepayment Amount (defined below) shall be calculated by the CFD Administrator as follows:

Paragraph No.

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel, and determine the Prepayment Period for the proposed prepayment.

2. Compute the Assigned Special Tax and Backup Special Tax for the Assessor's Parcel to be prepaid based on the Developed Property Special Tax which is, or could be, charged in the current Fiscal Year. For Assessor's Parcels of Final Mapped Property (for which a building permit has been issued but which is not yet classified as Developed Property) to be prepaid, compute the Assigned Special Tax and Backup Special Tax for that Assessor's Parcel as though it was already designated as Developed Property, based upon the building permit which has already been issued for that Assessor's Parcel.

3. (a) Divide the Assigned Special Tax computed pursuant to Paragraph 2 by the total estimated Assigned Special Tax for CFD No. 35 based on the Developed Property Special Tax which could be charged in the current Fiscal Year on all expected development through buildout of CFD No. 35, excluding any Assessor's Parcels which have been prepaid, and

   (b) Divide the Backup Special Tax computed pursuant to Paragraph 2 by the estimated total Backup Special Tax at buildout of CFD No. 35, excluding any Assessor's Parcels which have been prepaid.

4. Multiply the larger quotient computed pursuant to Paragraph 3(a) or 3(b) by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").

5. Multiply the Bond Redemption Amount computed pursuant to Paragraph 4 by the applicable redemption premium (e.g., the redemption price minus 100%), if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").

6. Compute the Future Facilities Costs for the applicable Prepayment Period.

7. Multiply the larger quotient computed pursuant to Paragraph 3(a) or 3(b) by the amount determined pursuant to Paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Amount").

8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.

9. Determine the Special Tax levied on the Assessor's Parcel in the current Fiscal Year which has not yet been paid.

10. Add the amounts computed pursuant to Paragraphs 8 and 9 to determine the "Defeasance Amount".

11. Verify the administrative fees and expenses of CFD No. 35, including the costs to compute the prepayment, the costs to invest the prepayment proceeds, the costs to redeem Bonds, and the costs to record any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").

12. If reserve funds for the Outstanding Bonds, if any, are at or above 100% of the reserve requirement (as defined in the Indenture) on the prepayment date, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the "Reserve Fund Credit"). No Reserve Fund Credit shall be granted if reserve funds are below 100% of the reserve requirement on the prepayment date or the redemption date.

13. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Paragraphs 4, 5, 7, 10, and 11, less the amount computed pursuant to Paragraph 12 (the "Prepayment Amount").

14. From the Prepayment Amount, the amounts computed pursuant to Paragraphs 4, 5, 10, and 12 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to Paragraph 7 shall be deposited into the Expenditures Fund. The amount computed pursuant to Paragraph 11 shall be retained by CFD No. 35.

The Special Tax Prepayment Amount may be sufficient to redeem other than a $5,000 increment of Bonds. In such cases, the increment above $5,000, or integral multiple thereof, will be retained in the appropriate fund established under the Indenture to be used with the next prepayment of Bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined under Paragraph 9 (above), the CFD Administrator shall remove the current Fiscal Year's Special Tax levy for such Assessor's Parcel from the County tax rolls. With respect to any Assessor's Parcel that is prepaid during Prepayment Period 3, the CFD Administrator shall cause a suitable notice to be recorded in compliance with the Act to indicate that the Special Tax has been prepaid and that the obligation of such Assessor's Parcel to pay the Special Tax shall cease.

With respect to the Special Tax for any Assessor's Parcel that is prepaid during Prepayment Period 1 or Prepayment Period 2, the obligation of such Assessor's Parcel to pay the Special Tax shall be tolled, or suspended, through the end of such Prepayment Period, but shall resume in the first Fiscal Year of the subsequent Prepayment Period. The CFD Administrator shall cause a suitable notice to be recorded in compliance with the Act to indicate that the Special Tax has been satisfied for the remainder of the applicable Prepayment Period but has not been permanently satisfied and the obligation

to pay the Special Tax will resume in the first Fiscal Year of the Prepayment Period following the Prepayment Period in which the prepayment was made. Once the obligation of an Assessor's Parcel to pay the Special Tax resumes, the Special Tax for the then applicable Prepayment Period may be prepaid.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the amount of Maximum Special Tax that may be levied on Taxable Property within CFD No. 35 (after excluding 2.44 Acres of Public Property and 14.12 acres of Property Owner Association Property) both prior to and after the proposed prepayment is at least 1.1 times the maximum annual debt service on all Outstanding Bonds.

2. Prepayment in Part

The Special Tax on an Assessor's Parcel for which a building permit for new construction was issued after January 1, 2017, may be partially prepaid. The amount of the prepayment shall be calculated as in Section H.1, except that a partial prepayment shall be calculated by the CFD Administrator according to the following formula:

$$PP = (PF - AE) \times \% + AE.$$

The terms above have the following meaning:

PP = the partial prepayment
PF = the Prepayment Amount (full prepayment) for the Special Tax calculated according to Section H.1
AE = the Administrative Fees and Expenses determined pursuant to paragraph 11 above
% = the percentage by which the owner of the Assessor's Parcel(s) is partially prepaying the Special Tax

The Special Tax partial prepayment amount must be sufficient to redeem at least a $5,000 increment of Bonds.

The owner of any Assessor's Parcel who desires such prepayment shall notify the CFD Administrator of such owner's intent to partially prepay the Special Tax and the percentage by which the Special Tax shall be prepaid. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Special Tax for an Assessor's Parcel within thirty (30) days of the request and may charge a fee for providing this service. With respect to any Assessor's Parcel that is partially prepaid, the CFD Administrator shall (i) distribute the remitted prepayment funds according to Section H.1, and (ii) indicate in the records of CFD No. 35 that there has been a partial prepayment of the Special Tax and that a portion of the Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage (100% - "%", as defined above) of the Maximum Special Tax, shall continue to be levied on such Assessor's Parcel pursuant to Section D during the Prepayment Period in which the partial prepayment is made.

For partial prepayments made during Prepayment Period 1 or Prepayment Period 2, the full amount of the Special Tax shall resume in the first Fiscal Year of the Prepayment

Period following the Prepayment Period in which the partial prepayment was made. Once the obligation of an Assessor's Parcel to pay the Special Tax resumes, the Special Tax for the then applicable Prepayment Period may be prepaid.

I. TERM OF SPECIAL TAX

The Fiscal Year after which no further Special Tax shall be levied or collected is Fiscal Year 2118-2119, except that the Special Tax that was lawfully levied in or before such Fiscal Year and that remains delinquent may be collected in subsequent years.

EXHIBIT A

CERTIFICATE OF MODIFICATION OF SPECIAL TAX
(PAGE 1 OF 2)

CITY OF ONTARIO AND CFD NO. 35 CERTIFICATE

1. Pursuant to Section C.1 of the Amended and Restated Rate and Method of Apportionment of Special Tax (the "Rate and Method") for City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South – Facilities) ("CFD No. 35"), the Assigned Special Tax and the Backup Special Tax for Developed Property within CFD No. 35 has been modified.

    a. The information in Table 1 relating to the Assigned Special Tax for Developed Property within CFD No. 35, as stated in Section C.1.a.2 of the Rate and Method of Apportionment, has been modified as follows:

TABLE 1
ASSIGNED SPECIAL TAX – DEVELOPED PROPERTY

Land Use Class	Description	Residential Floor Area (Square Footage)	Assigned Special Tax
1	Single Family Property	< 1,501	$[ ] per Unit
2	Single Family Property	1,501 – 1,700	$[ ] per Unit
3	Single Family Property	1,701 – 1,900	$[ ] per Unit
4	Single Family Property	1,901 – 2,100	$[ ] per Unit
5	Single Family Property	2,101 – 2,300	$[ ] per Unit
6	Single Family Property	2,301 – 2,500	$[ ] per Unit
7	Single Family Property	> 2,500	$[ ] per Unit
8	Other Residential Property		$[ ] per Acre
9	Non-Residential Property		$[ ] per Acre

EXHIBIT A

CERTIFICATE OF MODIFICATION OF SPECIAL TAX
(PAGE 2 OF 2)

b. The Backup Special Tax for Developed Property, as stated in Section C.1.a.3, shall be modified as follows:

The Backup Special Tax shall be $[____] per Unit for Single Family Property. However, if the Expected Residential Lot Count does not equal 235 for Single Family Property, and the City has not issued Bonds, then the Backup Special Tax for Designated Buildable Lots of Single Family Property shall be calculated according to the following formula:

Backup Special Tax = $[_____] ÷ Expected Residential Lot Count for Single Family Property

2. The Special Tax for Developed Property may only be modified prior to the first issuance of CFD No. 35 Bonds.

3. Upon execution of this Certificate by CFD No. 35, CFD No. 35 shall cause an amended notice of Special Tax lien for CFD No. 35 to be recorded reflecting the modifications set forth herein.

Capitalized undefined terms used herein have the meanings ascribed thereto in the Rate and Method. The modifications set forth in this Certificate have been calculated by the CFD Administrator in accordance with the Rate and Method.

GOODWIN CONSULTING GROUP, INC.
CFD ADMINISTRATOR

By:_____ Date:_____

The undersigned acknowledges receipt of this Certificate and of the modification of the Assigned Special Tax and the Backup Special Tax for Developed Property as set forth in this Certificate.

CITY OF ONTARIO
COMMUNITY FACILITIES DISTRICT NO. 35
(COUNTRYSIDE PHASE 2 SOUTH – FACILITIES)

By:_____ Date:_____

RESOLUTION NO. _____

A RESOLUTION OF CHANGE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, DECLARING RESULTS OF A SPECIAL ELECTION, DETERMINING THAT CHANGES TO THE RATE AND METHOD OF APPORTIONMENT OF THE EXISTING SPECIAL TAX OF CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH - FACILITIES) ARE LAWFULLY AUTHORIZED AND DIRECTING RECORDING OF AN AMENDMENT TO NOTICE OF SPECIAL TAX LIEN.

WHEREAS, the City Council (the "City Council") of the City of Ontario (the "City") previously established City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities) (the "Community Facilities District") pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act"); and

WHEREAS, on May 3, 2022, the City Council, pursuant to the Act, adopted a resolution entitled "A Resolution of the City Council of the City of Ontario, California, Calling a Special Election for Proposed Changes to the Rate and Method of Apportionment of the Existing Special Tax of City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities)" (the "Resolution Calling Election"), calling a special election of the qualified electors within the Community Facilities District and submitting to such qualified electors the proposition to change the rate and method of apportionment of the special tax (the "Special Tax") levied within the Community Facilities District so as to increase certain of the Special Tax rates thereunder; and

WHEREAS, pursuant to the terms of the Resolution Calling Election and the provisions of the Act, the special election was held on May 3, 2022; and

WHEREAS, the City Clerk of the City (the "City Clerk") has certified the canvass of the returns of the election and has filed a Canvass and Statement of Results of Election (the "Canvass"), a copy of which is attached hereto as Exhibit A; and

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

SECTION 1. The foregoing recitals are true and correct, and the City Council so finds and determines.

SECTION 2. The City Council has received, reviewed and hereby accepts the Canvass.

SECTION 3. The City Council hereby finds and declares that the ballot proposition submitted to the qualified electors of the Community Facilities District pursuant to the Resolution Calling Election has been passed and approved by such electors in accordance with Section 53338 of the Act.

SECTION 4. The City Council hereby finds and determines that the changes to the rate and method of apportionment of the Special Tax so as to increase certain of the Special tax rates thereunder, as described in the Resolution Calling Election, are lawfully authorized.

SECTION 5. The City Clerk is hereby directed to execute and cause to be recorded in the office of the County Recorder of the County of San Bernardino an amendment to the notice of special tax lien for the Community Facilities District in accordance with Section 3117.5 of the California Streets and Highways Code.

SECTION 6. All actions heretofore taken by the officers, employees and agents of the City with respect to the changes to the rate and method of apportionment of the Special Tax, or in connection with or related to any of the documents referred to herein, are hereby approved, confirmed and ratified.

SECTION 7. The officers, employees and agents of the City are hereby authorized and directed to take all actions and do all things that they, or any of them, may deem necessary or desirable to accomplish the purposes of this Resolution and not inconsistent with the provisions hereof.

SECTION 8. This Resolution shall take effect immediately upon its adoption.

The City Clerk of the City of Ontario shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 3rd day of May 2022.

_____
PAUL S. LEON, MAYOR

ATTEST:

_____
SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

_____
BEST BEST & KRIEGER, LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2022- was duly passed and adopted by the City Council of the City of Ontario at their regular meeting held May 3, 2022 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2022- duly passed and adopted by the Ontario City Council at their regular meeting held May 3, 2022.

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

EXHIBIT A

CITY OF ONTARIO
COMMUNITY FACILITIES DISTRICT NO. 35
(COUNTRYSIDE PHASE 2 SOUTH - FACILITIES)

CANVASS AND STATEMENT OF RESULTS OF ELECTION

I hereby certify that on May 3, 2022, I canvassed the returns of the special election held on May 3, 2022 for the City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities), that the total number of ballots cast in said Community Facilities District and the total number of votes cast for and against the proposition are as follows and that the totals as shown for and against the proposition are true and correct:

	Qualified Landowner Votes	Votes Cast	YES	NO
City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities) Special Election, May 3, 2022	35	___	___	___

MEASURE SUBMITTED TO VOTE OF VOTERS: Shall the rate and method of apportionment of the special tax levied within City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities) (the "Community Facilities District") be changed so as to increase certain of the special tax rates thereunder, all as specified in the Resolution entitled "A Resolution of the City Council of the City of Ontario, California, Calling a Special Election for Proposed Changes to the Rate and Method of Apportionment of the Existing Special Tax of City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities)," adopted by the City Council of the City of Ontario on May 3, 2022?

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND this 3rd day of May 2022.

BY: _____
SHEILA MAUTZ, CITY CLERK

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, AMENDING AND RESTATING ORDINANCE NO. 3082 LEVYING SPECIAL TAXES WITHIN THE CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH - FACILITIES).

WHEREAS, the City Council (the "City Council") of the City of Ontario (the "City") previously established City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities) (the "Community Facilities District") pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act");

WHEREAS, the qualified electors of the Community Facilities District authorized the levy of a special tax (the "Special Tax") within the Community Facilities District to pay, in whole or in part, the cost of providing certain facilities (the "Facilities") and certain services (the "Services") and incidental expenses pursuant to the Act referenced in the proposition submitted to such qualified electors;

WHEREAS, pursuant to Section 53340 of the Act, the City Council, on November 7, 2017, adopted Ordinance No. 3082, entitled "An Ordinance of the City Council of the City of Ontario, California, Levying Special Taxes within the City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities)" (the "Levy Ordinance"), levying the Special Tax at the rate and in accordance with the method of apportionment referenced therein (the "Original Rate and Method");

WHEREAS, on March 15, 2022, the City Council adopted a resolution entitled "A Resolution of the City Council of the City of Ontario, California, of Consideration to Change the Rate and Method of Apportionment of the Existing Special Tax of City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities)" proposing changes to the Original Rate and Method so as to increase certain of the Special Tax rates thereunder;

WHEREAS, on May 3, 2022, the City Council, pursuant to the Act, adopted a resolution entitled "A Resolution of the City Council of the City of Ontario, California, Calling a Special Election for Proposed Changes to the Rate and Method of Apportionment of the Existing Special Tax of City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities)" (the "Resolution Calling Election") calling for a special election of the qualified electors within the Community Facilities District and submitting to such qualified electors the proposition to change the Original Rate and Method so as to increase certain of the Special Tax rates thereunder, as reflected in the City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities) Amended and Restated Rate and Method of Apportionment of Special Tax (the "Restated Rate and Method") attached thereto and incorporated therein;

WHEREAS, on May 3, 2022, the City Council adopted a resolution entitled "A Resolution of the City Council of the City of Ontario, California, Declaring Results of a Special Election, Determining That Changes to the Rate and Method of Apportionment of

the Existing Special Tax of City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities) Are Lawfully Authorized and Directing Recording of an Amendment to Notice of Special Tax Lien," declaring that the ballot proposition submitted to the qualified electors of the Community Facilities District pursuant to the Resolution Calling Election has been passed and approved by such electors and finding and determining that that the changes to the Original Rate and Method, as reflected in the Restated Rate and Method, were lawfully authorized; and

WHEREAS, this Ordinance amends and restates the Levy Ordinance in order to reflect such changes;

THE CITY COUNCIL OF THE CITY OF ONTARIO DOES ORDAIN AS FOLLOWS:

SECTION 1. The Levy Ordinance is hereby amended and restated to read in full as set forth herein.

SECTION 2. The City Council hereby authorizes and levies the Special Tax within the Community Facilities District pursuant to Sections 53328 and 53340 of the Act, at the rate and in accordance with the method of apportionment set forth in the Restated Rate and Method. The Special Tax is hereby levied in each fiscal year until the last fiscal year in which the Special Tax is authorized to be levied pursuant to the Restated Rate and Method.

SECTION 3. The City Council may, in accordance with subdivision (b) of Section 53340 of the Act, provide, by resolution, for the levy of the Special Tax in future tax years at the same rate or at a lower rate than the rate provided by this Ordinance. In no event shall the Special Tax be levied on any parcel within the Community Facilities District in excess of the maximum tax specified therefor in the Restated Rate and Method.

SECTION 4. The Special Tax shall be levied on all of the parcels in the Community Facilities District, unless exempted by law or by the Restated Rate and Method.

SECTION 5. The proceeds of the Special Tax shall only be used to pay, in whole or in part, the cost of providing the Facilities and Services and incidental expenses pursuant to the Act.

SECTION 6. The Special Tax shall be collected in the same manner as ordinary *ad valorem* property taxes are collected and shall be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for *ad valorem* taxes, unless another procedure is adopted by the City Council.

SECTION 7. If for any reason any portion of this Ordinance is found to be invalid, or if the Special Tax is found inapplicable to any particular parcel within the Community Facilities District, by a court of competent jurisdiction, the balance of this Ordinance and the application of the Special Tax to the remaining parcels within the Community Facilities District shall not be affected.

SECTION 8. The Mayor shall sign this Ordinance and the City Clerk shall certify as to the adoption and shall cause a summary hereof to be published at least once in a newspaper of general circulation in the City of Ontario, California within fifteen (15) days of the adoption. The City Clerk shall post a certified copy of this Ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with California Government Code Section 36933.

The City Clerk of the City of Ontario shall certify as to the adoption of this Ordinance.

PASSED, APPROVED, AND ADOPTED this _____ day of _____ 2022.

_____
PAUL S. LEON, MAYOR

ATTEST:

_____
SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

_____
BEST BEST & KRIEGER LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Ordinance No. _____ was duly introduced at a regular meeting of the City Council of the City of Ontario held _____ and adopted at the regular meeting held _____, 2022 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

I hereby certify that the foregoing is the original of Ordinance No. _____ duly passed and adopted by the Ontario City Council at their regular meeting held _____ and that Summaries of the Ordinance were published on _____ and _____, in the Inland Valley Daily Bulletin newspaper.

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, DEEMING IT NECESSARY TO AMEND RESOLUTION NO. 2017-124 IN ORDER TO INCREASE THE MAXIMUM AGGREGATE AMOUNT OF BONDED INDEBTEDNESS THAT CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH - FACILITIES) IS AUTHORIZED TO INCUR.

WHEREAS, on October 17, 2017, the City Council (the "City Council") of the City of Ontario (the "City"), pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act"), adopted Resolution No. 2017-123, entitled "A Resolution of the City Council of the City of Ontario, California, of Formation of the City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities), Authorizing the Levy of a Special Tax within the Community Facilities District and Establishing an Appropriations Limit for the Community Facilities District," Resolution No. 2017-124, entitled "A Resolution of the City Council of the City of Ontario, California, Deeming it Necessary to Incur Bonded Indebtedness within the City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities)" (the "Resolution Deeming it Necessary to Incur"), and Resolution No. 2017-125, entitled "A Resolution of the City Council of the City of Ontario, California, Calling Special Election for City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities)," which resolutions established City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities) (the "Community Facilities District"), authorized the levy of a special tax within the Community Facilities District and called an election within the Community Facilities District on the proposition of incurring indebtedness, levying a special tax and establishing an appropriations limit for the Community Facilities District, respectively, for the purpose of financing certain public facilities and services, as further provided in the Resolution of Formation; and

WHEREAS, on October 17, 2017, an election was held in which the qualified electors of the Community Facilities District approved said proposition by more than the two-thirds vote required by the Act; and

WHEREAS, pursuant to the Resolution Deeming it Necessary to Incur and said election, the Community Facilities District is authorized to incur bonded indebtedness in a maximum aggregate amount of not to exceed $27,000,000; and

WHEREAS, on March 15, 2022, the City Council, pursuant to the Act, adopted a Resolution entitled "A Resolution of the City Council of the City Of Ontario, California, of Intention to Amend Resolution No. 2017-124 In Order to Increase the Maximum Aggregate Amount of Bonded Indebtedness that City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities) is Authorized to Incur" (the "Resolution of Intention"), declaring the necessity to increase the maximum aggregate amount of bonded indebtedness that the Community Facilities District is authorized to incur from $27,000,000 to $42,000,000 and setting the date for a public hearing to be held on the proposed increase in the maximum aggregate amount of bonded indebtedness that the Community Facilities District is authorized to incur; and

WHEREAS, pursuant to the Resolution of Intention, notice of said public hearing was published in the *Inland Valley Daily Bulletin*, a newspaper of general circulation published in the area of the Community Facilities District, in accordance with the Act; and

WHEREAS, on this date, the City Council opened, conducted and closed said public hearing; and

WHEREAS, at said public hearing, any person interested, including persons owning property within the Community Facilities District and desiring to appear and present any matters material to the questions set forth in the Resolution of Intention appeared and presented such matters; and

WHEREAS, oral or written protests against the proposed increase in the maximum aggregate amount of bonded indebtedness that the Community Facilities District is authorized to incur were not made or filed at or before said public hearing by 50% or more of the registered voters, or six registered voters, whichever is more, residing within the territory of the Community Facilities District, or the owners of one-half or more of the area of land in the territory of the Community Facilities District and not exempt from the special tax; and

WHEREAS, there has been filed with the City Clerk of the City a letter from the Registrar of Voters of the County of San Bernardino indicating that no persons were registered to vote within the territory of the Community Facilities District as of March 17, 2022, and, accordingly, that 12 or more persons have not been registered to vote within the territory of the Community Facilities District for each of the 90 days preceding the close of said public hearing.

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

SECTION 1. The foregoing recitals are true and correct, and the City Council so finds and determines.

SECTION 2. The City Council deems it is necessary that the maximum aggregate amount of bonded indebtedness that the Community Facilities District is authorized to incur be increased from $27,000,000 to $42,000,000.

SECTION 3. In order to increase the maximum aggregate amount of bonded indebtedness that the Community Facilities District is authorized to incur from $27,000,000 to $42,000,000, Section 5 of the Resolution Deeming it Necessary to Incur shall be amended to read in full as follows:

> "SECTION 5. The maximum aggregate amount of debt to be incurred is $42,000,000."

SECTION 4. Pursuant to the provisions of the Act, the proposal to increase the maximum aggregate amount of bonded indebtedness that the Community Facilities District is authorized to incur from $27,000,000 to $42,000,000 by amending Section 5 of

the Resolution Deeming it Necessary to Incur shall be subject to the approval of the qualified electors of the Community Facilities District at a special election. The City Council hereby finds and determines that no persons were registered to vote within the territory of the Community Facilities District as of March 17, 2022, and that 12 or more persons have not been registered to vote within the territory of the Community Facilities District for each of the 90 days preceding the close of the public hearing held by the City Council on the proposed increase in the maximum aggregate amount of bonded indebtedness that the Community Facilities District is authorized to incur. Accordingly, pursuant to Section 53326 of the Act, the vote shall be by the landowners of the Community Facilities District and each person who is the owner of land as of the close of said public hearing, or the authorized representative thereof, shall have one vote for each acre or portion of an acre that he or she owns within the Community Facilities District not exempt from the special tax. The voting procedure shall be by mailed or hand-delivered ballot.

SECTION 5. The date of the special community facilities district election at which time the proposition shall be submitted to the voters is May 3, 2022.

SECTION 6. The election is to be conducted by mail ballot. The mailed ballots are required to be received in the office of the City Clerk no later than 7:30 p.m. on May 3, 2022; provided, however, that if all of the qualified electors have voted prior to such time, the election may be closed with the concurrence of the City Clerk.

SECTION 7. All actions heretofore taken by the officers, employees and agents of the City with respect to the proposed increase in the maximum aggregate amount of bonded indebtedness that the Community Facilities District is authorized to incur, or in connection with or related to any of the documents referred to herein, are hereby approved, confirmed and ratified.

SECTION 8. The officers, employees and agents of the City are hereby authorized and directed to take all actions and do all things which they, or any of them, may deem necessary or desirable to accomplish the purposes of this Resolution and not inconsistent with the provisions hereof.

SECTION 9. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED, AND ADOPTED this 3th day of May 2022.

_____

PAUL S. LEON, MAYOR

ATTEST:

_____
SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

_____
BEST BEST & KRIEGER, LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2022- was duly passed and adopted by the City Council of the City of Ontario at their regular meeting held May 3, 2022 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2022- duly passed and adopted by the Ontario City Council at their regular meeting held May 3, 2022.

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, CALLING SPECIAL ELECTION FOR CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH - FACILITIES).

WHEREAS, on this date, the City Council (the "City Council") of the City of Ontario (the "City"), pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act"), adopted a resolution entitled "A Resolution of the City Council of the City of Ontario, California, Deeming it Necessary to Amend Resolution No. 2017-124 In Order to Increase the Maximum Aggregate Amount of Bonded Indebtedness that City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities) is Authorized to Incur" (the "Resolution Deeming it Necessary "), deeming it necessary that the maximum aggregate amount of bonded indebtedness that City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities) (the "Community Facilities District") is authorized to incur be increased from $27,000,000 to $42,000,000; and

WHEREAS, pursuant to the provisions of said resolution, the proposition to increase the maximum aggregate amount of bonded indebtedness the Community Facilities District is authorized to incur is to be submitted to the qualified electors of the Community Facilities District as required by the Act; and

WHEREAS, the City Council desires to designate the City Clerk of the City (the "City Clerk") as the election official for the special election provided for herein; and

WHEREAS, there has been filed with the City Clerk a letter from the Registrar of Voters of the County of San Bernardino indicating that no persons were registered to vote within the territory of the Community Facilities District as of March 17, 2022, and, accordingly, that 12 or more persons have not been registered to vote within the territory of the Community Facilities District for each of the 90 days preceding the close of the public hearing on the proposed increase in the maximum aggregate amount of bonded indebtedness that the Community Facilities District is authorized to incur; and

WHEREAS, there has been filed with the City Clerk consents and waivers of all of the landowners of record in the Community Facilities District waiving any time limit specified by Section 53326 of the Act and any requirement pertaining to the conduct of said special election, including any time limit or requirement applicable to an election pursuant to Article 5 of the Act (commencing with Section 53345 of the Act), consenting to the holding of said special election on May 3, 2022 and waiving any impartial analysis, arguments or rebuttals, as set forth in Sections 53326 and 53327 of the Act; and

WHEREAS, the City Clerk has concurred in said waivers and has concurred in holding said special election on May 3, 2022.

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

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. Pursuant to the Act, the proposition to increase the maximum aggregate amount of bonded indebtedness that the Community Facilities District is authorized to incur shall be submitted to the qualified electors of the Community Facilities District at an election called therefor as provided below.

SECTION 3. The City Clerk is hereby designated as the official to conduct said election.

SECTION 4. The City Council hereby finds and determines that no persons were registered to vote within the territory of the Community Facilities District as of March 17, 2022, and that 12 or more persons have not been registered to vote within the territory of the Community Facilities District for each of the 90 days preceding the close of the public hearing heretofore held by the City Council on the proposed increase in the maximum aggregate amount of bonded indebtedness that the Community Facilities District is authorized to incur. Accordingly, pursuant to Section 53326 of the Act, the vote shall be by the landowners of the Community Facilities District and each person who is the owner of land as of the close of said public hearing, or the authorized representative thereof, shall have one vote for each acre or portion of an acre that he or she owns within the Community Facilities District not exempt from the special tax.

SECTION 5. The City Council hereby finds and determines that the qualified electors of the Community Facilities District have unanimously consented (a) to the waiver of any time limit specified by Section 53326 of the Act and any requirement pertaining to the conduct of said election, including any time limit or requirement applicable to an election pursuant to Article 5 of the Act (commencing with Section 53345 of the Act), (b) to the holding of said election on May 3, 2022, and (c) to the waiver of any impartial analysis, arguments or rebuttals, as set forth in Sections 53326 and 53327 of the Act. The City Council herby finds and determines that the City Clerk has concurred in said waivers and has concurred in holding said election on May 3, 2022.

SECTION 6. The City Council hereby calls a special election to increase the maximum aggregate amount of bonded indebtedness that the Community Facilities District is authorized to incur from $27,000,000 to $42,000,000, which election shall be held at 303 East B Street, Ontario, California, on May 3, 2022. The City Council has caused to be provided to the City Clerk, as the official to conduct said election, the Resolution of Deeming it Necessary, a certified map of sufficient scale and clarity to show the boundaries of the Community Facilities District, and a sufficient description to allow the City Clerk to determine the boundaries of the Community Facilities District.

The voted ballots shall be returned to the City Clerk not later than 7:30 p.m. on May 3, 2022; provided, however, that if all of the qualified electors have voted prior to such time, the election may be closed with the concurrence of the City Clerk.

SECTION 7. Pursuant to Section 53326 of the Act, the election shall be conducted by mail or hand-delivered ballot pursuant to Section 4000 *et. seq.* of the California Elections Code. Except as otherwise provided in the Act, the provisions of law regulating elections of the City, insofar as they may be applicable, will govern the election.

SECTION 8. The form of the ballot for said election is attached hereto as Exhibit A and by this reference incorporated herein, and such form of ballot is hereby approved. The City Clerk shall cause to be delivered to each of the qualified electors of the Community Facilities District a ballot in said form. Each ballot shall indicate the number of votes to be voted by the respective landowner to which it pertains.

Each ballot shall be accompanied by all supplies and written instructions necessary for the use and return of the ballot. The identification envelope for return of the ballot shall be enclosed with the ballot, shall have the return postage prepaid, and shall contain: (a) the name and address of the landowner, (b) a declaration, under penalty of perjury, stating that the voter is the owner of record or the authorized representative of the landowner entitled to vote and is the person whose name appears on the identification envelope, (c) the printed name, signature and address of the voter, (d) the date of signing and place of execution of the declaration described in clause (b) above, and (e) a notice that the envelope contains an official ballot and is to be opened only by the canvassing board.

Analysis and arguments with respect to the ballot proposition are hereby waived, as provided in Section 53327 of the Act.

SECTION 9. The City Clerk shall accept the ballots of the qualified electors in the office of the City Clerk at 303 East B Street, Ontario, California, to and including 7:30 p.m. on May 3, 2022, whether said ballots be personally delivered or received by mail. The City Clerk shall have available ballots which may be marked at said location on the election day by said qualified electors.

SECTION 10. All actions heretofore taken by the officers, employees and agents of the City with respect to the special election called for herein, or in connection with or related to any of the matters referred to herein, are hereby approved, confirmed and ratified.

SECTION 11. The officers, employees and agents of the City are hereby authorized and directed to take all actions and do all things which they, or any of them, may deem necessary or desirable to accomplish the purposes of this Resolution and not inconsistent with the provisions hereof.

SECTION 12. This Resolution shall take effect immediately upon its adoption.

The City Clerk of the City of Ontario shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 3rd day of May 2022.

_____

PAUL S. LEON, MAYOR

ATTEST:

_____
SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

_____
BEST BEST & KRIEGER, LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2022- was duly passed and adopted by the City Council of the City of Ontario at their regular meeting held May 3, 2022 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2022- duly passed and adopted by the Ontario City Council at their regular meeting held May 3, 2022.

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

EXHIBIT A

OFFICIAL BALLOT

CITY OF ONTARIO
May 3, 2022

SPECIAL ELECTION

This ballot is for a special, landowner election. The number of votes to be voted pursuant to this ballot is ____.

INSTRUCTIONS TO VOTERS:

To vote on the measure, mark a cross (+ or X) in the voting square after the word "YES" or after the word "NO". All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Ontario and obtain another.

CITY OF ONTARIO
COMMUNITY FACILITIES DISTRICT NO. 35
(COUNTRYSIDE PHASE 2 SOUTH - FACILITIES)

MEASURE SUBMITTED TO VOTE OF VOTERS: Shall the maximum aggregate amount of bonded indebtedness that City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities) (the "Community Facilities District") is authorized to incur be increase from $27,000,000 to $42,000,000, as specified in the Resolution entitled "A Resolution of the City Council of the City of Ontario, California, Deeming it Necessary to Amend Resolution No. 2017-124 In Order to Increase the Maximum Aggregate Amount of Bonded Indebtedness that City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities) is Authorized to Incur," adopted by the City Council of the City of Ontario on May 3, 2022?

Yes: □

No: □

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, DECLARING RESULTS OF SPECIAL ELECTION OF COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH-FACILITIES).

WHEREAS, on May 3, 2022, the City Council (the "City Council") of the City of Ontario (the "City"), pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act"), adopted a resolution entitled "A Resolution of the City Council of the City of Ontario, California, Calling Special Election for City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities)" (the "Resolution Calling Election"), calling for a special election of the qualified electors within City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities) (the "Community Facilities District"); and

WHEREAS, pursuant to the terms of the Resolution Calling Election and the provisions of the Act, the special election was held on May 3, 2022; and

WHEREAS, the City Clerk of the City (the "City Clerk") has certified the canvass of the returns of the election and has filed a Canvass and Statement of Results of Election (the "Canvass"), a copy of which is attached hereto as Exhibit A;

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

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. The City Council has received, reviewed and hereby accepts the Canvass.

SECTION 3. The City Council hereby finds and declares that the ballot proposition submitted to the qualified electors of the Community Facilities District pursuant to the Resolution Calling Election has been passed and approved by such electors in accordance with Section 53355 of the Act.

SECTION 4. All actions heretofore taken by the officers, employees and agents of the City with respect to the special election, or in connection with or related to any of the matters referred to herein, are hereby approved, confirmed and ratified.

SECTION 5. The officers, employees and agents of the City are hereby authorized and directed to take all actions and do all things which they, or any of them, may deem necessary or desirable to accomplish the purposes of this Resolution and not inconsistent with the provisions hereof.

SECTION 6. This Resolution shall take effect immediately upon its adoption.

The City Clerk of the City of Ontario shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 3rd day of May 2022.

_____
PAUL S. LEON, MAYOR

ATTEST:

_____
SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

_____
BEST BEST & KRIEGER, LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2022- was duly passed and adopted by the City Council of the City of Ontario at their regular meeting held May 3, 2022 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2022- duly passed and adopted by the Ontario City Council at their regular meeting held May 3, 2022.

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

EXHIBIT A

CITY OF ONTARIO
COMMUNITY FACILITIES DISTRICT NO. 35
(COUNTRYSIDE PHASE 2 SOUTH - FACILITIES)

CANVASS AND STATEMENT OF RESULTS OF ELECTION

I hereby certify that on May 3, 2022, I canvassed the returns of the special election held on May 3, 2022, for the City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities), that the total number of ballots cast in said Community Facilities District and the total number of votes cast for and against the proposition are as follows and that the totals as shown for and against the proposition are true and correct:

	Qualified Landowner Votes	Votes Cast	YES	NO
City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities) Special Election, May 3, 2022	35	___	___	___

MEASURE SUBMITTED TO VOTE OF VOTERS: Shall the maximum aggregate amount of bonded indebtedness that City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities) (the "Community Facilities District") is authorized to incur be increase from $27,000,000 to $42,000,000, as specified in the Resolution entitled "A Resolution of the City Council of the City of Ontario, California, Deeming it Necessary to Amend Resolution No. 2017-124 In Order to Increase the Maximum Aggregate Amount of Bonded Indebtedness that City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities) is Authorized to Incur," adopted by the City Council of the City of Ontario on May 3, 2022?

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND this 3rd day of May 2022.

BY: _____
SHEILA MAUTZ, CITY CLERK

CITY OF ONTARIO *Agenda Report* **May 3, 2022**	**SECTION:** **PUBLIC HEARINGS**
Department: Planning Prepared By: Luis Batres Staff Member Presenting: Scott Murphy, Executive Director Community Development Approved By:	Submitted To: Council/OHA Approved: _____ Continued To: _____ Denied: _____ Item No: 14

SUBJECT: **A PUBLIC HEARING TO CONSIDER FILE NO. PCUP21-009, A CONDITIONAL USE PERMIT TO ESTABLISH A 128-ROOM LIMITED-SERVICE HOTEL ON 1.83 ACRES OF LAND LOCATED AT 5060 EAST FOURTH STREET, WITHIN THE FREEWAY COMMERCIAL LAND USE DISTRICT OF THE EXCHANGE SPECIFIC PLAN (APN: 0238-012-30)**

RECOMMENDATION: That the City Council consider and adopt a Resolution approving the Conditional Use Permit, File No. PCUP21-009, establishing a 128-room limited-service hotel located at 5060 East Fourth Street.

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:
Invest in the Growth and Evolution of the City's Economy
Operate in a Businesslike Manner
Focus Resources in Ontario's Commercial and Residential Neighborhoods

FISCAL IMPACT: The proposed hotel is expected to open in the Summer of 2024 and is projected to have an occupancy rate of 83 percent. The hotel is estimated to generate approximately $3.5 million dollars in revenue the first year and $4.5 million by the fifth year. Based on the projected revenues, the project will generate approximately $411,250 in estimated transient occupancy tax revenue the first year and $528,750 by the fifth year. In addition, the project will generate approximately $ 2.1 million in Development Impact Fees. Moreover, the project will also result in increased property tax revenues.

BACKGROUND & ANALYSIS: On June 4, 2021, the Applicant submitted a Conditional Use Permit application (File No. PCUP21-009) requesting approval to establish and operate a 128-room limited-service hotel on 1.83 acres of land located at 5060 East Fourth Street, within the Freeway Commercial land use district of The Exchange Specific Plan. The Conditional Use Permit was filed in conjunction with a Development Plan application (File No. PDEV21-021) requesting approval to construct a 4-story, 128-room Extended Stay hotel on the Project site.

On February 22, 2022, the Planning Commission conducted a duly noticed public hearing to consider the proposed Conditional Use Permit and Development Plan and upon conclusion of the

hearing, voted unanimously (7-0) to approve the Development Plan and recommend that the City Council approve the Conditional Use Permit.

The City's Development Code requires that all new hotels must be reviewed under concurrently filed Conditional Use Permit and Development Plan applications and that the Conditional Use Permit requires City Council action. The purpose of the Conditional Use Permit application and review is to confirm compliance with the City's Development Code required minimum amenity package for hotels, and to ensure the project's market feasibility.

Minimum Amenity Package. The Development Code provides that no Conditional Use Permit shall be approved for a hotel, motel, residence inn, or other similar traveler accommodation, unless certain specific amenities are provided, as follows:

- Each guestroom must include voicemail, wired or wireless internet access, desk with chair, hairdryer, retractable magnifying (10X) and lighted makeup mirror, iron and ironing board, high definition television, and alarm clock or wake-up service. Compliance with these requirements will be verified by the Planning Department during building plan check and at time of final building inspection.
- For limited-service hotels, meeting space equal to 15 square feet per guestroom must be provided, requiring the Project provide a minimum of 1,920 square feet of meeting/gathering area. The Project exceeds the minimum requirement, incorporating a total of 2,250 square feet of available meeting/gathering area.
- Both active and passive leisure amenities are required. At a minimum, the Project must provide a swimming pool, whirlpool/spa or furnished cabana, and fitness room. The Project exceeds the minimum requirement, providing a pool and spa, poolside cabana, outdoor seating areas, and a fitness room.
- A guest courtesy lounge for the serving of light meals and snacks is required to be provided in conjunction with limited-service hotels. The Project has provided a 331-square-foot café/snack room for hotel guests, meeting the minimum requirement.

In reviewing the proposed Project, the Planning Commission determined that all of the minimum amenity package requirements stipulated by Section 5.03.250.D (Minimum Amenity Package) of the City's Development Code, have been met or exceeded.

Market Demand. As a requirement of Conditional Use Permit submittal, the developer of a hotel must submit a Market Feasibility Study, which demonstrates that the local market can support the development of a new hotel. Veritas Development Advisors has prepared a Market Feasibility Study (dated October 21, 2021), which includes analysis and market research related to the proposed Project. The study found that the local market can support a limited-service hotel on the Project site. The study's conclusions are based primarily upon the growth in the Inland Empire, the area's proximity to the Los Angeles area, the Ontario Convention Center, the Ontario International Airport, California Speedway in Fontana, and the Project's proximity to the Ontario Mills Mall (see Exhibit K - Hotel Market Study, of the attached Planning Commission Staff Report). The Market Study includes an analysis of other similar hotels in the area, long-term viability, and overall demand due to new businesses and activities in and around the City.

HOUSING ELEMENT COMPLIANCE: The Project is consistent with the Housing Element of the Policy Plan (General Plan) component of The Ontario Plan, as the Project site is not one of the properties in the Available Land Inventory contained in Table A-3 (Available Land by Planning Area) of the Housing Element Technical Report Appendix.

AIRPORT LAND USE COMPATIBILITY PLAN (ALUCP) COMPLIANCE: The project site is located within the Airport Influence Area of the Ontario International Airport and has been found to be consistent with the policies and criteria set forth within the Ontario International Airport Land Use Compatibility Plan.

ENVIRONMENTAL REVIEW: The Project is categorically exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to Section 15332 (Class 32, Infill Development Projects) of the CEQA Guidelines, which consists of projects characterized as infill development projects. Furthermore, the Project meets all of the following conditions: (a) the Project is consistent with the applicable general plan designation and all applicable general plan policies, as well as the applicable zoning designation and regulations; (b) the proposed development occurs within city limits, on a project site of no more than five acres, and is substantially surrounded by urban uses; (c) the Project site has no value as habitat for endangered, rare, or threatened species; (d) approval of the Project will not result in any significant effects relating to traffic, noise, air quality, or water quality; and (e) the Project site is adequately served by all required utilities and public services.

CITY OF ONTARIO PLANNING DEPARTMENT

PLANNING COMMISSION STAFF REPORT

February 22, 2022

303 East B Street, Ontario, California 91764 Phone: 909.395.2036 / Fax: 909.395.2420

FILE NOS: PCUP21-009 and PDEV21-021

SUBJECT: A Conditional Use Permit (File No. PCUP21-009) to establish and operate a limited-service hotel and a Development Plan (File No. PDEV21-021) to construct a 4-story, 128-room Extended Stay hotel on 1.83 acres of land located at 5060 East Fourth Street, within the Freeway Commercial land use district of The Exchange Specific Plan (APN: 0238-012-30); submitted by Roger Barbosa. City Council action is required for File No. PCUP21-009.

PROPERTY OWNER: Jara Hospitality

RECOMMENDED ACTION: That the Planning Commission consider and approve File No. PDEV21-021, and recommend approval to City Council for File No. PCUP21-009, pursuant to the facts and reasons contained in the staff report and attached resolutions, and subject to the conditions of approval contained in Attachment A to each resolution.

PROJECT SETTING: The Project site is comprised of 1.83 acres of land located at 5060 East Fourth Street, within the Freeway Commercial land use district of The Exchange Specific Plan and is depicted in Figure 1: Project Location. The site is bounded by Interstate 15 to the west, Fourth Street to the north, Southern California Edison ("SCE") transmission lines to the east and Ontario Mills Parkway to the south. The surrounding area is currently developed with Arizona Tile, Baker's Drive-Thru Restaurant, AM/PM Service Station, a multi-tenant retail building that includes WaBa Grill, and a four-building industrial business park located within the southern portion of the specific plan. The existing surrounding land uses, zoning, and general plan and specific plan land use designations are summarized in the "Surrounding Zoning &

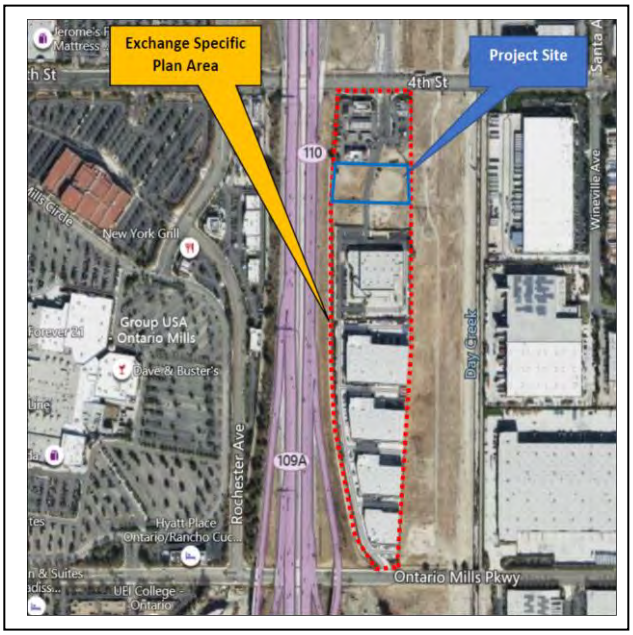


Figure 1: Project Location

Case Planner:	Luis E. Batres
Planning Director Approval:	
Submittal Date:	6/4/21

Hearing Body	*Date*	*Decision*	*Action*
DAB	2/7/22	Approved	Recommend
PC	2/22/22	Approved	Final /Recommend
CC			CUP- Final

Land Uses" table located in the Technical Appendix of this report.

PROJECT ANALYSIS:

(1) Background — In 2003, the City approved The Exchange Specific Plan, a 23.60-acre master plan for the Project area. The Exchange Specific Plan is composed of two land use districts, including the Freeway Commercial land use district, which comprises the northerly 12.03 acres of the Specific Plan, and the Industrial Park land use district, which comprises the southerly 11.57 acres of the Specific Plan (see Exhibit B—The Exchange Specific Plan Land Use Plan, attached).

In 2007, two development plans were approved within The Exchange Specific Plan master plan area, including a 15,705 square foot sit-down restaurant (Blue Sandias) and a 74-room, 3-story hotel (Candlewood Suites). Blue Sandias and Candlewood Suites were never constructed due to a downturn in the economy.

On June 4, 2021, the Applicant submitted a Conditional Use Permit application (File No. PCUP21-009) requesting approval to establish and operate a limited-service hotel land use, together with a Development Plan application (File No. PDEV21-021) requesting approval to construct a 4-story, 128-room Extended Stay hotel on the Project site.

Guest amenities proposed for the Project include:

- Swimming pool with an accompanying pool side cabana;
- Outdoor seating area;
- Porte-cochere for arriving guests;
- Meeting rooms (two rooms totaling 1,850 square feet) and adjacent outdoor gathering area (400 square feet);
- Fitness room (331 square feet);
- Café/Snack room (331 square feet);
- Guest laundry facilities (437 square feet); and
- On-site business center, including office equipment (copying, printer, and scanner) and supplies

Guestrooms range from 277 square feet (Queen Suites) to 432 square feet (Double Queen Suites) in area. Four room configurations are proposed:

- Queen Suites (61 rooms)
- Double Queen Suites (61 rooms)
- ADA Queen Suites (3 rooms)
- ADA Double Queen Suites (3 rooms)

(2) Conditional Use Permit — The City's Development Code requires that all new hotels must be reviewed under concurrently filed Conditional Use Permit and Development Plan applications. The purpose of the Conditional Use Permit application

and review is to ensure that the proposed use will be operated in a manner consistent with all local regulations, and to ensure the use will not be detrimental to the public health, safety, or welfare, or materially injurious to uses, properties or improvements in the vicinity. More specifically, in the case of hotels, the Conditional Use Permit is required to establish the Project's market feasibility and ensure on-going compliance with the minimum amenity package required by the Development Code.

(a) Market Demand — As a requirement of Conditional Use Permit submittal, the developer of a hotel must submit a Market Feasibility Study, which demonstrates that the local market can support the development of a new hotel. For this Application, Veritas Development Advisors has prepared a Market Feasibility Study (dated October 21, 2021), which includes analysis and market research related to the proposed Project. The study found that the local market can support a limited-service hotel on the Project site. The study's conclusions are based primarily upon the growth in the Inland Empire, the area's proximity to the Los Angeles area, the Ontario Convention Center, the Ontario International Airport, California Speedway in Fontana, and the Project's proximity to the Ontario Mills Mall (see Exhibit K—Hotel Market Study, attached). The Market Study includes an analysis of other similar hotels in the area, long-term viability, and overall demand due to new businesses and activities in and around the City.

(b) Minimum Amenity Package —The Development Code provides that no Conditional Use Permit shall be approved for a hotel, motel, residence inn, or other similar traveler accommodation, unless certain specific amenities are provided, as follows

- Each guestroom must include voicemail, wired or wireless internet access, desk with chair, hairdryer, retractable magnifying (10X) and lighted makeup mirror, iron and ironing board, high definition television, and alarm clock or wake-up service. Compliance with these requirements will be verified by the Planning Department during Building Department plan check and at time of final building inspection.
- For limited-service hotels, meeting space equal to 15 square feet per guestroom must be provided, requiring that a minimum of 1,920 square feet of meeting/gathering area must be provided for the Project. The Project exceeds the minimum requirement, incorporating a total of 2,250 square feet of available meeting/gathering area.
- Both active and passive leisure amenities are required, at a minimum, a swimming pool, whirlpool/spa or furnished cabana, and fitness room. The Project exceeds the minimum requirement, providing a pool/spa, poolside cabana, outdoor seating areas, and a fitness room.
- A guest courtesy lounge for the serving of light meals and snacks is required to be provided in conjunction with limited-service hotels. A 331-square-foot café/snack room is provided for hotel guests, meeting the minimum requirement.

It is the determination of Planning Department staff that the proposed Project has met or exceeded the minimum amenity package requirements, as stipulated by Section 5.03.250.D (Minimum Amenity Package) of the City's Development Code.

(3) Development Plan —

(a) Site Design/Building Layout. The proposed hotel is located approximately 1,000 feet south of Fourth street, with the building's primary entrance facing north. The building is in a L-shaped configuration, which wraps around an outdoor amenity area containing the pool/spa and outdoor gathering/seating areas (see Exhibit A—Project Location Map, attached).

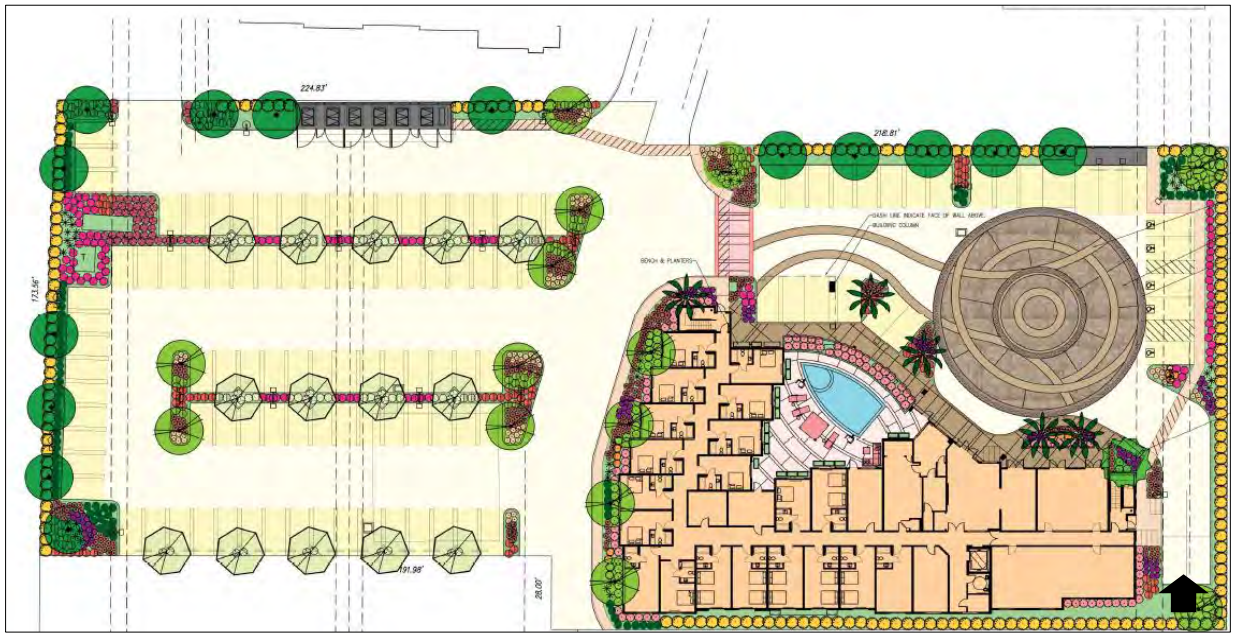


Figure 2: Site Plan

(b) Site Access/Circulation. Off-street parking is distributed along the north and west sides of the building and a guest drop-off area under a porte-cochere has been provided at the front of the building. Ample landscaped areas have been provided immediately adjacent to the hotel and throughout the off-street parking areas. Additionally, decorative hardscape treatments have been provided at the main building entrance, throughout the pool/spa and outdoor gathering/seating areas and at the vehicle turn-around area in front of the hotel (see Figure 2: Site Plan, above).

(c) Site Access/Circulation. Primary vehicular access to the proposed hotel is provided from an existing common drive aisle that intersects Fourth Street at a fully signalized intersection that is common with the Interstate 15 southbound exit to Fourth Street. Secondary access is provided from Ontario Mills Parkway via a common drive aisle through the industrial park to the south. Additionally, ample maneuvering space has been provided for service. Service vehicles will be able to access the hotel along the east side of the building via a 24-foot-wide service drive.

(d) Parking. The Project is required to provide a total of 128 off-street parking spaces, at the rate of one space per guestroom, and the Project is proposing a total of 118 spaces. The Exchange Specific Plan and the Ontario Development Code allow the Planning Commission to approve a reduction in parking, if the reduction is validated by a parking study. To support the requested reduction in parking, a parking study was prepared by Trames Solutions Inc. (see Exhibit L—Parking Study, attached). The parking study concluded that the number of parking spaces provided is adequate. The study found that the hotel will have a peak demand of 94 spaces at 8 AM on weekdays and 105 spaces at 8 AM on weekends (see Table 1: Parking Study Peak Demand, below). In addition, the City's Traffic Manager has reviewed the parking study and is in support of the study's findings. However, to mitigate any potential parking shortages in the future, staff has conditioned the Project so that, if additional parking is found to be necessary, the Applicant must enter into a reciprocal parking agreement with adjacent developments to provide additional parking.

Table 1: Parking Study Peak Demand

Demand	*Peak Time*	*Required Parking*	*Parking Provided*
Weekdays:	8 AM	94	118
Weekends:	8 AM	105	118

(e) Architecture. The Extended Stay hotel will be a signature building. The hotel will feature a contemporary architecture style that exemplifies the high-quality architecture promoted by The Exchange Specific Plan and the Ontario Plan. Since the Project will be visible from all four sides, staff has worked closely with the architect to provide 360-degree architecture. Special attention has been given to the use of colors, massing, building form, materials, and architectural details (see Figure 3: Front Elevation, below, and Exhibit F—Building Elevations, attached).

This is exemplified by the use of:

- Decorative architectural towers on all four building sides;
- Articulated roof line;
- Articulated footprint;
- Decorative cornice treatment along the edge of the architectural towers;
- Vertical and horizontal reveal lines;
- Variation in building massing;
- Cantilevered building elements;
- Incorporation of insets and pop-outs;
- Extensive use of glass;
- Smooth-painted walls;
- Decorative lighting fixtures;
- Fiber cement vertical siding panels;
- Decorative metal wall panels;

- Decorative painted steel canopies along the north elevation;
- Incorporation of a stone veneer along the full height of the first floor (French Limestone);
- Incorporation of decorative eyebrows over key windows; and
- Color blocking implementing exterior colors of varying tone, shade, and brightness.



Figure 3: Front (North) Elevation

(f) Landscaping. The Exchange Specific Plan requires 15 percent of the site to be landscaped and the Applicant proposes to landscape 15.5 percent of the Project site. Palm trees, accent trees, and ground cover have been selected to enhance the Project site, along with Australian Willow, Brisbane Box, Coast Live Oak, Date Palms, Agave Blue Clone, Dwarf Myrtle, Amazing Red Flax, Indian Hawthorn, Texas Privet, and Orange Drop Lily. To enhance the Project at night, staff has worked with the Applicant to also provide enhanced lighting at key landscape areas.

(g) Utilities (drainage, sewer). Public utilities (water and sewer) are available to serve the Project site. Additionally, the applicant has submitted a Preliminary Water Quality Management Plan ("PWQMP"), which establishes the Project's compliance with storm water discharge/water quality requirements. The PWQMP includes site design measures that capture runoff and pollutant transport by minimizing impervious surfaces and maximizes low impact development ("LID") best management practices ("BMPs"), such as retention and infiltration, bio treatment, and evapotranspiration. The PWQMP proposes an underground infiltration basin located beneath the parking lot, along the west of the hotel structure. The basin is designed to accept runoff from the building's roof and parking lot.

COMPLIANCE WITH THE ONTARIO PLAN: The proposed Project is consistent with the principles, goals and policies contained within the Vision, Governance, Policy Plan (General Plan), and City Council Priorities components of The Ontario Plan (TOP). More specifically, the goals and policies of TOP that are furthered by the proposed Project are as follows:

(1) City Council Goals.

- Invest in the Growth and Evolution of the City's Economy
- Operate in a Businesslike Manner
- Focus Resources in Ontario's Commercial and Residential Neighborhoods

(2) Vision.

Distinctive Development:

- Commercial and Residential Development

➢ Development quality that is broadly recognized as distinctive and not exclusively tied to the general suburban character typical of much of Southern California.

(3) Governance.

Decision Making:

- Goal G1: Sustained decision-making that consistently moves Ontario towards its Vision by using The Ontario Plan as a framework for assessing choices.

➢ G1-2 Long-term Benefit. We require decisions to demonstrate and document how they add value to the community and support the Ontario Vision

(4) Policy Plan (General Plan)

Land Use Element:

- Goal LU2: Compatibility between a wide range of uses.

➢ LU2-6: Infrastructure Compatibility: We require infrastructure to be aesthetically pleasing and in context with the community character.

Community Economics Element:

- Goal CE2: A City of distinctive neighborhoods, districts, and corridors, where people choose to be.

➢ CE2-1 Development Projects. We require new development and redevelopment to create unique, high-quality places that add value to the community.

➢ CE2-2 Development Review. We require those proposing new development and redevelopment to demonstrate how their projects will create

appropriately unique, functional, and sustainable places that will compete well with their competition within the region.

- CE2-4 Protection of Investment. We require that new development and redevelopment protect existing investment by providing architecture and urban design of equal or greater quality.

- CE2-5 Private Maintenance. We require adequate maintenance, upkeep, and investment in private property because proper maintenance on private property protects property values.

- Goal CE3: Decision-making deliberations that incorporate the full short-term and long-term economic and fiscal implications of proposed City Council actions.

- CE3-1 Fiscal Impact Disclosures. We require requests for City Council action to disclose the full fiscal impacts, including direct and indirect costs.

Safety Element:

- Goal S1: Minimized risk of injury, loss of life, property damage and economic and social disruption caused by earthquake-induced and other geologic hazards.

- S1-1 Implementation of Regulations and Standards. We require that all new habitable structures be designed in accordance with the most recent California Building Code adopted by the City, including provisions regarding lateral forces and grading.

Community Design Element:

- Goal CD1: A dynamic, progressive city containing distinct neighborhoods and commercial districts that foster a positive sense of identity and belonging among residents, visitors, and businesses.

- CD1-1 City Identity. We take actions that are consistent with the City being a leading urban center in Southern California while recognizing the diverse character of our existing viable neighborhoods.

- CD1-2 Growth Areas. We require development in growth areas to be distinctive and unique places within which there are cohesive design themes.

- CD1-3 Neighborhood Improvement. We require viable existing residential and non-residential neighborhoods to be preserved, protected, and enhanced in accordance with our land use policies.

- Goal CD2: A high level of design quality resulting in public spaces, streetscapes, and developments that are attractive, safe, functional, and distinct.

➢ CD2-1 Quality Architecture. We encourage all development projects to convey visual interest and character through:

- Building volume, massing, and height to provide appropriate scale and proportion;
- A true architectural style which is carried out in plan, section, and elevation through all aspects of the building and site design and appropriate for its setting; and
- Exterior building materials that are visually interesting, high quality, durable, and appropriate for the architectural style.

➢ CD2-8 Safe Design. We incorporate defensible space design into new and existing developments to ensure the maximum safe travel and visibility on pathways, corridors, and open space and at building entrances and parking areas by avoiding physically and visually isolated spaces, maintenance of visibility and accessibility, and use of lighting.

➢ CD2-9 Landscape Design. We encourage durable landscaping materials and designs that enhance the aesthetics of structures, create, and define public and private spaces, and provide shade and environmental benefits.

➢ CD2-10 Surface Parking Areas. We require parking areas visible to or used by the public to be landscaped in an aesthetically pleasing, safe and environmentally sensitive manner. Examples include shade trees, pervious surfaces, urban run-off capture and infiltration, and pedestrian paths to guide users through the parking field.

➢ CD2-11 Entry Statements. We encourage the inclusion of amenities, signage, and landscaping at the entry to neighborhoods, commercial centers, mixed use areas, industrial developments, and public places that reinforce them as uniquely identifiable places.

➢ CD2-12 Site and Building Signage. We encourage the use of sign programs that utilize complementary materials, colors, and themes. Project signage should be designed to effectively communicate and direct users to various aspects of the development and complement the character of the structures.

➢ CD2-13 Entitlement Process. We work collaboratively with all stakeholders to ensure a high degree of certainty in the efficient review and timely processing of all development plans and permits.

▪ Goal CD3: Vibrant urban environments that are organized around intense buildings, pedestrian and transit areas, public plazas, and linkages between and within developments that are conveniently located, visually appealing and safe during all hours.

- CD3-1 Design. We require that pedestrian, vehicular, bicycle and equestrian circulation on both public and private property be coordinated and designed to maximize safety, comfort, and aesthetics.

- CD3-2 Connectivity Between Streets, Sidewalks, Walkways and Plazas. We require landscaping and paving be used to optimize visual connectivity between streets, sidewalks, walkways, and plazas for pedestrians.

- CD3-3 Building Entrances. We require all building entrances to be accessible and visible from adjacent streets, sidewalks, or public open spaces.

- CD3-5 Paving. We require sidewalks and road surfaces to be of a type and quality that contributes to the appearance and utility of streets and public spaces.

- CD3-6 Landscaping. We utilize landscaping to enhance the aesthetics, functionality and sustainability of streetscapes, outdoor spaces, and buildings.

- Goal CD5: A sustained level of maintenance and improvement of properties, buildings and infrastructure that protects the property values and encourages additional public and private investments.

- CD5-1 Maintenance of Buildings and Property. We require all public and privately-owned buildings and property (including trails and easements) to be properly and consistently maintained.

- CD5-2 Maintenance of Infrastructure. We require the continual maintenance of infrastructure.

HOUSING ELEMENT COMPLIANCE: The Project is consistent with the Housing Element of the Policy Plan (General Plan) component of The Ontario Plan, as the Project site is not one of the properties in the Available Land Inventory contained in Table A-3 (Available Land by Planning Area) of the Housing Element Technical Report Appendix.

AIRPORT LAND USE COMPATIBILITY PLAN (ALUCP) COMPLIANCE: The California State Aeronautics Act (Public Utilities Code Section 21670 et seq.) requires that an Airport Land Use Compatibility Plan be prepared for all public use airports in the State; and requires that local land use plans and individual development proposals must be consistent with the policies set forth in the adopted Airport Land Use Compatibility Plan. On April 19, 2011, the City Council of the City of Ontario approved and adopted the Ontario International Airport Land use Compatibility Plan ("ALUCP"), establishing the Airport Influence Area for Ontario International Airport, which encompasses lands within parts of San Bernardino, Riverside, and Los Angeles Counties, and limits future land uses and development within the Airport Influence Area, as they relate to noise, safety, airspace protection, and overflight impacts of current and future airport activity. The proposed Project is located within the Airport Influence Area of Ontario International Airport and was evaluated and

found to be consistent with the policies and criteria of the ALUCP. Any special conditions of approval associated with uses in close proximity to the airport are included in the conditions of approval provided with the attached Resolution.

ENVIRONMENTAL REVIEW: The Project is categorically exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to Section 15332 (Class 32, Infill Development Projects) of the CEQA Guidelines, which consists of projects characterized as infill development projects. Furthermore, the Project meets all of the following conditions: (a) the Project is consistent with the applicable general plan designation and all applicable general plan policies, as well as the applicable zoning designation and regulations; (b) the proposed development occurs within city limits, on a project site of no more than five acres, and is substantially surrounded by urban uses; (c) the Project site has no value as habitat for endangered, rare, or threatened species; (d) approval of the Project will not result in any significant effects relating to traffic, noise, air quality, or water quality; and (e) the Project site is adequately served by all required utilities and public services.

CONDITIONS OF APPROVAL: See attached department reports.

TECHNICAL APPENDIX:

Surrounding Zoning and Land Use:

	Existing Land Use	*General Plan Designation*	*Zoning Designation*	*Specific Plan Land Use*
Site	Vacant	Planned Commercial	SP (Specific Plan)	The Exchange SP / Freeway Commercial
North	Multi-tenant retail & Vacant Land	Planned Commercial	SP (Specific Plan)	The Exchange SP / Freeway Commercial
South	Vacant Land	Planned Commercial	SP (Specific Plan)	The Exchange SP / Freeway Commercial
East	SCE Transmission Lines	Non-Recreational Open Space	Open Space (OS)	N/A
West	I-15 Freeway	Right-of-way	Right-of-way	N/A

General Site & Building Statistics

Item	*Proposed*	*Min./Max. Standard*	*Meets Y/N*
Project Area:	1.83 Acres	N/A	Y
Lot/Parcel Size:	1.83 Acres	N/A	Y
Building Area:	56,406 Sq. Ft.	N/A	Y
Building Height:	53'	55'	Y

Off-Street Parking:

Type of Use	*Building Area*	*Parking Ratio*	*Spaces Required*	*Spaces Provided*
Hotel (128 Rooms)	56,406 Sq. Ft.	1 Space per Guest Room	128	118
		Note: Per Parking Study Prepared	105	118
TOTAL			105	118

Exhibit A—PROJECT LOCATION MAP

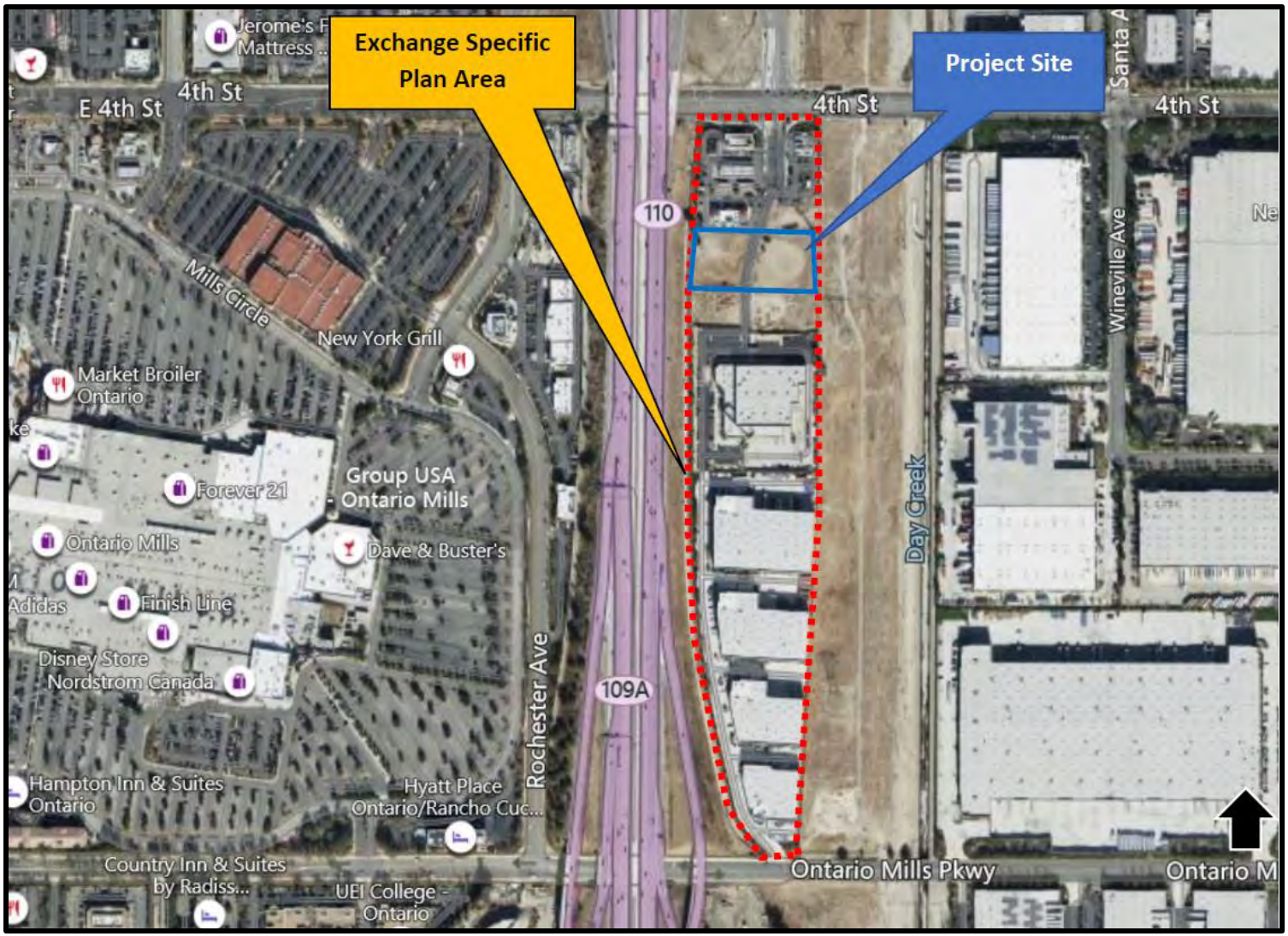


Exhibit B—THE EXCHANGE SPECIFIC PLAN LAND USE PLAN



Exhibit C—SITE PLAN

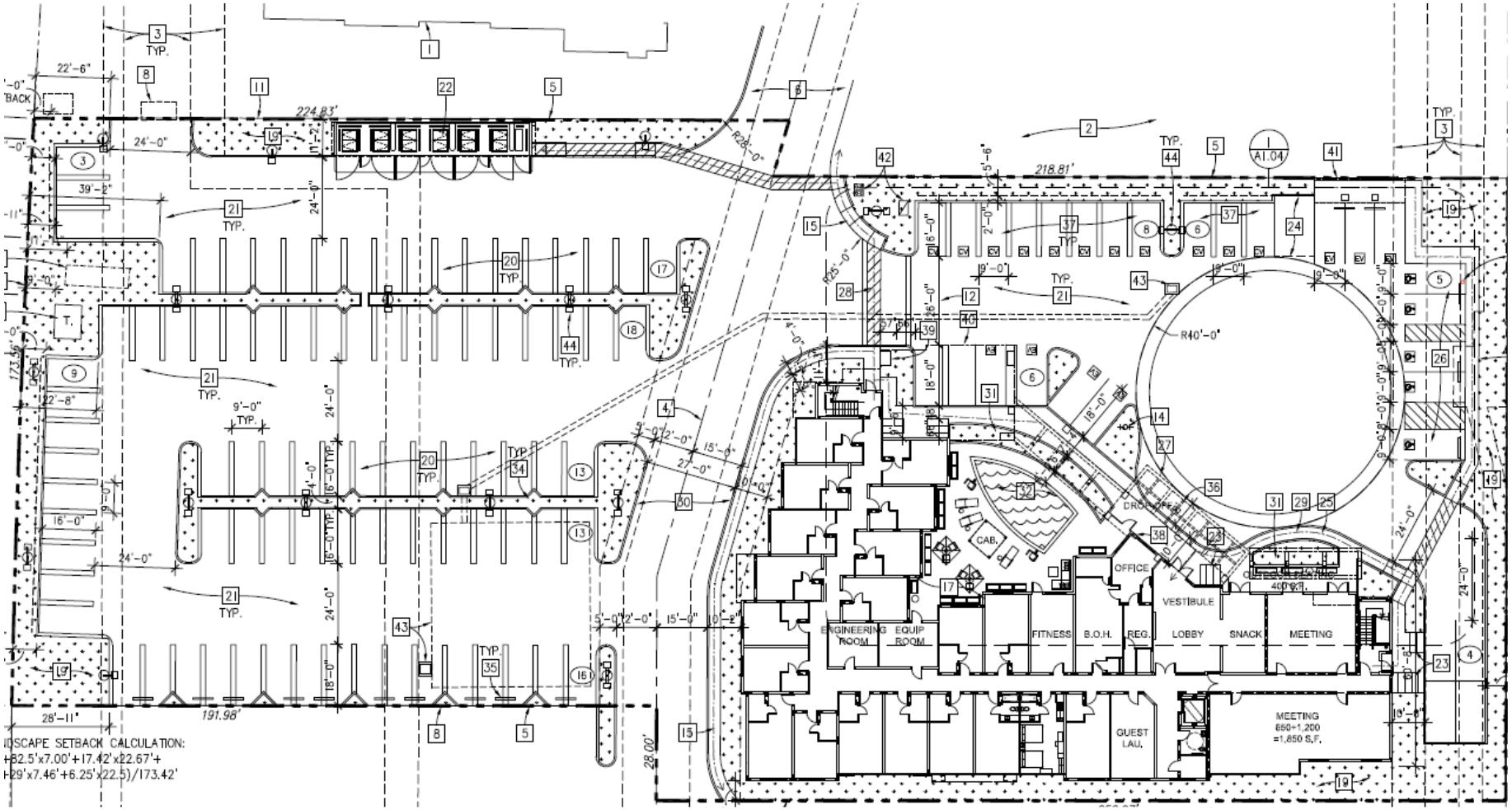


Exhibit D—LANDSCAPE PLAN

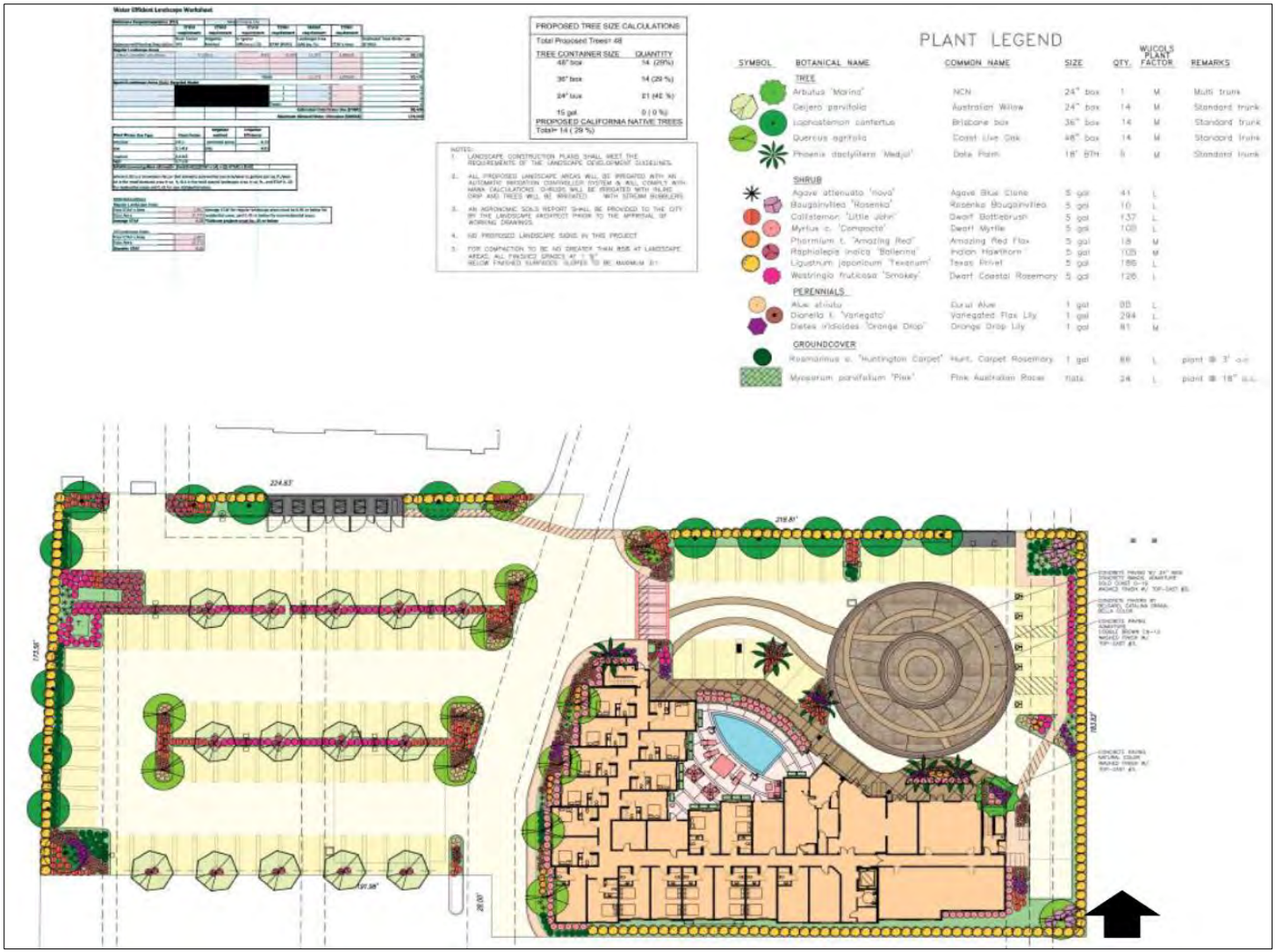


Exhibit E—POOL AREA

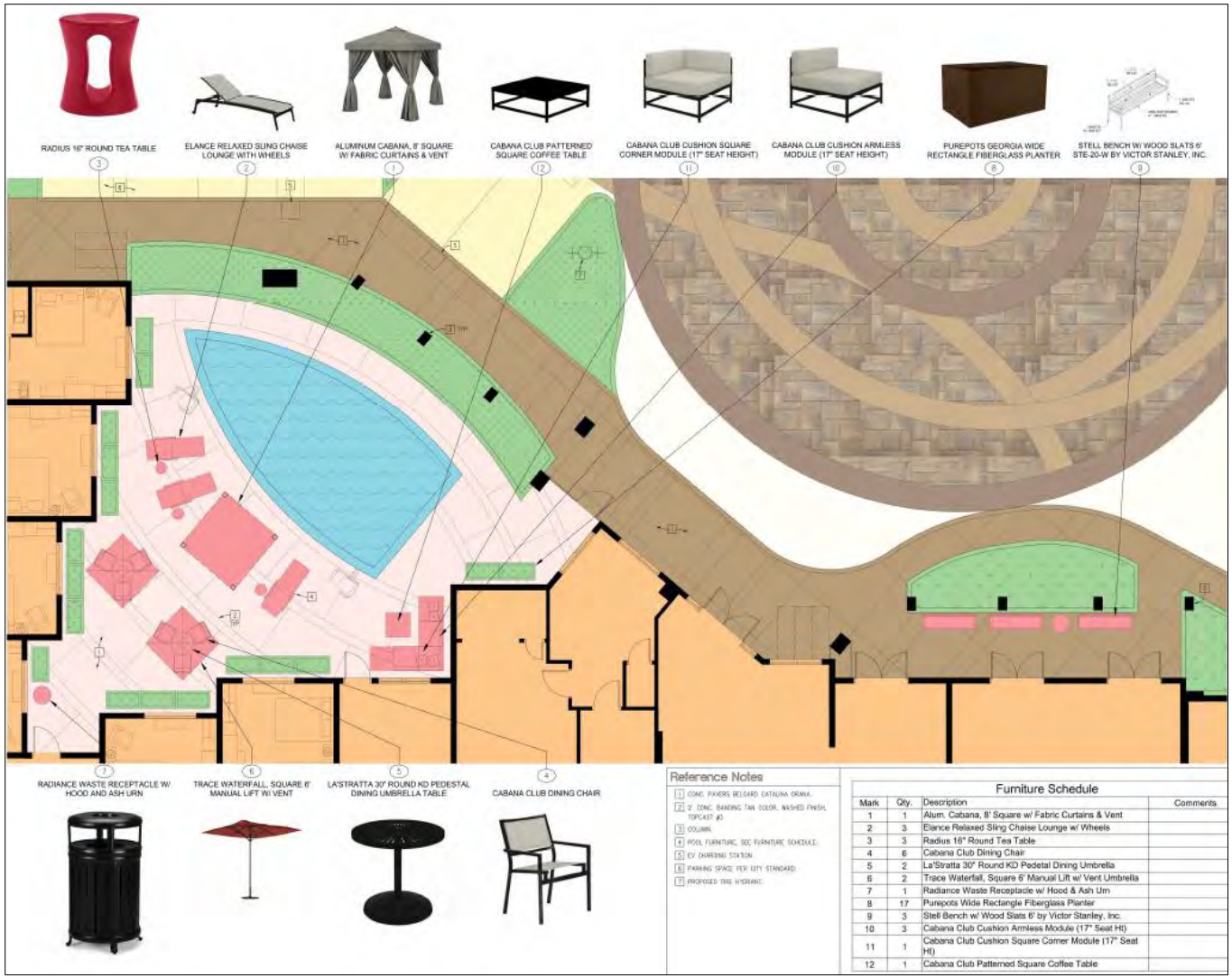


Exhibit F—EXTERIOR ELEVATIONS



North Elevation



South Elevation

Exhibit F—EXTERIOR ELEVATIONS (CONTINUED)



West Elevation



East Elevation

Exhibit G—FIRST FLOOR

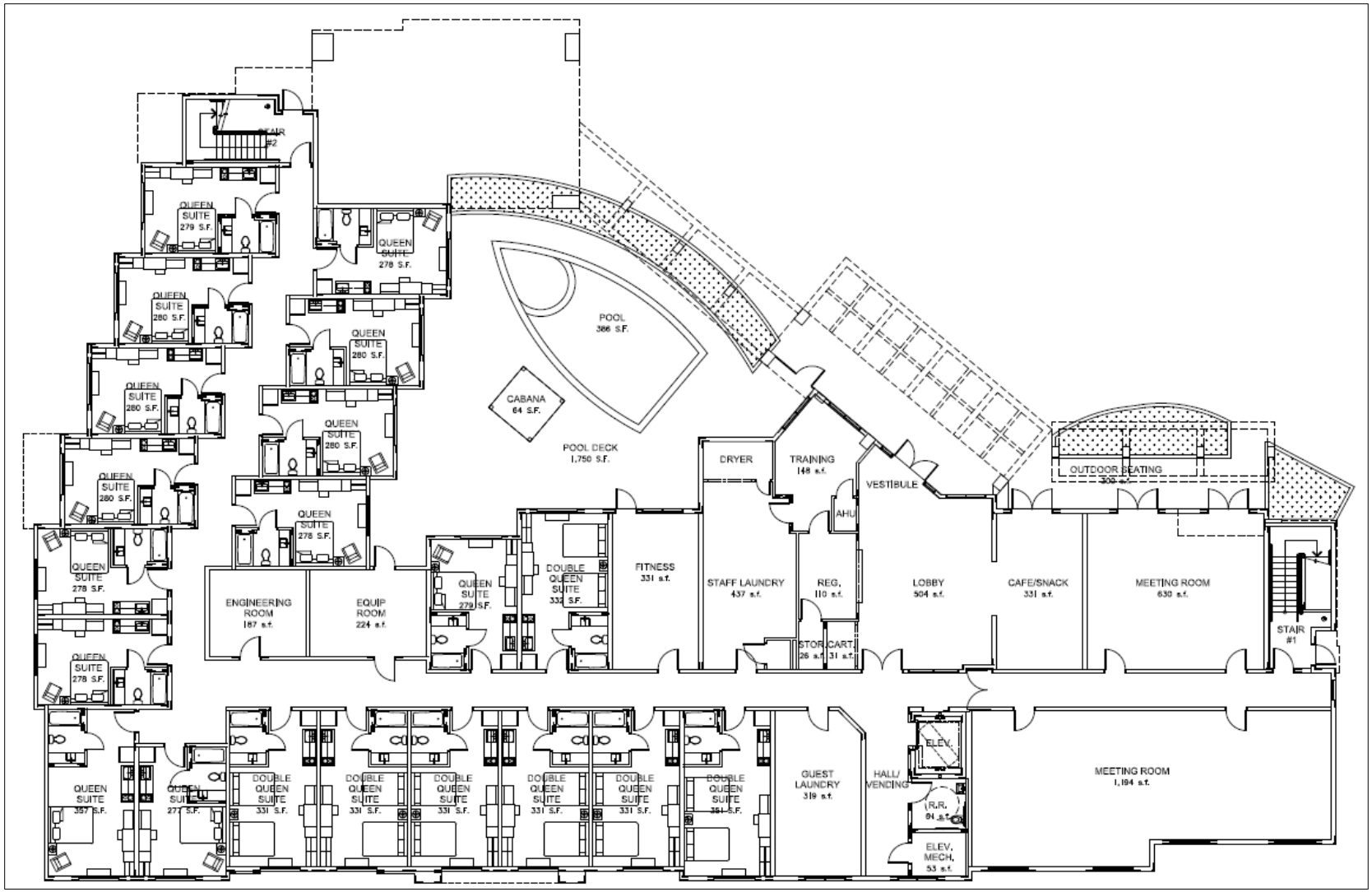


Exhibit H—SECOND FLOOR

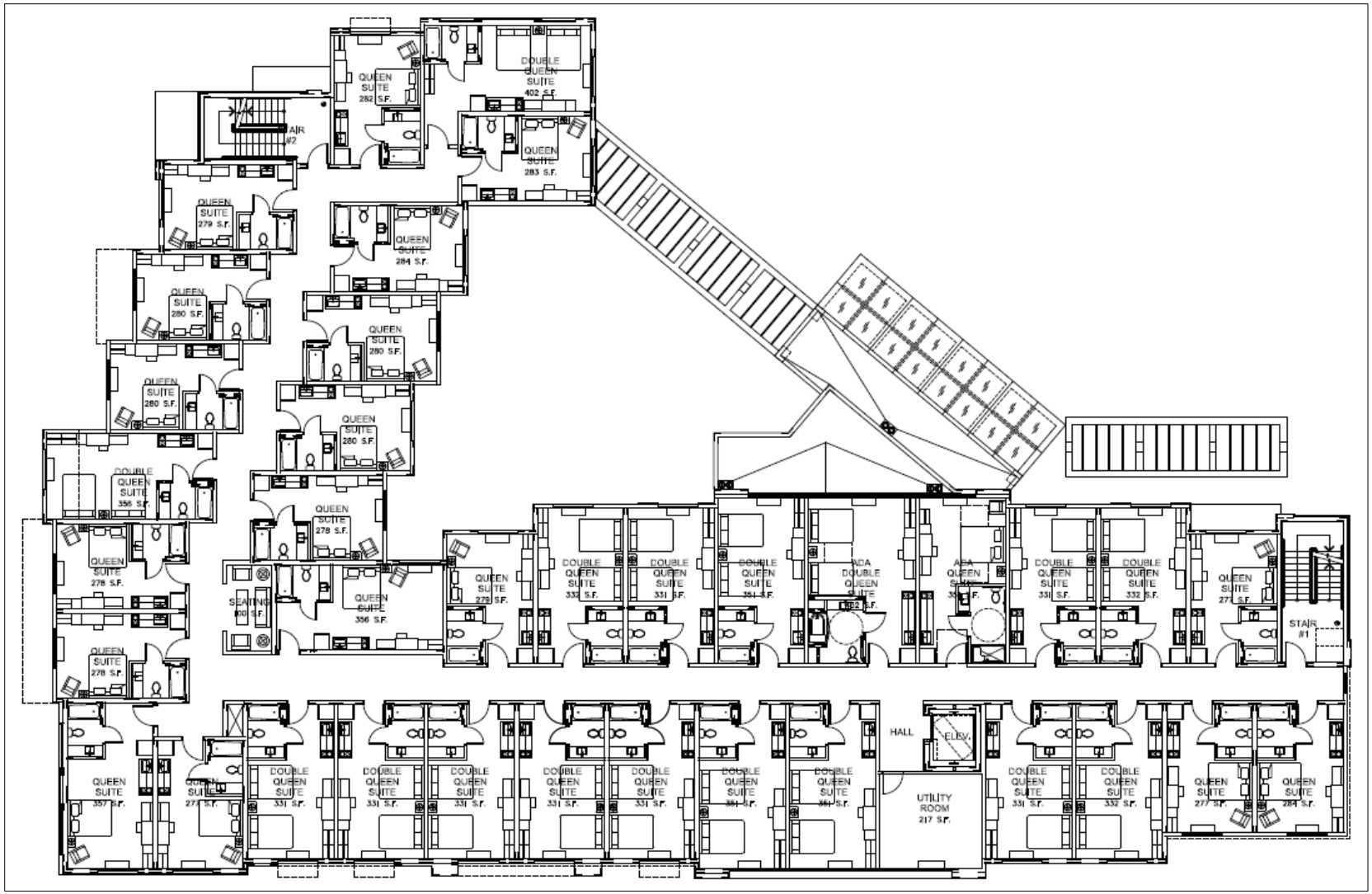


Exhibit I—THIRD FLOOR

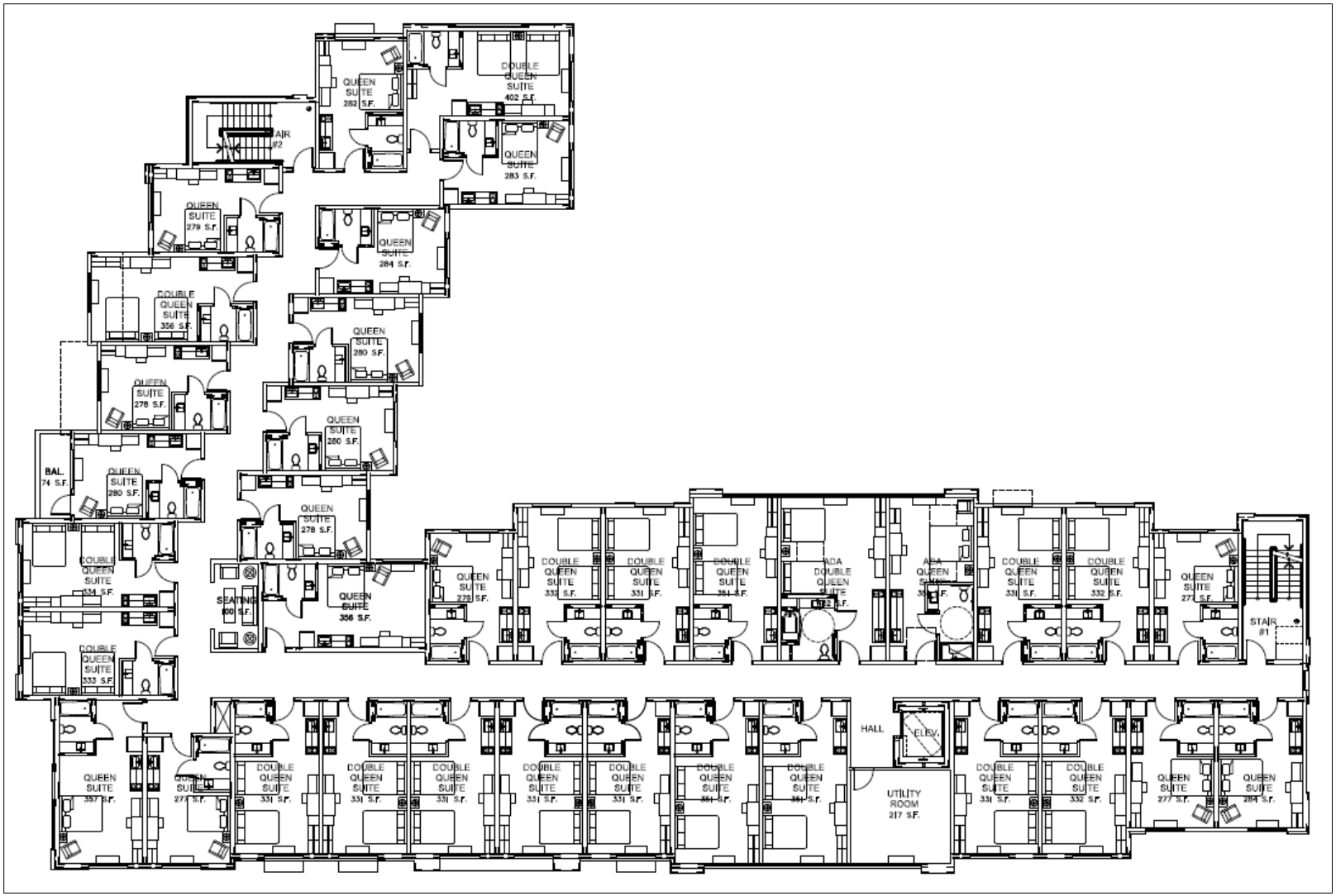


Exhibit J—FOURTH FLOOR

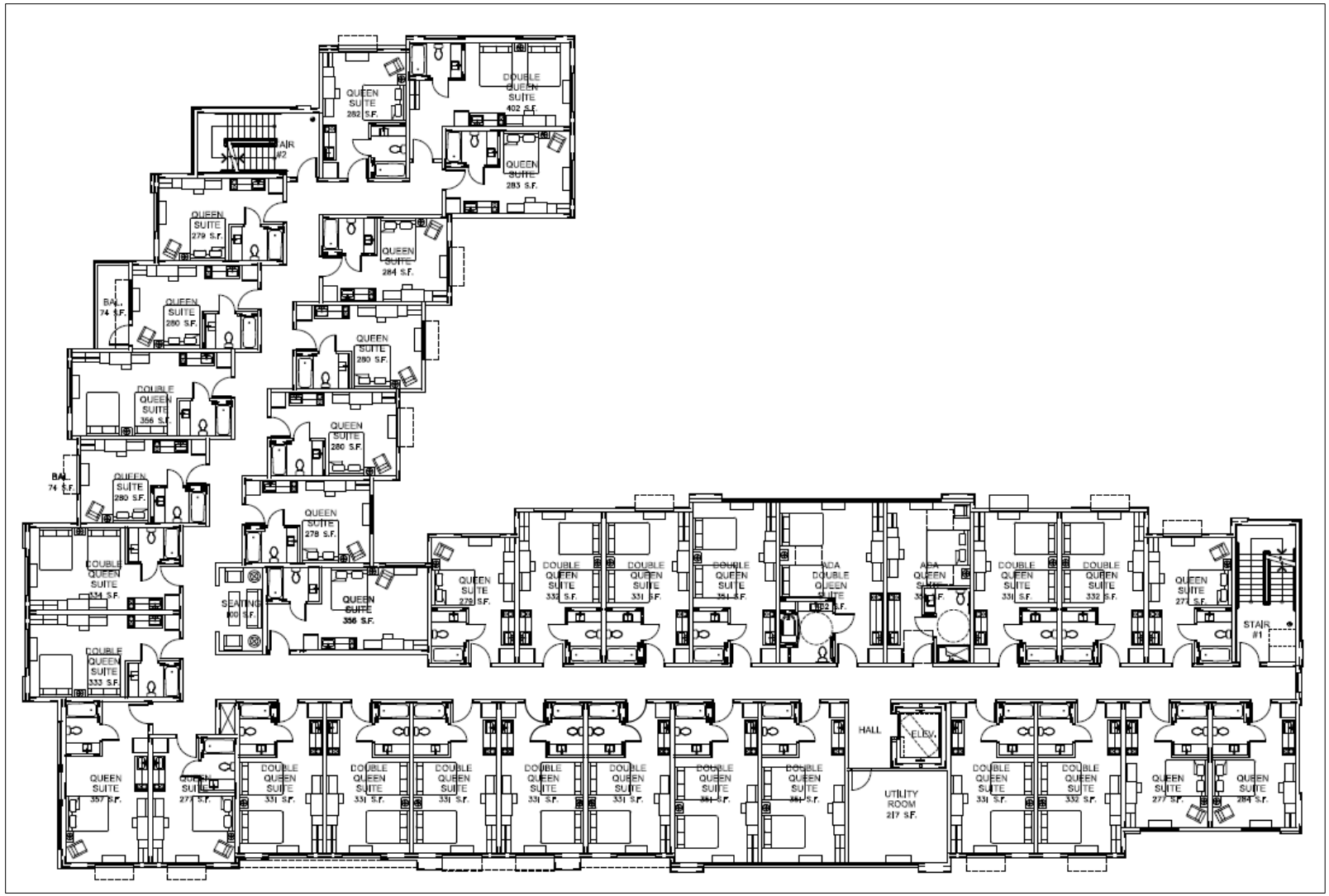


Exhibit K—HOTEL MARKET STUDY

(Document follows this page)

October 21, 2021

VERITAS | DEVELOPMENT ADVISORS

Market Feasibility Study

for the planned construction and operation of a 128-room extended stay hotel to be located in Ontario, CA

Disclaimer

This report is for the use of the party to whom it is addressed only and no liability is accepted to any third party for the whole or any part of its contents. It may not be reproduced, either in whole or in part, nor altered in any way, without the prior written consent of Veritas Development Advisors, LLC. The information and analysis contained in this report has been obtained from or based on information from a variety of sources generally regarded to be reliable and assumptions which are considered reasonable, and which was current at the time of undertaking market research. However, no representation is made, or responsibility is accepted by Veritas Development Advisors, LLC, in respect of the accuracy or currency of this information. Potential investors or developers are encouraged to carry out their own assessment of market potential and development feasibility.

The report and analysis does not purport to represent a formal valuation of any land or property interest and must not be construed as such. Such analysis including forward looking statements are opinions and estimates only and are based on a wide range of variables which may not be capable of being determined with accuracy. Variation in any one of these variables can have a material impact on the analysis and we draw your attention to this.

It should be noted that the estimation of future sales prices, rental levels, development and investment returns and development viability is a very problematic exercise which at best should be regarded as an indicative assessment of possibilities rather than absolute values. The process of making forward projections for such key elements involves assumptions which are acutely sensitive to changing conditions, variations in any one of which factors may significant effect the viability of a project and we draw your attention to this factor. Veritas Development Advisors, LLC does not accept any liability for negligence or otherwise for any loss or damage suffered by any party resulting from reliance on this report other than as specified in the contract of engagement.

Effect of global and local economic conditions

The continued turmoil and instability in the financial markets is continuing to cause volatility and uncertainty in the world's capital markets and real estate markets. In these circumstances the assessment or feasibility may be affected by rapidly changing global and local economic market conditions, socio-economic changes, political conditions and other risks.

Availability and Cost of Finance

Due to the current situation of the global and local capital markets, interest rates have been volatile there has been a significant reduction in the availability of and increase in the cost of debt to the real estate sector and the mortgage market.

Supply & Demand Analysis

The supply and demand analyses set out in the report are based on current and historic trends and may be impacted significantly by factors such as unforeseen delays in supply, decreasing demand levels and changes in investor, business and consumer sentiment as well as the outlook for economic growth at local, regional and global levels.

Demand in the Market Area

Currency volatility together with job security, economic growth changing oil prices and deteriorating employment conditions across much of the globe may impact the propensity to travel and affect the purchasing power of prospective visitors to the region. This is likely to materially impact the performance of the hospitality and retail sector in particular.

Veritas Development Advisors, LLC does not accept any liability for any changes in the market conditions which may have occurred in the time elapsed between the rendering of the report and the use of it. Nor can Veritas Development Advisors, LLC accept any liability for discrepancies between our assumptions, which lie at the basis of the report, and actual market conditions which are not available to any qualified real estate consultant as a result of the market's inherent limited transparency.

Executive Summary

VERITAS | DEVELOPMENT ADVISORS

Executive Summary

VERITAS | DEVELOPMENT ADVISORS

October 21, 2021

Private and Confidential

Mr. Luis Batres, Senior Planner
City of Ontario ("Company")
303 East B Street
Ontario, California 91764

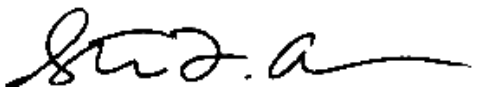
Re: Market Feasibility Study for the planned construction and operation of a 128-room extended stay hotel to be located at 5060 East 4th Street in Ontario, CA 91764. ("Subject Project").

Dear Mr. Batres:

The enclosed Market Feasibility Study is for the planned 128-room extended stay hotel to be located in Ontario, CA. Demand factors were analyzed in detail as presented herein. The Subject Project's industry and its relevant leveraged structure indicates that the Company's revenue should follow trends in the overall economy, including disposable income of end-users/consumers. Based on the analysis, the market area economy appears to be growing which indicates reasonable potential for the Subject Project.

The market area for the Subject Project appears stable. The Subject Project's rooms are expected to be absorbed in the market area based on the STR report analysis conducted herein. Based on the supply and demand analysis (pre-COVID) within the market area, it appears as though occupancy will likely remain above 65 percent over the next five years. Analyses of the market appears to indicate that development of the Subject Project, as planned, would yield about a 0.8 percent market share in the Subject Project's market area.

Primary and secondary research was used to carry out the analyses related to the Subject Project.



Steve Alves, Managing Partner
Veritas Development Advisors, LLC

Statement of Work

Scope of Work

// Market Feasibility Study //

1. A complete listing of proposed facilities, amenities, and services (i.e.: number and type of rooms, meeting space square footage, recreational amenities, business services such as data ports-workstations-etc., refrigerators in room, laundry service, restaurant-coffee shop-food service, etc.);
2. History of proposed developer and potential operators (i.e.: years in business, principals, capitalizing, experience, listing of projects, number of units owned, average rates charged, occupancy rates, etc.);
3. Analysis of economic environment projecting likely future economic conditions as they relate to the operation of the subject hotel;
4. Subjects competitive market (i.e.: identification of their market, 3 and 5 year history of occupancy- average daily rate-revenue per available room trends for that market, estimated share of the market the hotel will capture during the first five years of operation, etc.);
5. Analysis of the economic impacts on existing hotel markets within Ontario (i.e.: estimate of the dilution of the market due to addition of proposed hotel, etc.). Note: new hotel projects should only be approved if competitive market occupancy remains at or above 65 percent for a five year projection period;
6. Relationship to demand generators (i.e.: airport, convention center, corporate market, shopping and entertainment);
7. Public cost/revenue projections.

Market Feasibility Study

VERITAS | DEVELOPMENT ADVISORS

Market Feasibility

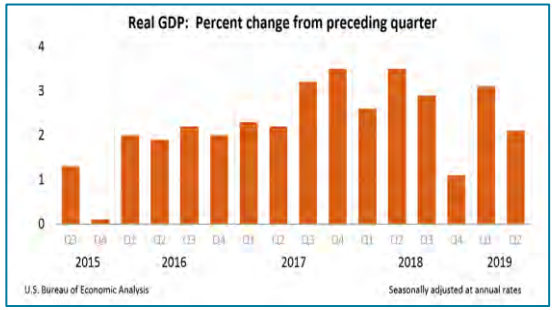
US Economy

Gross Domestic Product (GDP)

Current Numbers

- 2nd quarter 2019: 2.1 percent
- 1st quarter 2019: 3.1 percent

Real gross domestic product (GDP) increased at an annual rate of 2.1 percent in the second quarter of 2019, according to the "advance" estimate released by the Bureau of Economic Analysis. In the first quarter, real GDP increased 3.1 percent.



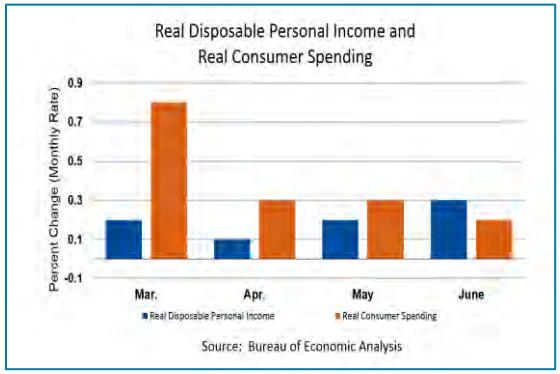
The Bureau emphasized that the third-quarter advance estimate released today is based on source data that are incomplete or subject to further revision by the source agency. The "second" estimate for the third quarter, based on more complete data, will be released on August 29, 2019.

Personal Income

- June 2019: 0.4 percent
- May 2019: 0.4 percent

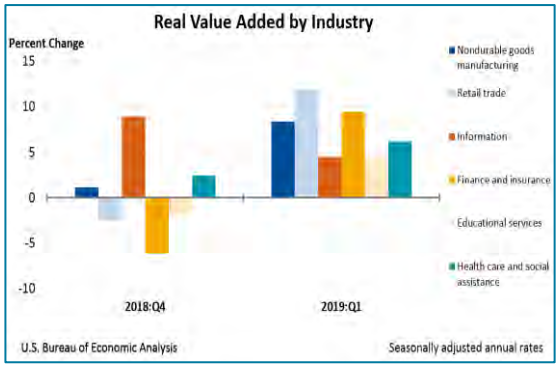
Personal income increased 0.4 percent in June, the same increase as in May. Wages and salaries, the largest component of personal income, increased 0.5 percent in June after increasing 0.2 percent in May.

Personal income increased $83.6 billion (0.4 percent) in June according to estimates released today by the Bureau of Economic Analysis. Disposable personal income (DPI) increased $69.7 billion (0.4 percent) and personal consumption expenditures (PCE) increased $41.0 billion (0.3 percent).



Industry Economic Accounts

Finance and insurance; retail trade; and health care and social assistance were the leading contributors to the increase in U.S. economic growth in the first quarter of 2019. Overall, 16 of 22 industry groups contributed to the 3.1 percent increase in real GDP in the first quarter. According to gross domestic product (GDP) by the Bureau of Economic Analysis, 16 of 22 industry groups contributed to the overall 3.1 percent increase in real GDP in the first quarter.



Market Feasibility

Retail trade increased 11.9 percent in the first quarter, after decreasing 2.5 percent in the fourth. This primarily reflected an increase in other retail, which includes gasoline stations and pharmacies and drug stores.

U.S. Balance of Payments (International Transactions)

Current Account Balance:

- 1st quarter 2019: -$130.4 billion
- 4th quarter 2018: -$143.9 billion
- Annual 2017: -$466.2 billion
- Annual 2016: -$451.7 billion

The U.S. current-account deficit decreased to $130.4 billion (preliminary) in the first quarter of 2019 from $143.9 billion (revised) in the fourth quarter of 2018.

International Investment Position

Net International Investment Position at End of Period:

- End of 1st quarter 2019: -$9.93 trillion
- End of 4th quarter 2018: -$9.55 trillion
- End of year 2018: -$9.55 trillion
- End of year 2017: -$7.74 trillion

Quarterly data: The U.S. net international investment position decreased to -$9.93 trillion (preliminary) at the end of the first quarter of 2019 from -$9.55 trillion (revised) at the end of the fourth quarter of 2018, according to statistics released by the Bureau of Economic Analysis (BEA).

International Trade in Goods and Services

Trade Balance:

- May 2019: -$55.5 billion
- April 2019: -$51.2 billion

The U.S. monthly international trade deficit increased in May 2019 according to the U.S. Bureau of Economic Analysis and the U.S. Census Bureau. The deficit increased from $51.2 billion in April (revised) to $55.5 billion in May, as imports increased more than exports. The previously published April deficit was $50.8 billion. The goods deficit increased $4.4 billion in May to $76.1 billion. The services surplus increased $0.1 billion in May to $20.6 billion.

New Foreign Direct Investment in the United States

Annual Data: Expenditures by foreign direct investors to acquire, establish, or expand U.S. businesses totaled $296.4 billion (preliminary) in 2018. Expenditures were up 8.7 percent from $272.8 billion (revised) in 2017 but were below the annual average of $338.1 billion for 2014–2017.

As in previous years, acquisitions of existing businesses accounted for a large majority of total expenditures.

In 2018, expenditures for acquisitions were $287.3 billion, expenditures to establish new U.S. businesses were $5.3 billion, and expenditures to expand existing foreign-owned businesses were $3.8 billion. Planned total expenditures, which include both first-year and planned future expenditures, were $318.1 billion.

Market Feasibility

California Economy

California has an unemployment rate of 8.2%. The US average is 6.3% (Jan 2021).

California has seen the job market increase by 1.3% over the last year. Future job growth over the next ten years is predicted to be 34.0%, which is higher than the US average of 33.5%.

Tax Rates for California

– The Sales Tax Rate for California is 8.5%. The US average is 7.3%.

- The Income Tax Rate for California is 9.3%. The US average is 4.6%.

- Tax Rates can have a big impact when Comparing Cost of Living.

Income and Salaries for California

- The average income of a California resident is $29,906 a year. The US average is $28,555 a year.

San Bernardino County Economy

San Bernardino County has an unemployment rate of 7.8%. The US average is 6.3% (Jan 2021).

San Bernardino County has seen the job market increase by 2.3% over the last year. Future job growth over the next ten years is predicted to be 38.7%, which is higher than the US average of 33.5%.

Tax Rates for San Bernardino County

- The Sales Tax Rate for San Bernardino County is 7.8%. The US average is 7.3%.

- The Income Tax Rate for San Bernardino County is 9.3%. The US average is 4.6%.

- Tax Rates can have a big impact when Comparing Cost of Living.

Income and Salaries for San Bernardino County

- The average income of a San Bernardino County resident is $21,384 a year. The US average is $28,555 a year.

Ontario Economy

Ontario has an unemployment rate of 6.9%. The US average is 6.3% (Jan 2021).

Ontario has seen the job market increase by -2.3% over the last year. Future job growth over the next ten years is predicted to be 40.6%, which is higher than the US average of 33.5%.

Tax Rates for Ontario

- The Sales Tax Rate for Ontario is 7.8%. The US average is 7.3%.

- The Income Tax Rate for Ontario is 9.3%. The US average is 4.6%.

- Tax Rates can have a big impact when Comparing Cost of Living.

Income and Salaries for Ontario

- The average income of a Ontario resident is $17,137 a year. The US average is $28,555 a year.

Source: *Best Places to Live | Compare Cost of Living, Crime, Cities, Schools and More. Sperling's BestPlaces*, https://www.bestplaces.net/.

Market Feasibility

Economy At Glance California	Mar 2021	Apr 2021	May 2021	June 2021	July 2021	Aug 2021
Labor Force Data						
Civilian Labor Force(1)	18920.6	18895.2	18863.2	18877.2	18927.5	(p)18,982.8
Employment(1)	17341.3	17378.5	17417.3	17437.6	17493.6	(p)17,551.1
Unemployment(1)	1579.3	1516.7	1445.9	1439.6	1433.8	(p)1,431.6
Unemployment Rate(2)	8.3	8	7.7	7.6	7.6	(p)7.5
Nonfarm Wage and Salary Employment						
Total Nonfarm(3)	16146.4	16248.4	16343.1	16414.6	16527.8	(p)16,632.1
12-month % change	-7.7	8.7	8	5.1	5.5	(p)5.5
Mining and Logging(3)	19.2	19	18.7	18.6	18.8	(p)18.9
12-month % change	-13.9	-6.9	-1.6	0	0.5	(p)-0.5
Construction(3)	886.3	884.1	879.8	877.1	877.8	(p)878.4
12-month % change	-0.8	19.7	6.3	3.2	4.7	(p)4.3
Manufacturing(3)	1250.7	1253.7	1256.6	1258.3	1255.7	(p)1,258.6
12-month % change	-5.4	3.9	2.4	0.8	1.2	(p)1.1
Trade, Transportation, and Utilities(3)	2982.5	2982.6	2987.7	2988.4	2991.3	(p)2,990.5
12-month % change	-2.3	13.4	12.2	5.9	5.3	(p)3.8
Information(3)	529.2	527.3	538.6	539.6	545	(p)547.2
12-month % change	-8.9	3.4	6.1	7.6	7.7	(p)7.7
Financial Activities(3)	809.5	810.7	811.8	808.8	806.6	(p)809.8
12-month % change	-4.3	1.3	1.2	0.8	0.5	(p)0.7
Professional & Business Services(3)	2643.9	2662.4	2669.7	2672.2	2680.6	(p)2,694.6
12-month % change	-3.3	7.6	6.5	5.9	6.1	(p)6.2
Education & Health Services(3)	2747.5	2762.5	2772.9	2782.1	2793.3	(p)2,787.0
12-month % change	-3.8	7.2	5.9	3.6	3.4	(p)2.6
Leisure & Hospitality(3)	1418	1478.4	1531.1	1574.6	1627.4	(p)1,660.5
12-month % change	-28.6	37.8	36.7	20.2	24.8	(p)27.7
Other Services(3)	458.7	466.6	471	482	491.9	(p)500.3
12-month % change	-20.8	18	14.7	10.1	10.3	(p)17.4
Government(3)	2400.9	2401.1	2405.2	2412.9	2439.4	(p)2,486.3
12-month % change	-8.1	-4.7	-1.1	0	0	(p)0.3

Footnotes

(1) Number of persons, in thousands, seasonally adjusted.

(2) In percent, seasonally adjusted.

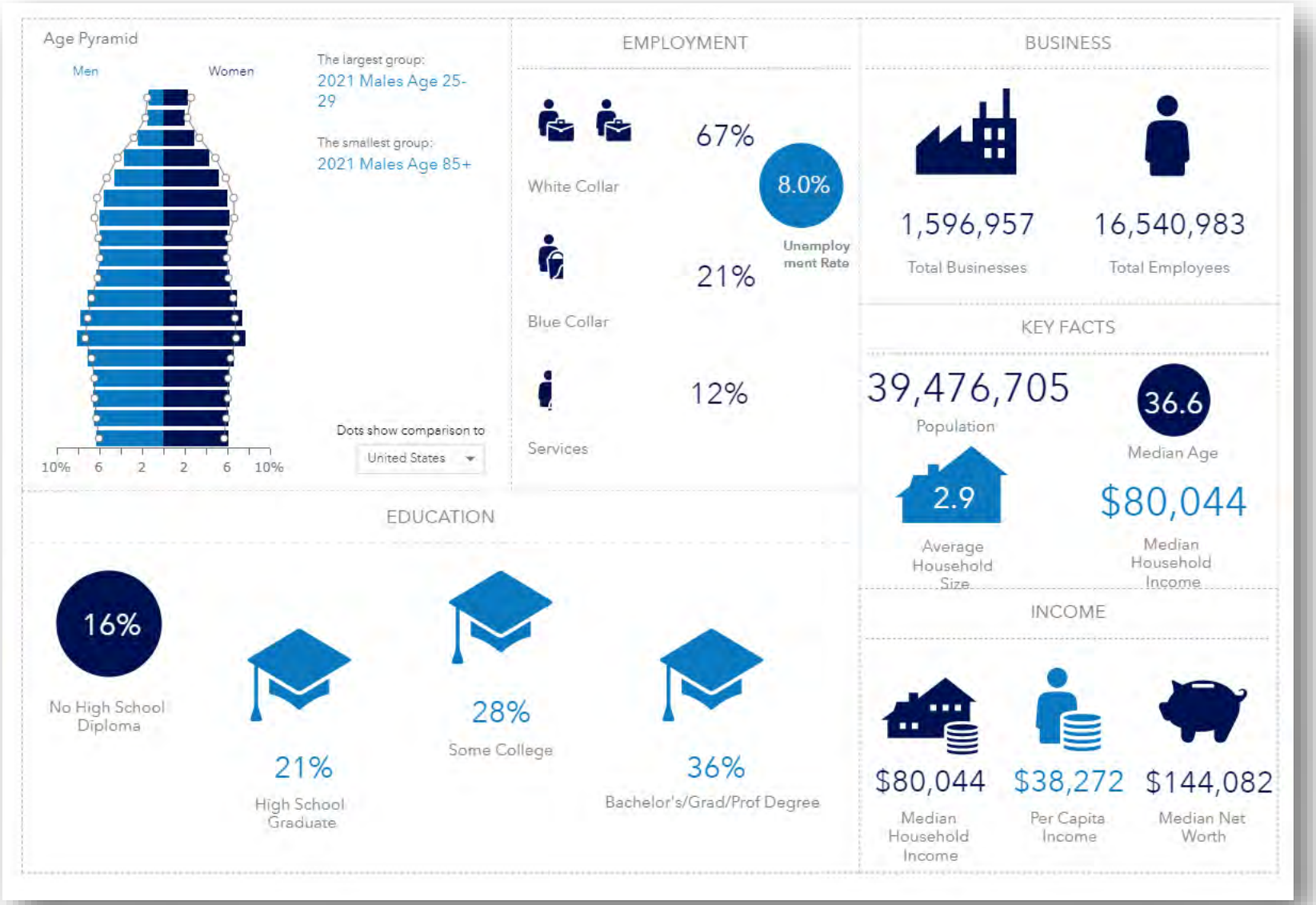
(3) Number of jobs, in thousands, seasonally adjusted.

(P) Preliminary

(r) Revised

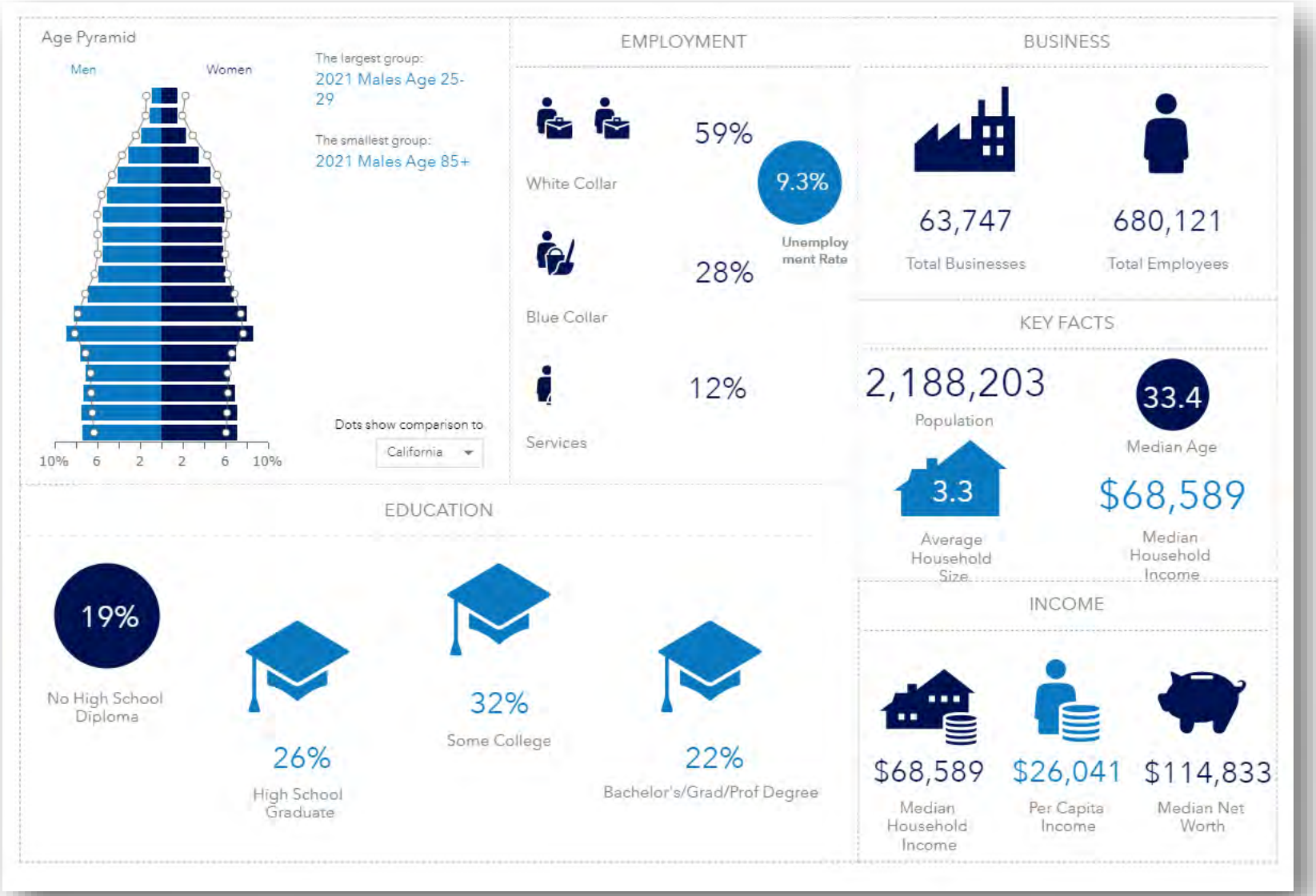
Market Feasibility

California Demographics Summary



Market Feasibility

San Bernardino County Demographics Summary



Market Feasibility

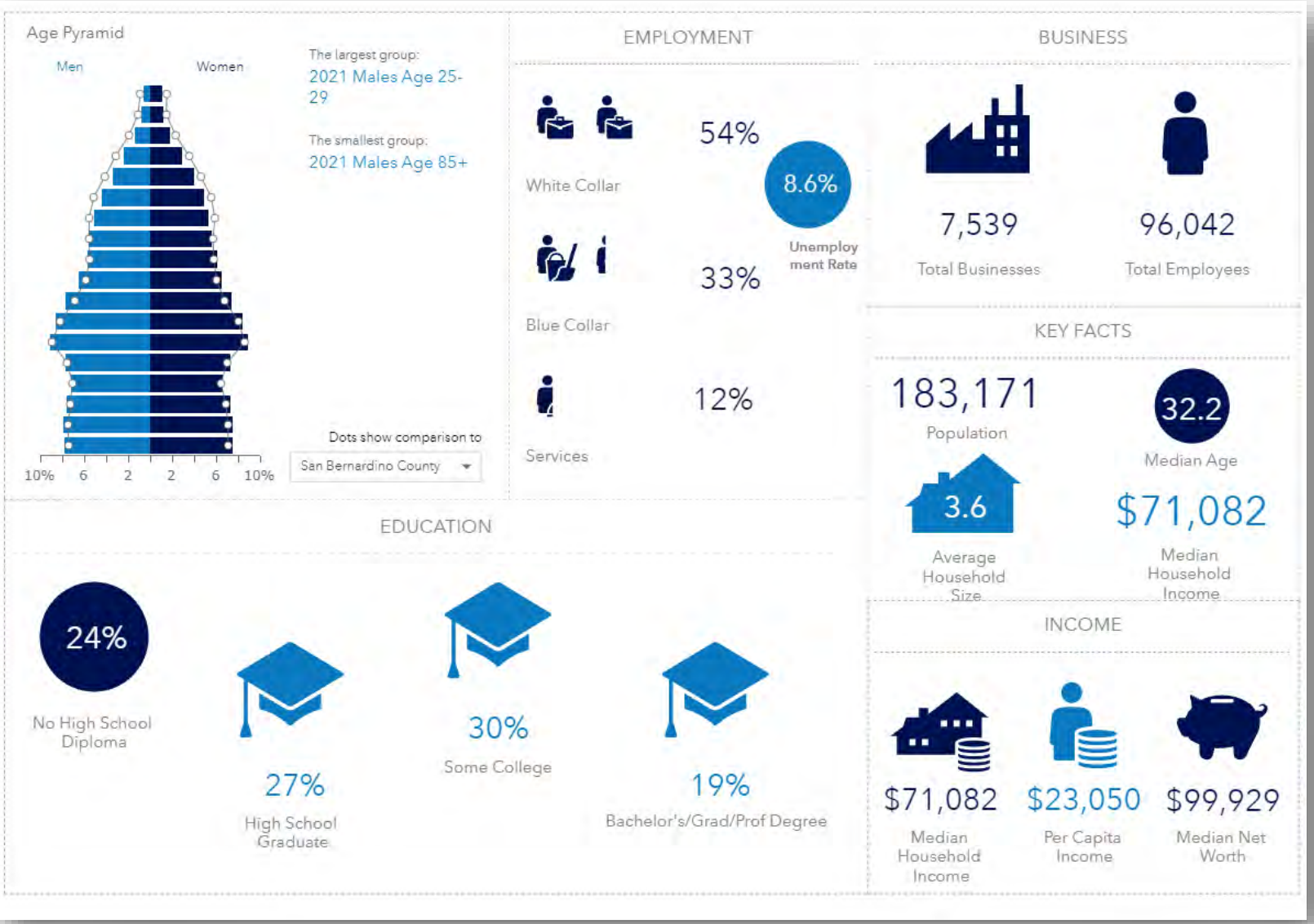
San Bernardino County | Demographic Tables

San Bernardino County, California	Estimate	Margin of Error	Percent	Percent Margin of Error
SEX AND AGE				
Total population	2,180,085	*****	2,180,085	(X)
Male	1,086,226	±637	49.8%	±0.1
Female	1,093,859	±637	50.2%	±0.1
Sex ratio (males per 100 females)	99.3	±0.1	(X)	(X)
Under 5 years	151,731	±767	7.0%	±0.1
5 to 9 years	155,183	±5,575	7.1%	±0.3
10 to 14 years	167,305	±5,539	7.7%	±0.3
15 to 19 years	155,930	±671	7.2%	±0.1
20 to 24 years	159,148	±594	7.3%	±0.1
25 to 34 years	336,303	±942	15.4%	±0.1
35 to 44 years	283,746	±873	13.0%	±0.1
45 to 54 years	262,434	±1,127	12.0%	±0.1
55 to 59 years	131,001	±4,218	6.0%	±0.2
60 to 64 years	116,492	±4,317	5.3%	±0.2
65 to 74 years	160,976	±331	7.4%	±0.1
75 to 84 years	72,827	±2,680	3.3%	±0.1
85 years and over	27,009	±2,622	1.2%	±0.1
Median age (years)	33.8	±0.1	(X)	(X)
Under 18 years	569,638	*****	26.1%	*****
16 years and over	1,675,554	±2,740	76.9%	±0.1
18 years and over	1,610,447	*****	73.9%	*****
21 years and over	1,516,148	±3,660	69.5%	±0.2
62 years and over	325,655	±3,200	14.9%	±0.1
65 years and over	260,812	±181	12.0%	±0.1
18 years and over	1,610,447	*****	1,610,447	(X)
Male	794,408	±248	49.3%	±0.1
Female	816,039	±247	50.7%	±0.1
Sex ratio (males per 100 females)	97.3	±0.1	(X)	(X)
65 years and over	260,812	±181	260,812	(X)
Male	117,464	±303	45.0%	±0.1
Female	143,348	±247	55.0%	±0.1
Sex ratio (males per 100 females)	81.9	±0.3	(X)	(X)
RACE				
Total population	2,180,085	*****	2,180,085	(X)
One race	2,065,464	±10,275	94.7%	±0.5
Two or more races	114,621	±10,275	5.3%	±0.5
One race	2,065,464	±10,275	94.7%	±0.5
White	1,351,926	±19,123	62.0%	±0.9
Black or African American	181,122	±6,792	8.3%	±0.3
American Indian and Alaska Native	17,061	±2,855	0.8%	±0.1

San Bernardino County, California	Estimate	Margin of Error	Percent	Percent Margin of Error
Asian	160,336	±3,361	7.4%	±0.2
Asian Indian	12,729	±3,707	0.6%	±0.2
Chinese	46,366	±6,124	2.1%	±0.3
Filipino	45,503	±6,076	2.1%	±0.3
Korean	16,352	±3,171	0.8%	±0.1
Vietnamese	13,759	±3,622	0.6%	±0.2
Other Asian	21,927	±3,830	1.0%	±0.2
Native Hawaiian and Other Pacific Islander	8,247	±1,747	0.4%	±0.1
Some other race	346,772	±19,715	15.9%	±0.9
Two or more races	114,621	±10,275	5.3%	±0.5
White and Black or African American	23,047	±5,659	1.1%	±0.3
White and American Indian and Alaska Native	15,701	±4,414	0.7%	±0.2
White and Asian	18,340	±3,382	0.8%	±0.2
Race alone or in combination with one or more other races				
Total population	2,180,085	*****	2,180,085	(X)
White	1,443,800	±21,302	66.2%	±1.0
Black or African American	218,705	±4,427	10.0%	±0.2
American Indian and Alaska Native	42,582	±5,350	2.0%	±0.2
Asian	193,095	±3,808	8.9%	±0.2
Native Hawaiian and Other Pacific Islander	18,578	±3,520	0.9%	±0.2
Some other race	386,752	±19,791	17.7%	±0.9
HISPANIC OR LATINO AND RACE				
Total population	2,180,085	*****	2,180,085	(X)
Hispanic or Latino (of any race)	1,186,808	*****	54.4%	*****
Mexican	1,019,547	±12,689	46.8%	±0.6
Puerto Rican	18,118	±5,000	0.8%	±0.2
Cuban	5,076	±1,669	0.2%	±0.1
Other Hispanic or Latino	144,067	±12,471	6.6%	±0.6
Not Hispanic or Latino	993,277	*****	45.6%	*****
White alone	591,879	±1,432	27.1%	±0.1
Black or African American alone	168,946	±5,476	7.7%	±0.3
Asian alone	157,172	±3,372	7.2%	±0.2
Two or more races	56,208	±6,563	2.6%	±0.3
Two races excluding Some other race, and Three or more races	53,338	±6,419	2.4%	±0.3
Total housing units	731,393	±941	(X)	(X)
CITIZEN, VOTING AGE POPULATION				
Citizen, 18 and over population	1,399,650	±11,326	1,399,650	(X)
Male	690,022	±7,363	49.3%	±0.3
Female	709,628	±5,924	50.7%	±0.3

Market Feasibility

Ontario Demographics Summary



Market Feasibility

Ontario | **Demographic Tables**

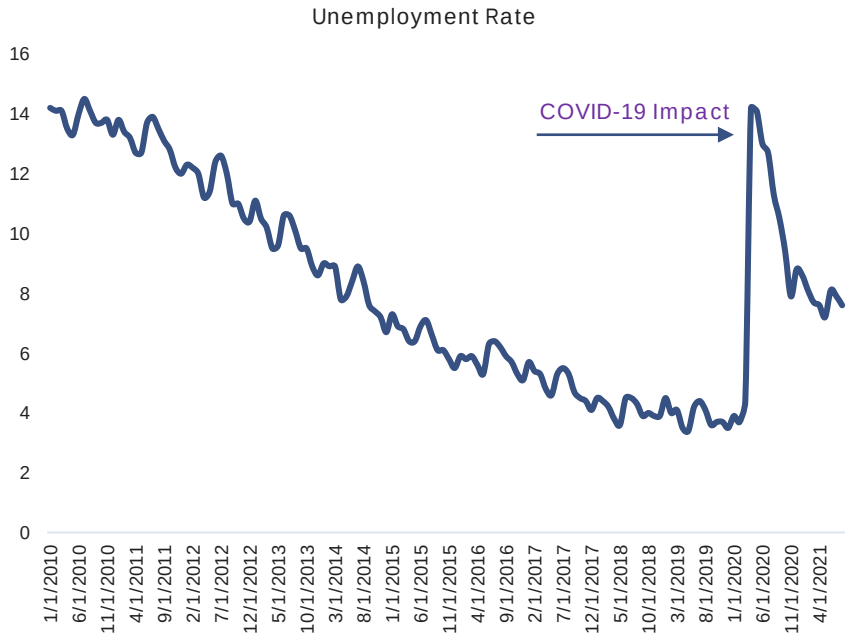
Ontario, California	Estimate	Margin of Error	Percent	Percent Margin of Error
SEX AND AGE				
Total population	184,999	±52	184,999	(X)
Male	90,016	±2,978	48.7%	±1.6
Female	94,983	±2,979	51.3%	±1.6
Sex ratio (males per 100 females)	94.8	±6.2	(X)	(X)
Under 5 years	13,807	±2,207	7.5%	±1.2
5 to 9 years	13,395	±2,197	7.2%	±1.2
10 to 14 years	14,699	±2,234	7.9%	±1.2
15 to 19 years	11,933	±1,926	6.5%	±1.0
20 to 24 years	12,797	±2,017	6.9%	±1.1
25 to 34 years	36,105	±2,930	19.5%	±1.6
35 to 44 years	23,624	±2,617	12.8%	±1.4
45 to 54 years	21,931	±2,607	11.9%	±1.4
55 to 59 years	10,116	±1,566	5.5%	±0.8
60 to 64 years	10,241	±1,799	5.5%	±1.0
65 to 74 years	9,450	±1,706	5.1%	±0.9
75 to 84 years	5,685	±1,147	3.1%	±0.6
85 years and over	1,216	±612	0.7%	±0.3
Median age (years)	32.1	±1.0	(X)	(X)
Under 18 years	49,419	±3,954	26.7%	±2.1
16 years and over	140,404	±3,957	75.9%	±2.1
18 years and over	135,580	±3,957	73.3%	±2.1
21 years and over	128,868	±3,898	69.7%	±2.1
62 years and over	21,918	±2,316	11.8%	±1.3
65 years and over	16,351	±2,133	8.8%	±1.2
18 years and over	135,580	±3,957	135,580	(X)
Male	67,143	±3,245	49.5%	±1.8
Female	68,437	±2,965	50.5%	±1.8
Sex ratio (males per 100 females)	98.1	±7.0	(X)	(X)
65 years and over	16,351	±2,133	16,351	(X)
Male	7,032	±1,287	43.0%	±4.8
Female	9,319	±1,357	57.0%	±4.8
Sex ratio (males per 100 females)	75.5	±14.7	(X)	(X)
RACE				
Total population	184,999	±52	184,999	(X)
One race	174,511	±2,287	94.3%	±1.2
Two or more races	10,488	±2,290	5.7%	±1.2
One race	174,511	±2,287	94.3%	±1.2
White	114,932	±6,968	62.1%	±3.8
Black or African American	8,225	±3,180	4.4%	±1.7
American Indian and Alaska Native	1,010	±716	0.5%	±0.4

Ontario, California	Estimate	Margin of Error	Percent	Percent Margin of Error
Asian	12,600	±3,018	6.8%	±1.6
Asian Indian	599	±952	0.3%	±0.5
Native Hawaiian and Other Pacific Islander	1,278	±1,300	0.7%	±0.7
Some other race	36,466	±5,923	19.7%	±3.2
Two or more races	10,488	±2,290	5.7%	±1.2
White and Black or African American	2,137	±1,513	1.2%	±0.8
White and American Indian and Alaska Native	1,026	±699	0.6%	±0.4
White and Asian	949	±607	0.5%	±0.3
Black or African American and American Indian and Alaska Native	172	±282	0.1%	±0.2
Race alone or in combination with one or more other races				
Total population	184,999	±52	184,999	(X)
White	123,478	±6,651	66.7%	±3.6
Black or African American	11,048	±3,643	6.0%	±2.0
American Indian and Alaska Native	3,080	±1,145	1.7%	±0.6
Asian	14,468	±3,225	7.8%	±1.7
Native Hawaiian and Other Pacific Islander	2,206	±1,656	1.2%	±0.9
Some other race	42,377	±5,894	22.9%	±3.2
HISPANIC OR LATINO AND RACE				
Total population	184,999	±52	184,999	(X)
Hispanic or Latino (of any race)	132,110	±6,159	71.4%	±3.3
Mexican	114,053	±6,540	61.7%	±3.5
Puerto Rican	1,793	±1,419	1.0%	±0.8
Cuban	813	±716	0.4%	±0.4
Other Hispanic or Latino	15,451	±4,228	8.4%	±2.3
Not Hispanic or Latino	52,889	±6,164	28.6%	±3.3
White alone	27,667	±4,260	15.0%	±2.3
Black or African American alone	7,443	±3,037	4.0%	±1.6
American Indian and Alaska Native alone	363	±373	0.2%	±0.2
Asian alone	12,472	±3,039	6.7%	±1.6
Native Hawaiian and Other Pacific Islander alone	1,049	±1,246	0.6%	±0.7
Some other race alone	123	±199	0.1%	±0.1
Two or more races	3,772	±1,632	2.0%	±0.9
Two races including Some other race	350	±401	0.2%	±0.2
Two races excluding Some other race, and Three or more races	3,422	±1,541	1.8%	±0.8
Total housing units	52,886	±2,128	(X)	(X)
CITIZEN, VOTING AGE POPULATION				
Citizen, 18 and over population	108,478	±5,132	108,478	(X)
Male	53,030	±3,426	48.9%	±2.1
Female	55,448	±3,429	51.1%	±2.1

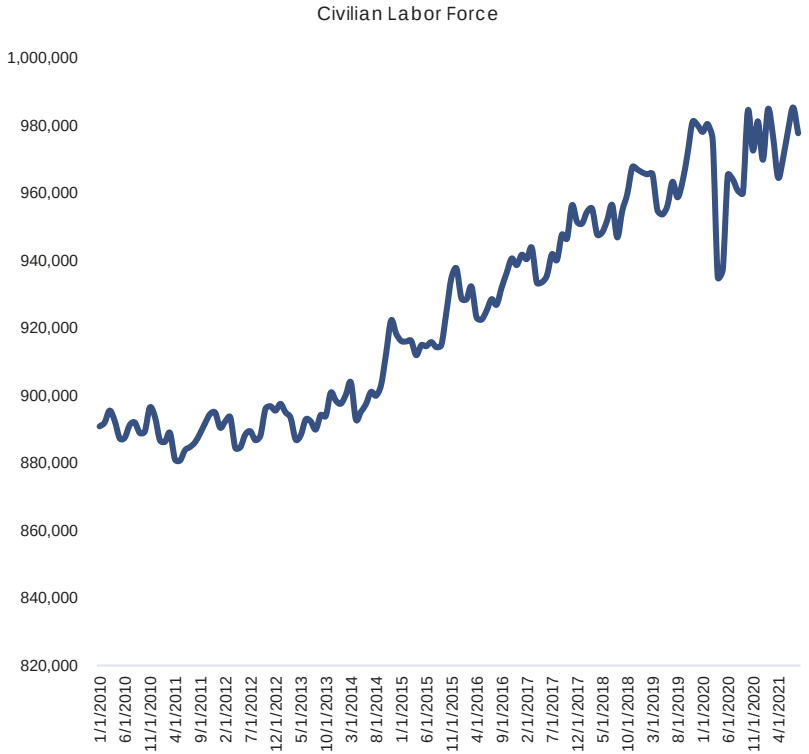
Market Feasibility

Availability of Trained or Trainable Labor

According to the Federal Reserve Bank of St. Louis Economic Data, the unemployment rate for San Bernardino County (latest data) was recorded at about 7.6 percent.



The civilian Labor Force in the subject County according to the Federal Reserve Bank of St. Louis Economic Data and US Bureau of Labor and Statistics was about 977,677. The unemployment rate reached its highest rate of about 14.5 percent in July 2010. Based on the current unemployment rate, the County retains about 74,303 job seekers.

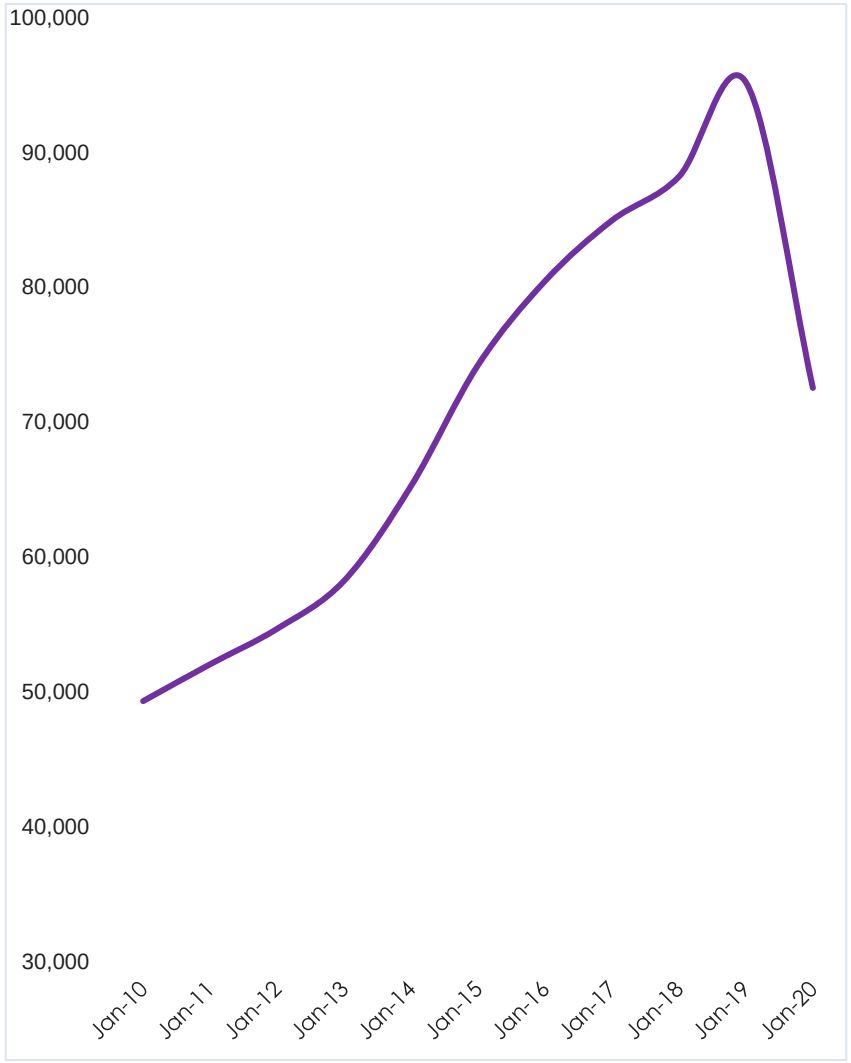


The Company intends to manage the Subject Project with the years of operations and management experience that principals of the Company has. This item does not appear to be a risk for the Subject Project.

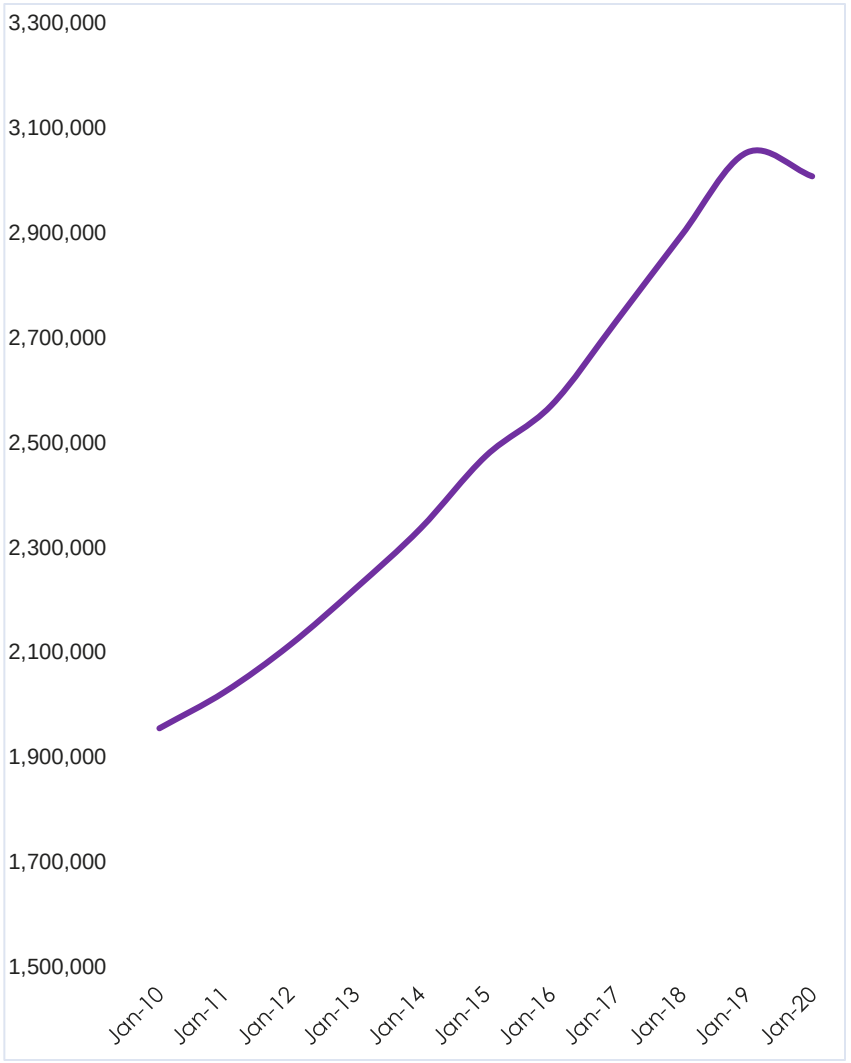
Market Feasibility

The industry and its relevant leveraged structure indicates that the **Company's** revenue should follow trends in the overall economy, including disposable income of end-users/consumers. Based on the analysis, the market area economy appears to be growing which indicates reasonable potential for the Subject Project.

Gross Domestic Product: Accommodation and Food Services in California



Gross Domestic Product: All Industry Total in California



Source: Veritas Development Advisors Secondary Research Analysis

Hotel Market Overview

Hotels & Motels in the US

- IBISWorld's analysts constantly monitor the industry impacts of current events in real-time – here is an update of how this industry is likely to be impacted as a result of the global COVID-19 pandemic:
- Recovery for the Hotels and Motels industry is anticipated to be skewed toward domestic, leisure markets where COVID-19 (coronavirus) restrictions have been lifted.
- Operators that cater to business customers such as, truckers, contractors, construction workers, healthcare workers and others that must travel for work and do not have the ability to conduct their work remotely are anticipated to experience an increase in demand.
- International travel to the United States has remained subdued, as restrictions remain in place on travelers from key markets such as, Canada and the European Union. This is anticipated to decelerate revenue growth for the industry in 2021.

VERITAS | DEVELOPMENT ADVISORS

Market Feasibility

Hotels & Motels in the US

Checking in: Industry players will likely continue expanding abroad into emerging economies. The Hotels and Motels industry is highly susceptible to changes in the domestic and global economic environments, which has caused the industry to experience substantial volatility due to the onset of the COVID-19 (coronavirus) pandemic in 2020. Over most of the five years to 2021, the industry has benefited from increases in travel spending, corporate profit and general consumer spending. These factors were all affected substantially by the coronavirus pandemic. IBISWorld expects industry revenue to fall at an annualized rate of 7.6% to $133.0 billion over the five years to 2021, despite an anticipated increase of 42.9% in 2021 amid a strong recovery in domestic leisure travel.

Revenue $133.0 bn	Growth,21-26 10.8% (Annual)
Profit Margin 3.1%	Growth,14-19 --15.3% (Annual)
Wages Share $43.0 bn	Growth,21-26 7.8%

Key Points

- Over the past five years, rising external competition has increased pressure on many hotel and motel operators, leading to competitive room rates. While some operators have shifted to offer premium services and accommodations to increase their rates or diversify revenue streams, not all operators have been able to make this shift. This has led to declines in industry profit.
- Additionally, the industry has been substantially affected by the onset and spread of coronavirus.
- Although domestic leisure travel has rebounded strongly in 2021, both international and business travel remain significantly below prepandemic levels amid the emergence of the Delta variant.
- Over the five years to 2026, IBISWorld projects that the industry will rebound and expand, with particularly strong growth in extended-stay hotels, boutique hotels, spa and health retreats and resorts segments.
- As demand for these auxiliary services picks up, industry employment is anticipated to recover and rise over the next five years. Industry players are also expected to continue expanding abroad into emerging economies, such as Asia, Eastern Europe and South America.
- These foreign markets are expected to somewhat detract from domestic investment, as they offer higher growth prospects for industry operators.
- Nonetheless, industry revenue is estimated to increase at an annualized rate of 10.8% to $222.0 billion over the five years to 2026.

Source: IBISWorld, US Industry (NAICS) Report 72111, September 2021

Market Feasibility

Key External Drivers

Domestic trips by US residents

Trends in domestic travel, especially business travel, and total nights spent away from home directly affect demand for accommodation. As the number of trips made by US citizens rises, demand for hotels and models increases, while the inverse is also true. The number of domestic trips by US residents is expected to increase in 2021, representing a potential opportunity for the industry.

Consumer spending

Consumer spending levels have a direct effect on travel demand. When consumers spend more overall, they are more likely to spend on travel and accommodations. Therefore, a rise in consumer spending benefits demand for hotels and motels. Conversely, as consumers reduce spending, they decrease excess spending on travel, reducing demand for hotels and motels. Consumer spending is expected to increase in 2021.

Inbound trips by non-US residents

Trends in international visitor arrivals and their lengths of stay influence demand for accommodation. A rise in inbound trips positively affects demand for hotels and motels. The number of inbound trips by non-US residents is expected to increase in 2021.

Consumer confidence index

The Consumer Confidence Index measures consumer sentiment regarding the current economic outlook. Changes in consumer confidence influence decisions that individuals make concerning current and future expenditure on entertainment and travel. When consumers feel optimistic regarding the economic outlook, they are more likely to plan travel arrangements and book nights at hotels or motels. However, as consumers grow increasingly skeptical of the economic outlook, they forego spending on travel and accommodations. The Consumer Confidence Index is expected to increase in 2021.

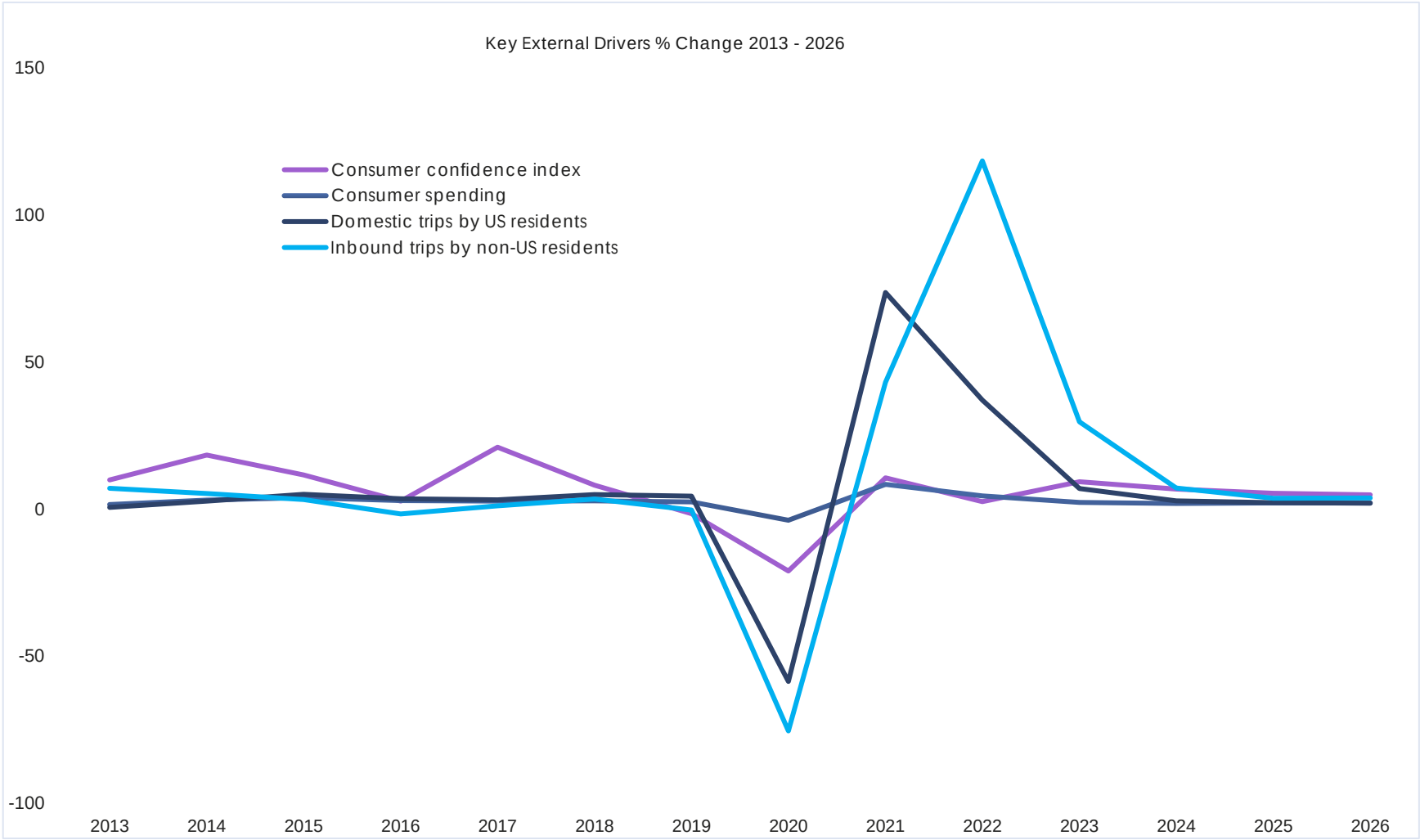
External competition for the Hotels and Motels Industry

The Hotels and Motels industry experiences competition from lodging alternatives, such as RV parks, bed-and-breakfast establishments, room rental services and hostels. Travelers are increasingly comparing prices across these alternatives when booking travel arrangements. External competition for the Hotels and Motels industry is expected to increase in 2021, posing a potential threat to the industry.

Market Feasibility

Key External Drivers

Industry revenue is expected industry revenue to fall at an annualized rate of 7.6% to $133.0 billion over the five years to 2021, despite an anticipated increase of 42.9% in 2021 amid a strong recovery in domestic leisure travel.



Market Feasibility

Current Performance

The Hotels and Motels industry has experienced elevated volatility over the five years to 2021.

Hotels and motels primarily provide short-term lodging to consumers; however, many also offer other services and accommodations as a way to diversify revenue. During most of the period, industry revenue grew at a steady rate, driven by positive economic factors that were favorably affecting the domestic economy as a whole. However, in early 2020, as the COVID-19 (coronavirus) pandemic spread across the globe, this trend sharply reversed, resulting in a sharp decline in industry revenue that year overall.

Economic indicators, such as per capita disposable income and consumer confidence, rose early during the period, only to experience sharp decline later during the period. Thus, all forms of short-term accommodation have experienced a substantial decrease in demand. Consumers that had previously increased spending on travel for both business and leisure purposes have abruptly curbed that, causing industry revenue to decline. Since destination hotels and motels rely heavily on domestic and foreign tourism, any changes in domestic and international travel substantially contribute to the industry's bottom line. Industry revenue is expected to decrease an annualized 7.6% to $133.0 billion over five years to 2021, despite an estimated increase of 42.9% in 2021 alone due to the expulsion pent-up domestic travel demand.

Changing Direction And The Coronavirus

The industry is particularly sensitive to macroeconomic factors, which can negatively affect consumers' tendency to travel.

Unexpected changes in geopolitical order can potentially affect revenue growth should travel restrictions arise or consumer sentiment sour. Although the US economy has improved during most of the period, the United States has been negatively affected by the coronavirus outbreak.

The coronavirus spread rapidly within the United States, forcing many state and local governments, with the aid of the federal government, to take action.

Many state and local governments implemented stay-at-home orders, mandating the closure of nonessential businesses. This caused a shock to the US economy, and many companies were forced to lay off employees and temporarily shut down, while consumer sentiment declined, causing a near halt to domestic travel. The federal government also banned travel from international visitors originating from countries and regions that were drastically affected by the virus.

Consequently, demand for hotels and motels has decreased, eliminating all growth experienced between 2016 and 2019. However, in 2021 domestic travel is estimated to sharply

Market Feasibility

rise, in line with the cessation of government restrictions on businesses and travel.

Furthermore, the coronavirus vaccination campaign has resulting in a rising percentage of the population successfully vaccinated, which has contributed to a surge in domestic leisure travel during summer 2021, benefiting industry operators. However, restrictions regarding international visitors entering the United States remain in place for several key markets such as the European Union and Canada.

Consequently, demand from international travelers is anticipated to rise at a much slower rate than demand from domestic travelers. Moreover, although business travel has rebounded somewhat from lows endured during the coronavirus pandemic, the spread of the Delta variant has delayed the return to the office for many employees as well as business conferences and trips.

Industry Structure

Over the past five years, the structure of the industry has shifted.Many major operators have altered their business structure, through actions such as forming real estate investment trusts to raise funds.

Additionally, major operators have restructured operations to solely provide specialist services in hotel management through increased franchising opportunities. While revenue from hotel management has declined, such services have provided an opportunity to generate higher profit due to the elimination of many property-related costs. In 2017,

Hilton Worldwide Holdings Inc. separated into three separate entities to capitalize on growth opportunities and increase its competitiveness. The company spun-off its domestically owned and leased properties into a real estate investment trust.

Ultimately, owners are subject to changes in property value cycles and economic conditions, in addition to any imbalances in hotel room demand and supply influences.

Similarly, Wyndham Worldwide Corporation separated into two separate holdings, Wyndham Hotels and Resorts Inc. and Wyndham Destinations. This separation aimed to enable each segment to grow and operate independently. Nevertheless, the industry is still largely property-based, with hotels and motels owning or leasing property specifically for hotel and motel operation.

Declining Profit

Profit has fallen over the past five years, partially because many operators have been unable to increase room rates amid increased competition.

While the rate of construction and development to get new rooms on the market has not kept up with increased demand, operators have experienced substantial external competition from companies such as

Market Feasibility

Airbnb Inc. and VRBO. These services permit consumers to rent rooms, apartments or whole houses online rather than a traditional hotel room. Such services provide a wide range of options to consumers and can play into a variety of different price points.

This has forced many operators to offer competitive pricing to maintain high demand or to provide upscale amenities to compensate for the price difference.

Furthermore, the crippling effect on the industry from the coronavirus pandemic, which caused rapid declines in occupancy rates and revenue per available room, coupled with rising operating costs due to the implementation of pandemic-related sanitation measures, has also contributed to a sharp decline in profit.

Consequently, profit, measured as earnings before interest and taxes, is estimated to account for 3.1% of revenue in 2021, down from 18.4% in 2016.

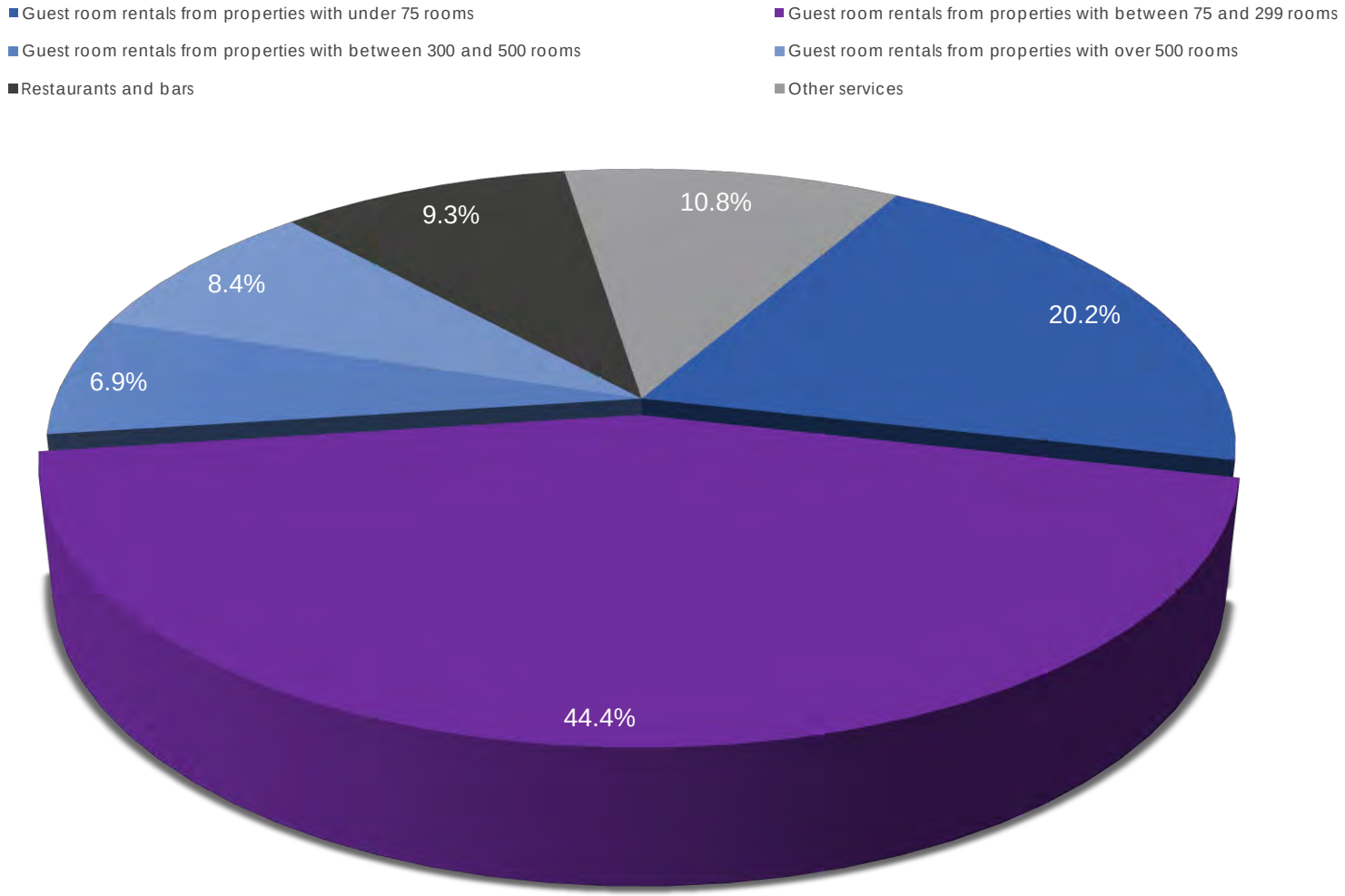
Declining revenue and profit have led many small operators to close locations either temporarily or permanently.

Consequently, the number of industry establishments has decreased an annualized 0.4% to 92,746 locations over the five years to 2021.

The decline in establishments resulting from the pandemic in 2020 is anticipated to outweigh strong establishment growth early during the period. Similarly, industry employment has decreased an annualized 3.3% to 1.4 million workers over the five years to 2021. IBISWorld estimates that industry employment declined 34.5% in 2020 alone.

Market Feasibility

Products & Services (Market Share)



Market Feasibility

Demand Determinants

Domestic travel

Demand for hotel and motel accommodation is dependent on factors that affect travel, such as disposable income, which is influenced by changes in general employment growth and movements in interest and tax rates.

Changes in disposable income affect the number of trips a household takes and its expenditures while traveling, which, in turn, affects the growth and economic effect of the hospitality tourism industry.

The COVID-19 (coronavirus) pandemic in 2020 resulted in a surge in the unemployment rate, widespread economic uncertainty and restrictions on domestic travel. These factors resulted in a decline in domestic travel in 2020.

Nonetheless, in 2021, demand from domestic travel is anticipated to rise from 2020 lows, as individuals seek to travel after a year where Consequently, demand for these products has increased among both nontraditional and travel was largely restricted.

The price of fuel is also important, which affects disposable income and general travel demand. When fuel prices increase, it reduces disposable income and consumers' willingness to spend on long car trips.

Changes in the availability of leisure time also affects the industry. As the unemployment rate falls, time available for leisure activities, such as travel also declines, despite the increased disposable income. It also adds more tradeoffs to consumers who have to use limited paid vacation days to travel. Holiday expenditure also competes with other leisure and recreational industries and competes for a share of household disposable income.

A longer-term influence on travel patterns is the cost of taking a domestic trip compared with an international one. The difference between the two is influenced by exchange rate movements, the availability of inexpensive airfares and holiday packages and the supply of airline seats. If traveling domestically becomes more expensive relative to international trips, individuals may choose to travel internationally, affecting the growth of domestic industry operators.

Finally, tourism promotions by private operators and federal and state governments, including through TV programs and special sporting events, also stimulates travel. However, individual state government promotions typically influence domestic travel patterns to favor only their state, rather than the entire industry.

Business travel

Business travel is greatly influenced by changes in economic growth, business confidence and corporate profit. Economic conditions directly affect the number of business trips taken, the length of stay and budgeted travel spending.

Market Feasibility

Business travel has experienced growth throughout most of the five years to 2021 as many corporations have benefited from the growth in the domestic economy.

However, the spread of the coronavirus throughout the United States in 2020 has resulted in a sharp contraction in business travel, as employees increasingly work from home and avoid nonessential travel.

Additionally, technology such as teleconferencing and conference calling has replaced business travel during the pandemic, as it is cost-effective and safer. In 2021 business travel levels have remained subdued due to the spread of the delta variant of the coronavirus and a continuation of many employees working from home.

This trend of companies restricting travel spending and conference attendance to focus more technology-based alternatives in an effort to preserve capital is likely to be continued during the outlook period, however at a decreasing rate.

International tourism

International tourism is one of the most competitive industries. International tourism is affected by factors similar to domestic travel and global economic conditions, especially changes in economic growth.

Furthermore, international tourism is affected by changes in the US dollar against other major currencies, which has an effect on the cost of travel and the relative attractiveness of traveling to competing destinations. The coronavirus pandemic has resulted in a sharp decline in international tourism. There are still restrictions placed on individuals attempting to enter the United States who have been in countries experiencing more severe outbreaks of the coronavirus.

Additionally, many states implemented stay-at-home mandates and restrictions on businesses, further reducing the allure of traveling to the United States in 2020. Widespread global economic uncertainty has also limited international tourism.

Although restrictions have been somewhat eased in 2021, international travel demand is anticipated to return at a slower rate compared with domestic travel.

Other factors, such as heightened geopolitical tensions including wars and terrorism, whether feared or actual, affect international travel plans. Many of the top tourist locations have struggled to regain traction for industry operators following terrorism or other negative events or geopolitical issues.

Promotional expenditures and activities, such as major or special events, on the part of governments and other organizations, can raise awareness and interest in travel. Finally, supply factors are also of critical importance, including the availability of airline flights and seats at the times people want to travel, and accommodations to and at their selected destination.

Market Feasibility

External factors

Several external factors can severely affect the industry either directly or indirectly. Such factors include public health crises, government regulation, geopolitical tensions and other macroeconomic factors.

Global or national pandemics can cause increased concern among US and international travelers.

Traveling amid public health crises may place consumers at further risk of catching the ailment, especially when staying at shared locations, such as hotels and motels, or traveling by airplane or train and other shared transportations.

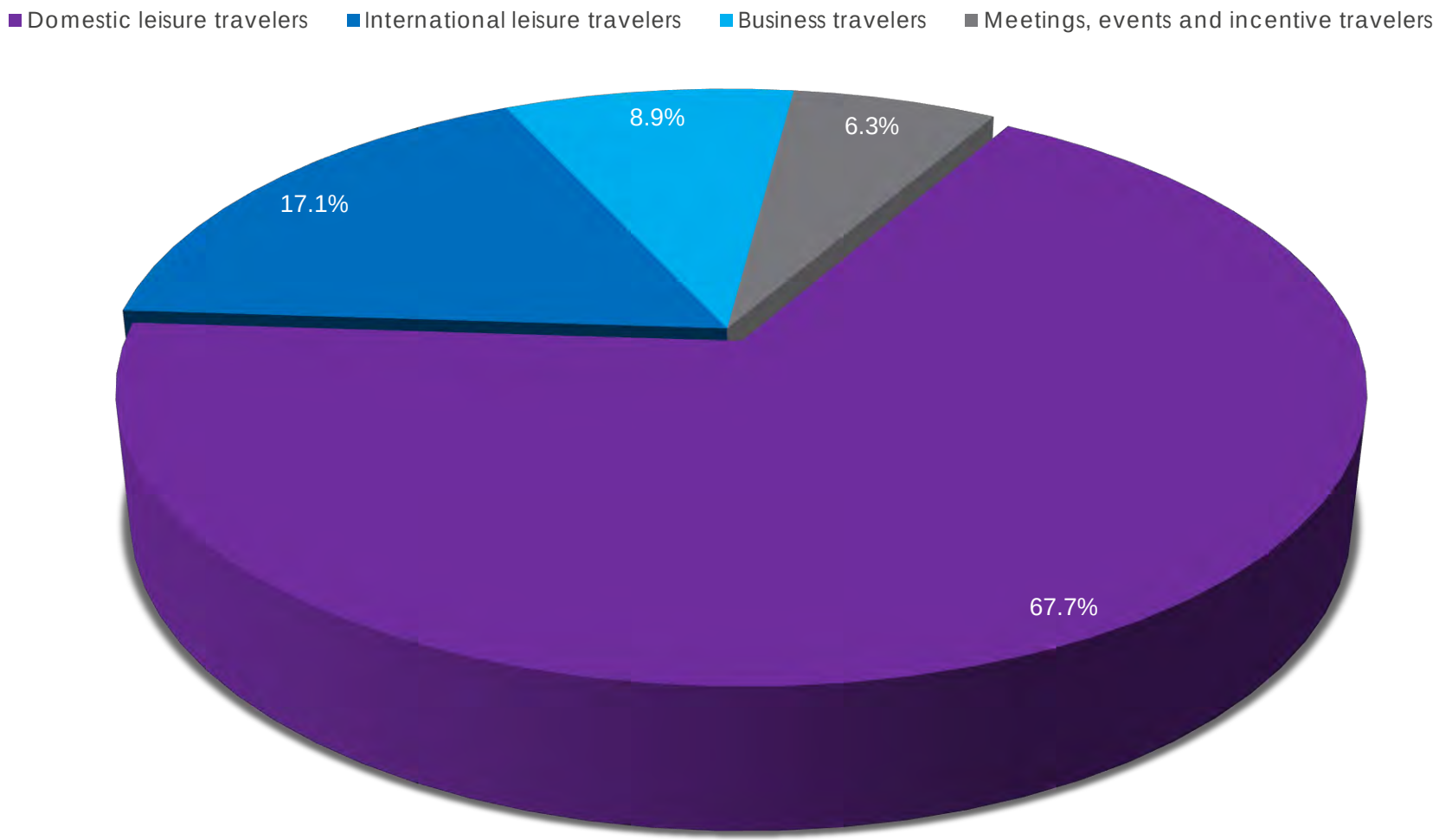
Many hotel and motel guests are traveling far distances, which is the reason they required accommodation services.

As health concerns increase, consumers are more inclined to stay closer to home, limiting demand for travel. Similarly, government regulations that effect travel indirectly influences demand for hotels and motels. When any government restricts travel for individuals to or within the United States, demand will likely be negatively affected, as it reduces the volume of consumers needing industry services.

This has been apparent with the effect of the coronavirus. Hotels and motels experienced a sharp decline in occupancy rates in 2020 as consumers opted to forego travel and stay at home.

Market Feasibility

Major Markets (Market Share)



Market Feasibility

Key Success Factors

Access to multiskilled and flexible workforce:

- Access to multiskilled and well-trained staff is vital to success in the industry.

Being part of a franchising chain:

- There are many benefits to being part of a chain or franchised group, namely brand recognition, national marketing and quality control.

Receiving the benefit of word-of-mouth recommendations:

- Good word-of-mouth recommendations are quite often the most successful promotional tool.

Proximity to key markets:

- The location, facilities and services offered to hotel and motel guests are very important.

Ability to quickly adopt new technology:

- It is essential to be aware of the new technology available in this industry for information, promotions, bookings and general management control systems

Ability to control stock on hand:

- Understanding the various room stock, availability and tariff mechanisms used in this industry is important.

Market Feasibility

Cost Structure Benchmarks

Profit

Profit, measured as earnings before interest and taxes, is expected to account for 3.1% of industry revenue in 2020, driven by the economic damage of the COVID-19 (coronavirus) pandemic.

Purchases

In 2019, wages are expected to account for 21.4% of industry revenue.

Wages

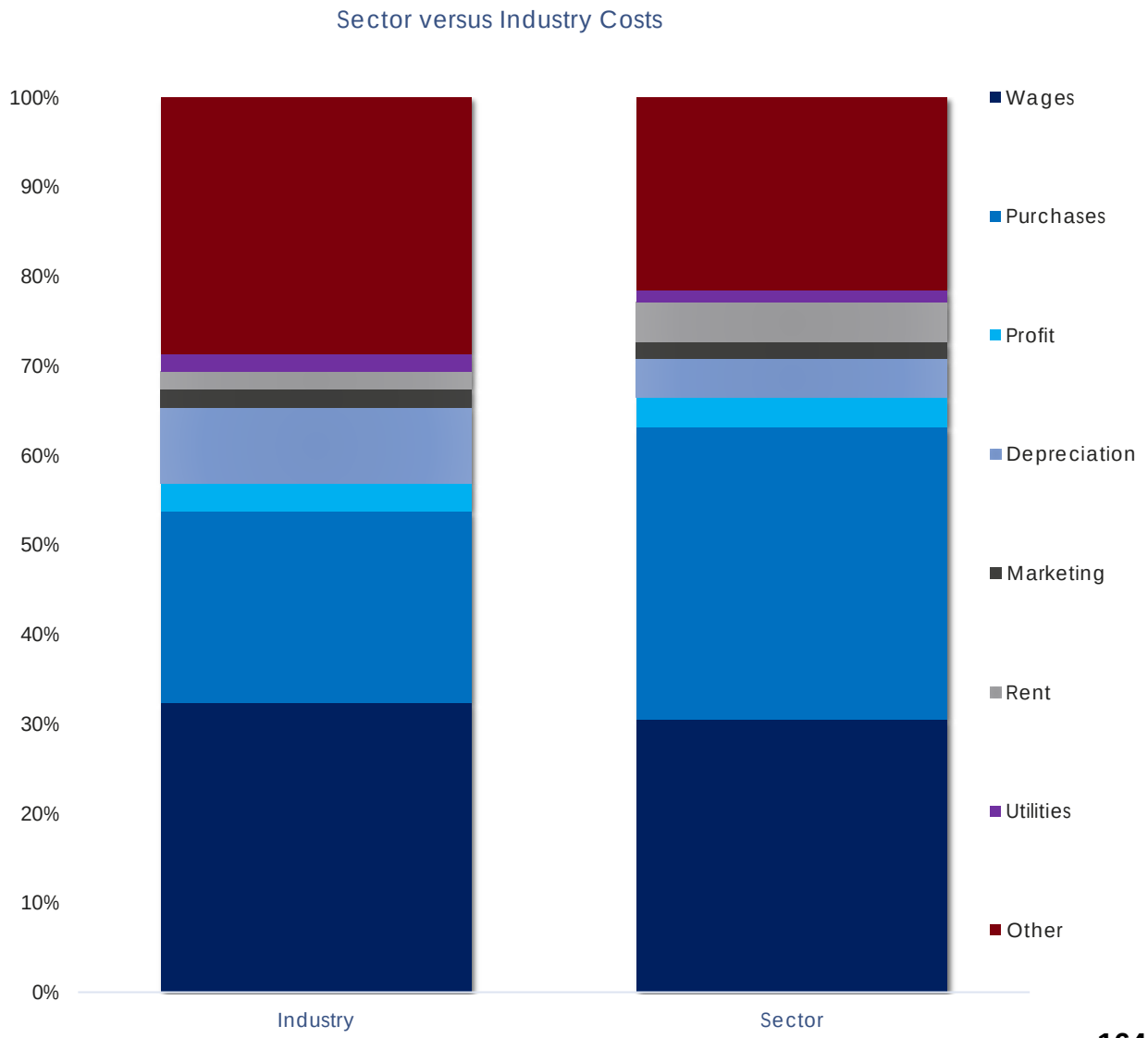
Wages represent 32.3% of industry revenue in 2020.

Marketing

Marketing costs account for 2.1% of industry revenue in 2021.

Depreciation

Depreciation represents an estimated 8.5% of industry revenue in 2020.



Market Feasibility

Major Companies

There are no major players in this industry.

Other Companies

Marriott International Inc.

Market Share: 0.4%

Marriott International Inc. (Marriott) is a lodging company based in Bethesda, MD, with 7,797 global properties in 80 countries and territories. The United States is home to 62.3% of Marriott's rooms.

Marriott operates and franchises its hotels under various brands, including Marriott, the Ritz-Carlton, Renaissance, Courtyard, TownePlace Suites and Bulgari. It also develops and operates vacation ownership resorts under the Marriott Vacation Club, Horizons, the Ritz-Carlton Club and Grand Residences brands, while also running Marriott Executive Apartments. The company employs an estimated 121,000 people worldwide across its various hotels and other locations in 2020 (latest data available).

Marriott's operations extend over most segments of the accommodation market, including luxury, full service and limited service, to suit a variety of travelers and budgets.

While such diversity typically provides some insulation from economic downturns, many of the company's hotels still endure severely cut room rates to remain competitive and maintain positive cash flow during difficult economic periods.

Consequently, Marriott has significantly expanded its US portfolio over the past five years to further inoculate itself from downturns and better position itself to compete with its traditional competitors and also with newer, nontraditional competitors, such as Airbnb Inc.

Most of this expansion has been through franchise operations. Franchise agreements are contracts that enable individuals to create a business establishment under the branding of an existing company. This often requires upfront fees, but enables individuals to take advantage of the parent company's network, branding and other features. While these establishments are considered independent enterprises, they have increased Marriott's operations across the United States.

Due to the nature of Marriott's business structure, with its focus on management, franchising and licensing,

IBISWorld uses company reported revenue from owned and leased locations to project the company's market share.

However, IBISWorld also reports and estimates total network sales. Network sales further include revenue generated by the company's franchise operations. In 2021,

Marriott is expected to generate $509.3 million in industry-relevant revenue. This includes an estimated decline in 2020 due to the COVID-19 (coronavirus) pandemic as domestic and

Market Feasibility

international travel sharply contracted amid travel restrictions and stay-at-home mandates. In 2021, the company is anticipated to experience a rebound in demand, driven primarily by robust leisure demand.

Hilton Worldwide Holdings Inc.

Market Share: 0.2%

Brand Names: Hilton, Hilton Garden Inn, Doubletree, Embassy Suites, Hampton, Homewood Suites by Hilton, Conrad

Hilton Worldwide Holdings Inc. (Hilton), formerly Hilton Hotels Corporation, is a McLean, VA-based lodging company that owns, manages or franchises more than 6,500 hotels with over 1.0 million rooms worldwide.

An estimated 71.0% of Hilton's rooms are based in the United States, which has increased over the five years to 2021. Hilton employs 141,000 people worldwide at its managed, owned, leased and corporate locations, while 173,000 individuals work in the company's franchised locations.

Hilton has undergone a series of ownership changes since it was first listed on the New York Stock Exchange in 1970. Most recently, the company was purchased by private equity firm Blackstone Group Inc. (Blackstone) in 2007 for $26.0 billion, initially pulling it off of public exchanges.

Blackstone took Hilton public again in late 2015, listing the company on the New York Stock Exchange under the name of Hilton Worldwide and using the proceeds to pay down the substantial debt the group had taken on during the initial purchase of Hilton. During its ownership tenure,

Blackstone increased the chain's room count, which was mainly achieved through franchised and managed hotels, which require limited capital investment. In February 2016, the company announced plans to break into three separate entities to capitalize on growth opportunities, increase its competitiveness within the Hotels and Motels industry and create internal efficiencies that would enable its core segments to act on opportunities faster than before. These spin-offs were completed in early 2017. The two new segments include Park Hotels & Resorts Inc. and Hilton Grand Vacations Inc. These segments comprised the company's previous timeshare rentals and various resorts segments. The company's remaining portfolio is focused on luxury and lifestyle hotel brands, with global properties remaining within the traditional company structure.

In 2021, Hilton is estimated to generate $219.5 million in industry-relevant revenue. This does not include revenue from its franchised operations, as Hilton does not release revenue figures for its franchised and managed locations in its publicly available financials.

The company's continued shift toward franchising has been a large driver behind its declining industry-relevant revenue. The company's revenue is expected to decline in 2020 due to the negative effect of COVID-19 (coronavirus) pandemic. However, based on

Market Feasibility

RevPAR figures and the company's reported number of rooms to determine its total system-wide sales, IBISWorld estimates that Hilton's US system-wide sales have grown throughout most of the five years to 2021, prior to the coronavirus pandemic, and system-wide sales remain important to Hilton's growth post-pandemic.

Moreover, Hilton is anticipated to experience an increase in demand in 2021 amid the easing of travel restrictions and anticipated pent-up travel demand amid the broader distribution of the coronavirus vaccination.

InterContinental Hotels Group PLC

Brand Names: InterContinental

InterContinental Hotels Group PLC (IHG) is a UK-based company and one of the largest hotel chains in the world as measured by total number of rooms. IHG owns, manages and franchises 5,964 hotels throughout 100 countries under major brands, including Holiday Inn, Kimpton Hotels, Crowne Plaza and InterContinental. It also employs more than 400,000 individuals across all hotels and countries. IHG divides its hotels into segments based on ownership and management structures. Hotels are either franchised, managed or owned.

Consistent with IHG's low-asset business model, most of the company's hotels operate under a franchise agreement or are managed by IHG on behalf of the owner. Due to the low capital investment and minimal wage costs required for franchising, the company's franchise business is its most profitable segment.

IHG's portfolio of brands covers a wide range of key consumer segments active in the Hotels and Motels industry. High-end luxury travelers visiting major cities are catered to by IHG's five-star InterContinental locations, while its Holiday Inn brand accommodates mid-market consumers traveling for business or leisure.

IHG's most recent project, Hotel Indigo, is a boutique hotel concept with 50 locations that targets travelers with a preference for edgy art and design. These locations are predominantly located in urban areas and target high-end consumers between the ages of 20 and 50. RevPAR for all of IHG's brands has increased strongly during most of the period, as travel across all major markets has increased.

Similar to other service industries, IHG was heavily affected by the onset of the COVID-19 (coronavirus) pandemic in the United States and throughout the globe.

As people self-isolated and sheltered in place, they canceled travel plans, and thus, did not book stays at hotels and motels, causing sharp declines in occupancy rates in 2020.

However, in 2021 IHG has experienced a recovery in its occupancy rates, which has been skewed toward domestic leisure markets where restrictions have been lifted. IHG's business market occupancy levels have remained an estimated 30.0% below pre-pandemic levels.

Market Feasibility

IHG's industry-relevant hotels are located within the company's Americas segment, which includes all properties located in North, South and Central America. The Americas segment represents over 4,200 hotels and 514,000 rooms. Properties located in the United States represent an estimated 58.0% of total properties.

While the United States still accounts for the majority of revenue within the Americas segment, Canada, Mexico and the Caribbean are also key players that significantly contribute to the company's profit, mainly because more than 90.0% of rooms in the Americas segment operate under a franchise business model.

IHG's asset-light business model means it owns nine hotels, as most hotels operate under a franchise agreement or are managed by IHG on behalf of owners. Additionally, the global effect of coronavirus is forecast to substantially affect the industry, further reducing growth.

Nonetheless, IHG experienced significant growth during the most of the period, which is expected to somewhat mitigate loss that has been incurred in 2020.

Therefore, the company is expected to generate $4.5 million in industry-relevant revenue in 2021. The figure is relatively low because industry-relevant revenue does not include franchise revenue, as franchises are considered independent operators, according to the Bureau of Labor Statistics.

Nonetheless, IHG's total network sales in the United States, which includes sales garnered from owned, leased and managed hotels and sales earned by third-party-owned franchised hotels, are estimated to fall over the five years to 2021 due to the coronavirus pandemic induced decline in 2020.

Wyndham Hotel and Resorts

Brand Names: Super 8 Motels, Knights Inn, Days Inn, Travelodge

Wyndham Hotels and Resorts (Wyndham), previously Wyndham Worldwide Corporation, is based in Parsippany, NJ, but operates globally. Wyndham is one of the largest franchised-hotel operators in the United States. In 2006, its parent company, Cendant Corporation, split into discrete companies operating in specific industries, and its hotel operation was renamed Wyndham Worldwide.

During the second quarter of 2017, the company decided to further divide the company, and announced its intent to spin-off of the hotel business segment. This spin-off was completed in June 2018 and resulted in the hotel business operation being held as its own publicly traded entity named Wyndham Hotel and Resorts. Wyndham states that the spin-off aimed to enable a greater focus on the individual functions of each business segment, enhancing their potential for success and growth.

In the United States, Wyndham has 8,941 properties with a total of 484,800 rooms. In 2021, IBISWorld estimates that Wyndham will derive 60.8% of its revenue in the United States.

Market Feasibility

Wyndham's brands include Days Inn, Knights Inn, Ramada, RCI, Super 8 Motels, Travelodge, Howard Johnson's and Wingate by Wyndham. Its two largest brands, Super 8 and Days Inn, have an estimated 2,000 locations each.

Wyndham's brands mainly cater to the economy and midscale markets. It is also involved in the timeshare market via its RCI and Fairfield Communities brands.

Wyndham earns one of the lowest RevPARs in the industry due to the budget-focused nature of its lodgings.

In 2021, Wyndham is expected to generate $2.9 million in industry-relevant revenue. This does not include revenue generated by the company's franchised establishments.

US-network sales have fallen over the five years to 2021. This is largely due to an anticipated decline in 2020, as many consumers throughout the globe and in the United States were placed under stay-at-home orders, and significantly reduced and canceled most traveling. However, in 2021,

Wyndham has benefited from strong demand from its business customers, which largely are comprised of truckers, contractors, construction workers, healthcare workers and others who must travel for work and do not have the ability to conduct their work remotely.

Consequently, the company's economy and midscale brands have outperformed the industry's higher-end brands during the pandemic. Moreover, leisure travel demand has recovered strongly in 2021, with occupancy rates reaching 95.0% of their pre-pandemic levels during the second quarter of 2021.

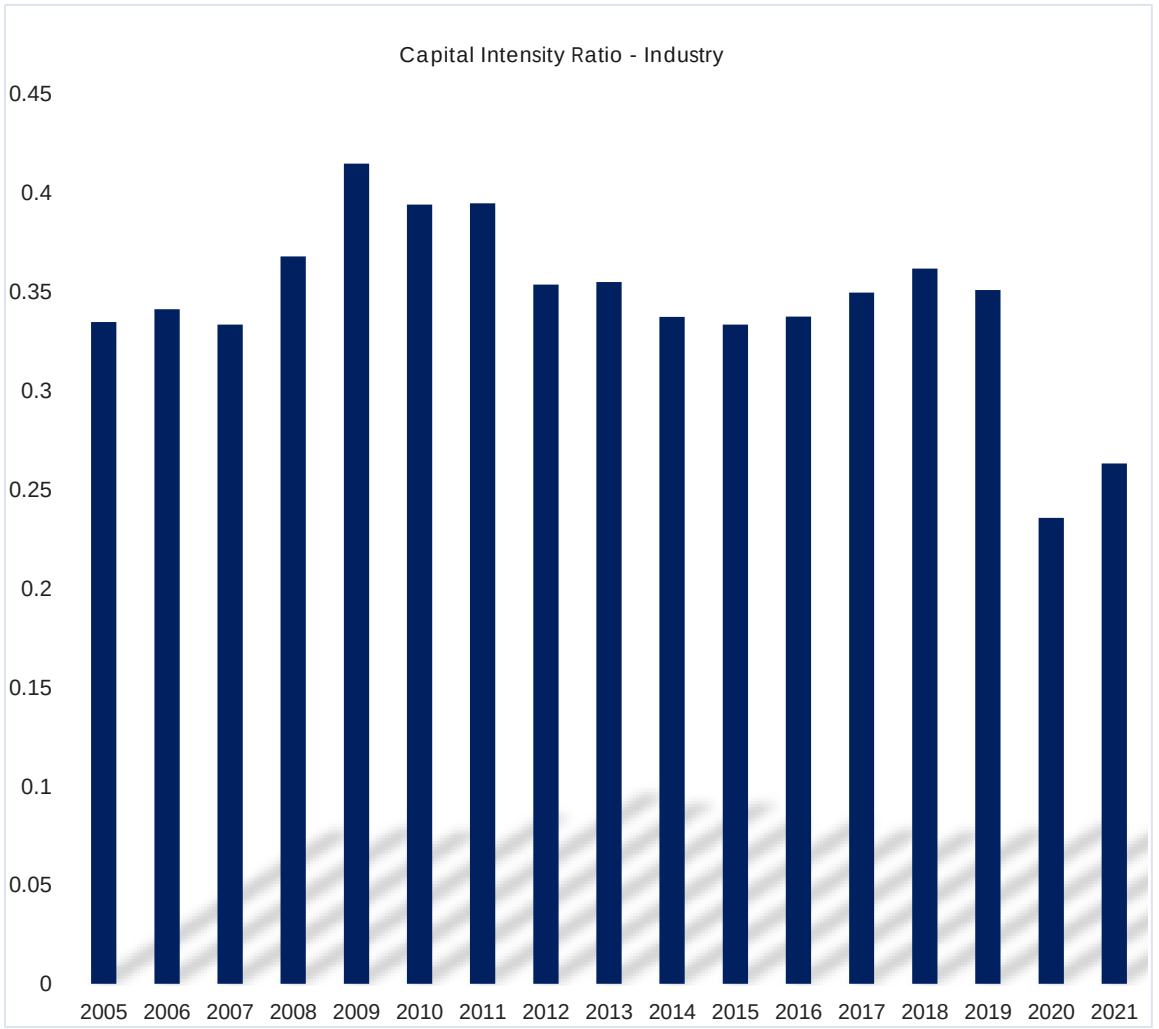
Market Feasibility

Operating Conditions

The level of capital intensity is Medium

The Hotels and Motels industry is subject to a moderate to level of capital intensity. In 2021, for every $1.00 spent on wages, the average industry operator is expected to spend an estimated $0.26 on capital. Capital intensity is expected to remain stable moving forward as labor and capital both play an important role in the industry.

As a service-based industry, hotel and resort operators are highly dependent on direct labor input across all areas of operation. Individuals are needed in areas such as front-desk service, reservations, room service and cleaning, food preparation, liquor and beverage service and back of house operational management. Due to the service-based nature of the industry, many of these labor-intensive functions cannot be substituted by technology or machinery and are a key foundation in the day-to-day functions. To meet customers' expectations of quality and provide a hospitable stay, trained staff are required.



Market Feasibility

Revenue Volatility

The level of volatility is Very High

Over much of the five years to 2021, Hotels and Motels industry revenue volatility has been moderate to very high.

Volatility was low during most of the period due to the consistent growth industry operators have been able to capitalize on. However, with the onset of the COVID-19 (coronavirus) pandemic, industry revenue is anticipated to rapidly decline in 2020 and strongly rebound in 2021, introducing greater volatility to the industry.

Industry revenue grew as much as 42.9% in 2021 and declined as much as 55.8% in 2020. Prior to 2020, there was little variability. However, this new instability in revenue growth derived from global economic and public health issues has affected the United States in 2020.

This has led to steep declines in the previously steady increase in inbound tourism, volumes of domestic travel and general weakening of economic conditions. The introduction and spread of coronavirus in the United States caused implementations of travel bans, limited domestic travel and a downturn in the US economy. However, revenue is estimated to rebound in 2021 in line with the cessation of domestic travel restrictions and an increase in the percentage of the domestic population which has been vaccinated. This moderate to high level of volatility is still subject to change if economic conditions change over the five years to 2026, especially as the effect of the virus is fully realized.

Regulation & Policy

The level of regulation is Medium and this trend is Steady.

The Hotels and Motels industry is subject to a medium and steady level of regulation at the federal and state level.

Several states regulate the activities of hospitality properties and restaurants, including safety and health standards, and the sale of liquor, by requiring licensing, registration, disclosure statements and compliance with specific standards of conduct. There are also extensive state and federal laws and regulations relating to selling and marketing timeshare intervals for those hotels that offer such arrangements.

LABOR RELATIONS

Operators of hotels and motels are also subject to laws governing their relationship with employees, including minimum wage requirements, overtime, working conditions and work permit requirements.

The industry employs a high number of young and low-skilled workers at hourly rates, and therefore, is subject to minimum wage and employee benefits regulations.

Workers in the United States are entitled to be paid no less than the statutory minimum wage, which is $7.25 per hour in 2021. Each state also formulates and regulates its own minimum

Market Feasibility

wage, with most states implementing rates higher than the federal rate. National operators that have establishments in various states must comply with each individual state's requirements for each location.

Food Safety And Standards

As many hotels and motels prepare and sell food on premises, the industry is subject to laws and regulations relating to the preparation and sale of food, including regulations regarding product safety, nutritional content and menu labeling.

The Food and Drug Administration (FDA) is the main agency responsible for providing guidance and regulation. The FDA's Model Food Code, which is a best-practice guide to food handling and presentation, applies to this industry and is updated each year.

The FDA Nutritional Value applies as well. Since 1996, the FDA regulations have set standards for nutritional values of individual foods and meals. If claims such as "low-fat" or "heart-healthy" are on a menu, an owner must be able to demonstrate to officials that there is a reasonable basis for the claim.

For instance, the meal may be based on a recipe from a health association or a recognized dietary group. Complete nutritional information, however, is not required to be on menus.

The Affordable Care Act requires restaurant companies to disclose calorie information on their menus.

The Food and Drug Administration has proposed rules to implement this provision that would require restaurants to post the number of calories for most items on menus or menu boards and to make available more detailed nutrition information upon request. FDA regulations require that restaurants and similar retail food establishments that are part of a chain with 20.0 or more locations are required to provide nutrition information for standard menu items on menus and menu boards.

However, during the coronavirus pandemic the FDA has granted restaurants flexibility in implementing these changes and will not object if establishments do not meet labeling requirements during the public health emergency.

Liquor Licensing

A license is required to serve liquor and the issuing of licenses may be restricted in some states, such as limiting the number of licenses in a given area or by population.

For example, in Wisconsin, there is a license quota of one license per 500 people. Additionally, states are able to mandate hours of operation, the price of each drink, which establishments are able to serve and how long an unfinished bottle of wine may be used in the bar. Hotel and motel operators must comply with state and local service laws, commonly called dram shop statutes. Dram shop statutes generally prohibit serving alcoholic beverages to certain persons such as an individual who is

Market Feasibility

intoxicated or a minor. In the United States, a person must be 21 years of age to be legally served alcohol, which has been in place since the passing of the National Minimum Drinking Age Act of 1984

Cybersecurity

After Wyndham Hotels and Resorts experienced a breach in its data systems, the Federal Trade Commission (FTC) has increased its powers and regulations on cybersecurity.

While no regulation has yet to be passed that outlines exactly the level of cybersecurity a hotel or motel must have, it has become increasingly pertinent. The FTC can still fine an operator if they experience a high-level security breech. This increases the need for hotels and motels to implement high level of data security.

Smoking Bans

Smoking laws are generally enforced at the state level as the US Congress has not attempted to enact any nationwide federal smoking ban.

Smoking is banned in restaurants, bars and non hospitality workplaces in many states and some local jurisdictions ban smoking in outdoor areas. Each jurisdiction has developed legislation separately; however, most laws are relatively consistent.

There are some differences pertaining to the circumstances in which ventilated smoking rooms are permitted and the distance smoking is banned outside a building.

A growing number of cities and states now require hotels to be 100.0% smoke-free indoors, including guest rooms. Currently, all hotels and motels, including guest rooms, must be smoke-free in Wisconsin, Michigan and Nebraska.

Over the past decade, smoke-free hotels have gone from being almost nonexistent to the national norm. The Westin, a Marriott International Inc. (Marriott) brand, announced the first national 100.0% smoke-free hotel policy for all its properties in the United States in 2006 following a report from the Surgeon General that exposure to secondhand smoke is damaging to health. This marked a turning point for the industry and a domino effect led Marriott to adopt a similar policy across its portfolio of brands.

Franchising Laws

A large proportion of industry establishments are operated under franchise agreements.

There are both federal and state laws governing franchising, which vary from state to state. Franchising is regulated at the federal level by the US Federal Trade Commission and applied in any region within the United States. At the state level, various state agencies regulate franchises and laws vary between states.

A state's franchise laws usually only apply if the sale of a franchise is made in the state and the business is located in the state. Laws generally fall into three categories, which include disclosure laws, registration laws and relationship laws.

Market Feasibility

Under the FTC Franchise Rule there are three elements of a franchise, which include the franchise has a trademark under which the franchisee is given the right to distribute goods and services; the franchisor has significant control of or provides significance to the franchisee's method of operation; and the franchisee is required to pay the franchisor at least $600.00 within the first six months of opening for business.

COVID-19

In early 2020, the United States was affected by the global COVID-19 (coronavirus) pandemic.

While many industries have been affected heavily by this pandemic, industries related to hospitality and tourism have been hit especially hard due to travel bans and stay-at-home restrictions.

There has been no direct legislation on hotels and motels in the United States, however, there has been broad sweeping regulation that affected industry operators and employees.

This included the Families First Coronavirus Response Act. This act required specified employers to provide their employees with paid sick leave or expanded family and medical leave for specified reasons related to coronavirus.

This regulation likely affected operators that fell under the designated categories specified by the act. However, the FFCRA leave requirements expired December 31st, 2020. In 2021, operators still are contending with regulations such as the limitation of foreign travelers into the United States. For example, as of August, U.S. borders remain closed to most European travelers, even those with vaccinations.

Industry Assistance

The level of industry assistance is Low and the trend is Increasing

As a whole, the Hotels and Motels industry does not receive on-going and continuous direct support from local or state governments.

In early 2020, however, many hotel and motel operators were given stimulus in the form of money from the US government due to the COVID-19 (coronavirus) pandemic.

The US Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was introduced and signed into law in March 2020, is a $2.0 trillion economic relief package designed to provide direct economic assistance for American workers, families and small businesses as well as preserve jobs for American industries. The Paycheck Protection Program (PPP), which was established by the CARES Act, is implemented by the Small Business Administration (SBA) and provides small businesses with funds to pay up to eight weeks of payroll costs including benefits.

Funds can also be used to pay interest on mortgages, rent and utilities. Furthermore, in December 2020, the government passed an additional $900.0 billion in a COVID-19 (coronavirus) relief bill. The legislation included another $300.0 billion for the PPP and

Market Feasibility

expanded the kinds of businesses that can qualify for forgivable loans and grants. Lastly, in March 2021, a third, $1.9 trillion coronavirus relief plan was signed into law.

The plan provides $15.0 billion to the Emergency Injury Disaster Loan program, which provides long-term, low-interest loans from the SBA. Moreover, the PPP will receive an additional $7.0 billion in funds under this relief plan.

Many industry operators were severely affected by the coronavirus pandemic as travel from many international locations was suspended for months and domestic travel declined as people were ordered to quarantine and self-isolate at home throughout most of the United States.

Aside from direct stimulus provided on rare occasions, the industry receives other indirect assistance regularly. In many states, some of the funds collected by lodging taxes are spent on promoting local tourism, which can directly and indirectly benefit the Hotels and Motels industry. This tax is often used to promote tourism within the state. Thus, the industry is an indirect beneficiary of any promotional tourism spending by governments, to which operators may or may not have contributed funds. The more local tourism is promoted, the more likely people might be to travel to that location which typically benefits the region's overall economy.

Trade groups such as the American Hotel & Lodging Association also lobby on the industry's behalf. This is the sole national association that represents all components of the lodging industry. This association includes individual hotel property members, hotel companies, training organizations, students and suppliers. Its activities incorporate national advocacy, public relations and image management, education and research and information. It also operates through 43 partner state associations to provide local representation to members.

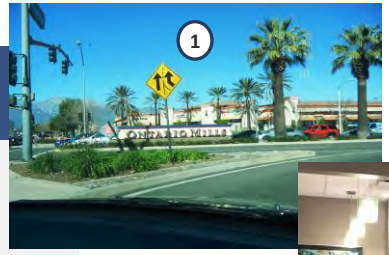
Nature and Extent of the Market and Market Area

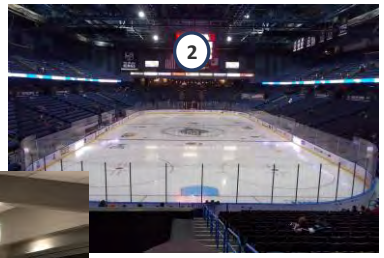
VERITAS | DEVELOPMENT ADVISORS

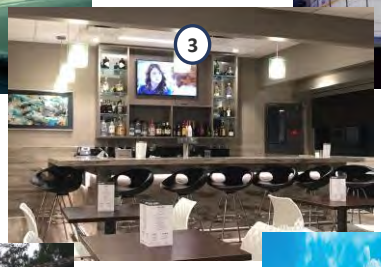
Market Feasibility

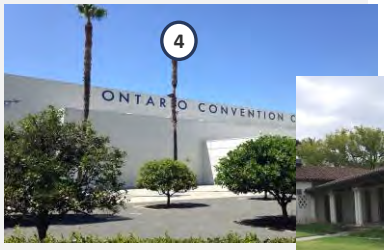
Top 10 things to do in Ontario, CA (per TripAdvisor)

No	Name
1	Ontario Mills
2	Toyota Arena
3	Escape Lounge
4	Ontario Convention Center
5	Museum of History and Art, Ontario
6	Animanga
7	Cucamonga-Guasti Regional Park
8	Treasures N Junk
9	K1 Speed Ontario
10	Scandia







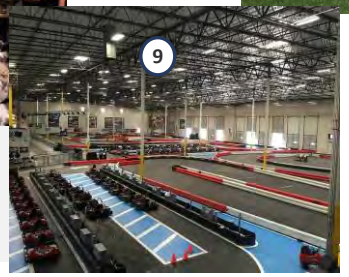












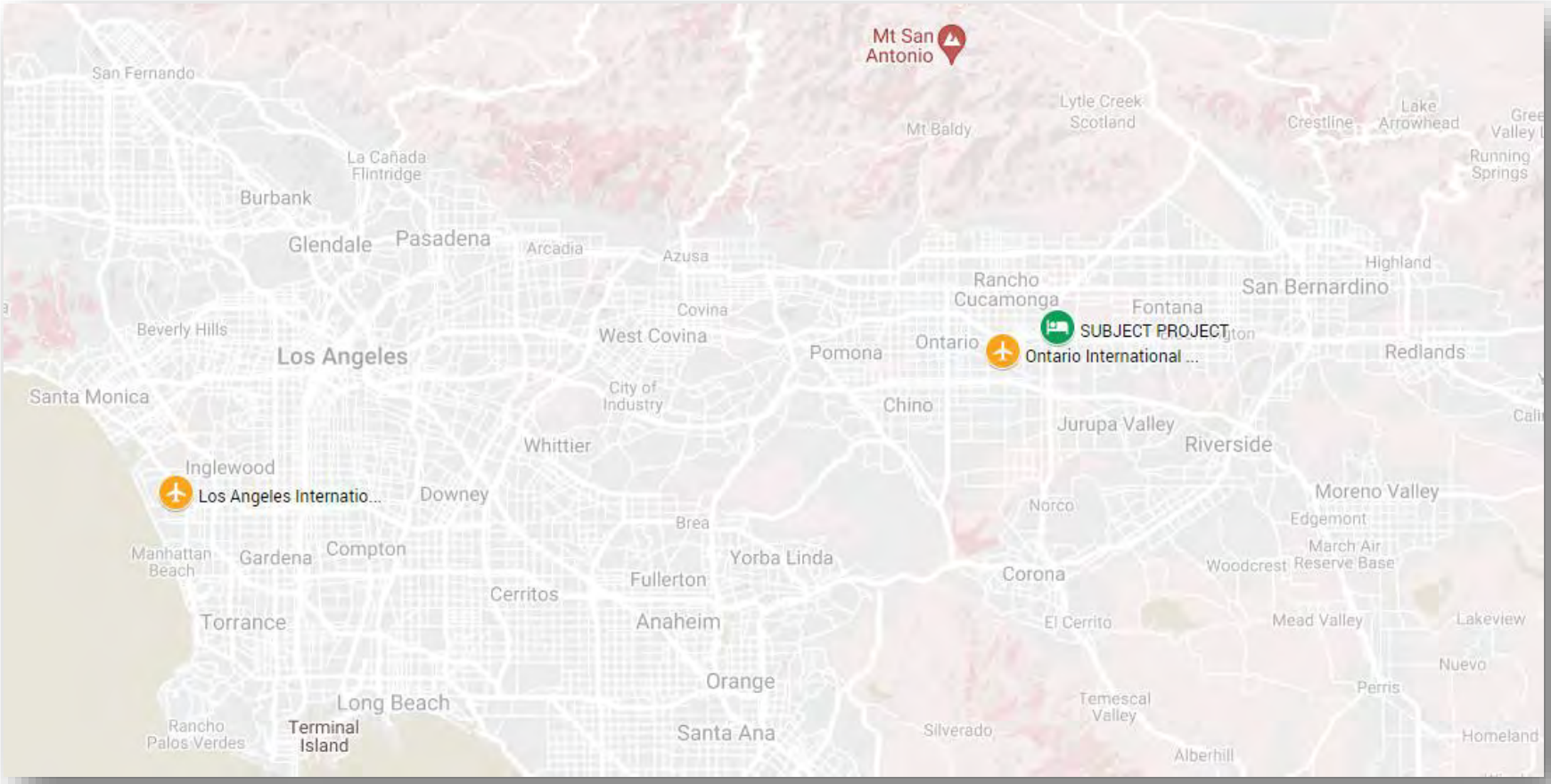


Source: Veritas Development Advisors Primary Research

Market Feasibility

Major Airports Near the Subject Project Data Table and Map

No.	Name	Address	Miles Away from the Subject Project
1	Ontario International Airport	Ontario, CA 91761	3.2
2	Los Angeles International Airport	1 World Way, Los Angeles, CA 90045	58.5

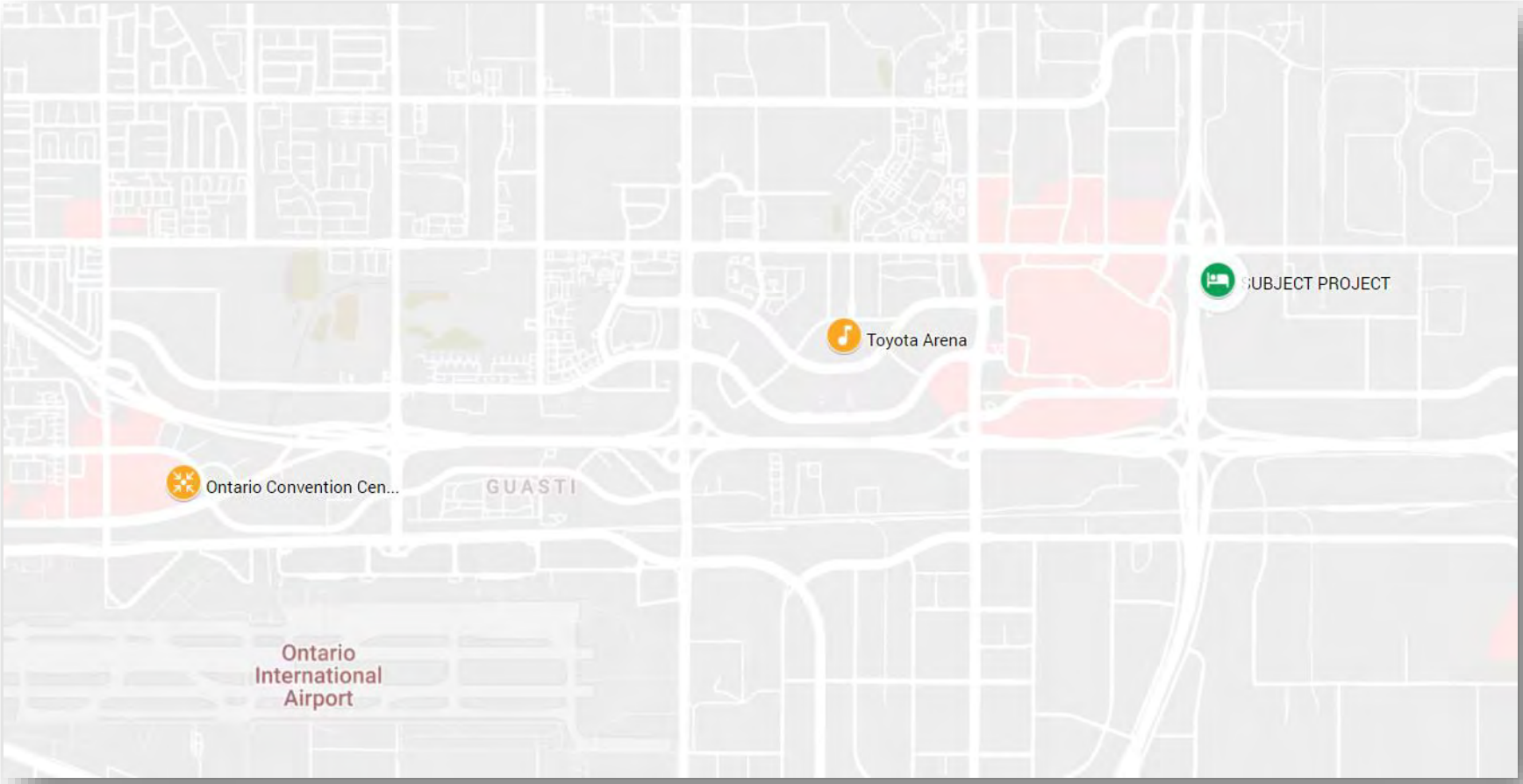


Source: Google Maps, Veritas Development Advisors Primary Research Analysis

Market Feasibility

Significant Demand Generators Near the Subject Project Data Table and Map

No.	Name	Address	Miles from Subject Project	Overnight Stays Demanded Annually
1	Toyota Arena	4000 Ontario Center, Ontario, CA	1.6	Left voice msg with Ontario Econ. Dev.
2	Ontario Convention Center	2000 E Convention Center Way, Ontario, CA	4.9	Left voice msg with Ontario Econ. Dev.



Source: Google Maps, Veritas Development Advisors Primary Research Analysis

Market Feasibility

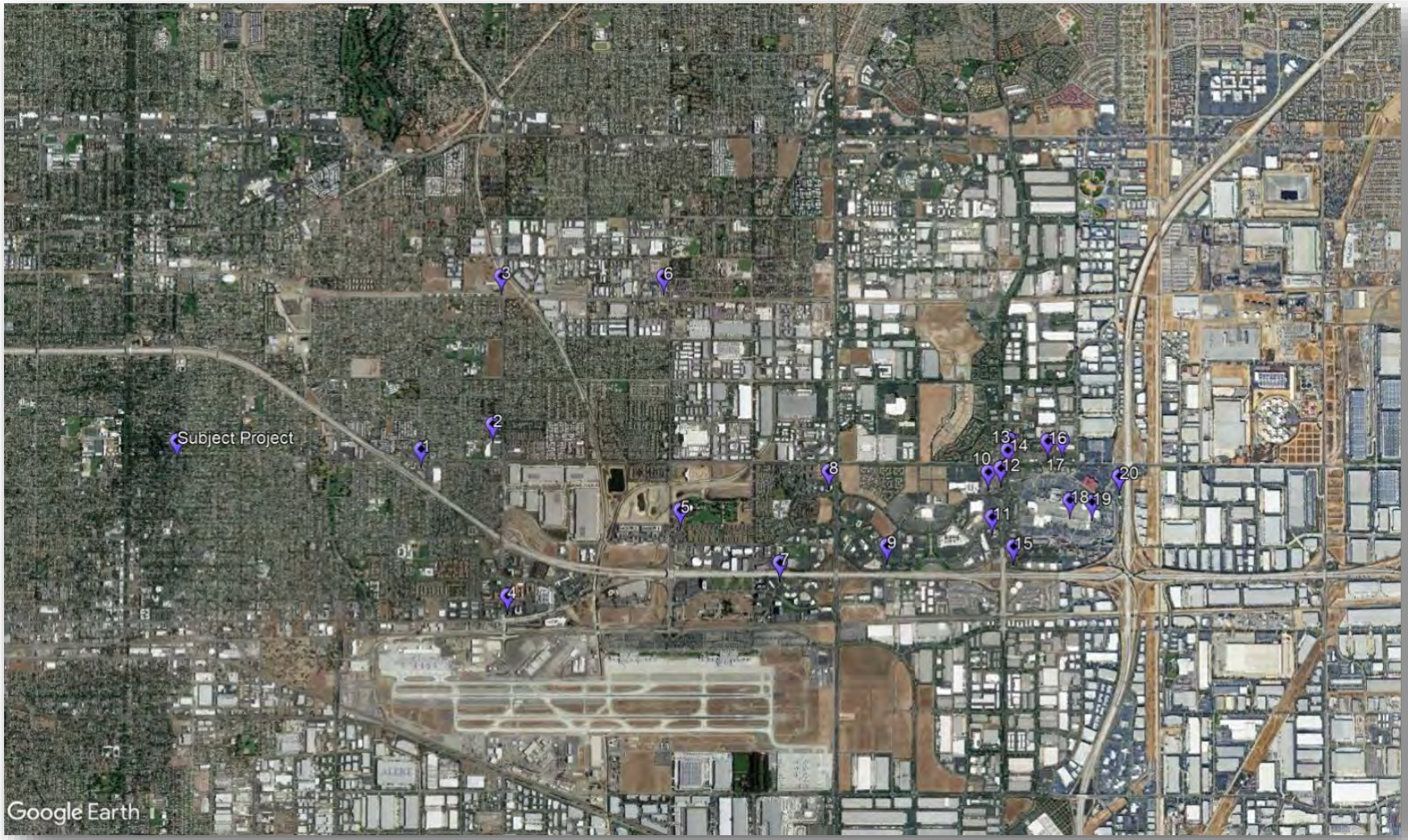
Restaurants Near the Subject Project Data Table

No.	Name	Address	Miles Away from the Subject Project
1	El Chilitos Mexican Restaurant	1630 E 4th St K, Ontario, CA 91764	1.49
2	Zeke's Eatin' Place	1855 E 4th St, Ontario, CA 91764,	1.92
3	Johnny O's Café	8890 8th St, Rancho Cucamonga, CA 91730	2.20
4	Spires Restaurant	104 N Vineyard Ave, Ontario, CA 91764	2.25
5	Ontar Thai Restaurant	750 Archibald Ave, Ontario, CA 91764	3.10
6	Chasqui	8880 Archibald Ave, Rancho Cucamonga, CA 91730	3.12
7	Panda Inn	3223 E, N Centre Lake Dr, Ontario, CA 91761	3.77
8	Jikan Japanese Restaurant	3495 Concours St suite e, Ontario, CA 91764	3.97
9	Benihana	3760 Inland Empire Blvd, Ontario, CA 91764	4.39
10	@ Home Thai Fusion bistro	4275 Concours St Suite 130, Ontario, CA 91764	4.93
11	Chili Bistro-湘巴佬	765 N Milliken Ave ste a, Ontario, CA 91764	4.98
12	Applebee's Grill + Bar	1021 N Milliken Ave, Ontario, CA 91764	5.02
13	Olive Garden Italian Restaurant	4403 Mills Cir, Ontario, CA 91764	5.07
14	Big Wok Mongolian Grill BWRC	11334 Fourth St Ste 103, Rancho Cucamonga, CA 91730	5.08
15	In-N-Out Burger	4310 Ontario Mills Pkwy, Ontario, CA 91764	5.13
16	BJ's Restaurant & Brewhouse	11520 Fourth St, Rancho Cucamonga, CA 91730	5.28
17	Lazy Dog Restaurant & Bar	11560 Fourth St, Rancho Cucamonga, CA 91730	5.40
18	The Sweet Spot	Ontario, CA 91764	5.45
19	Rainforest Café	4810 Mills Cir, Ontario, CA 91764	5.59
20	Rubio's Coastal Grill	980 Ontario Mills Dr Suite A, Ontario, CA 91764	5.71

Source: Google Map, Veritas Development Advisors Primary Research Analysis

Market Feasibility

Restaurants Near the Subject Project Map



Source: Google Map, Veritas Development Advisors Primary Research Analysis

Market Feasibility

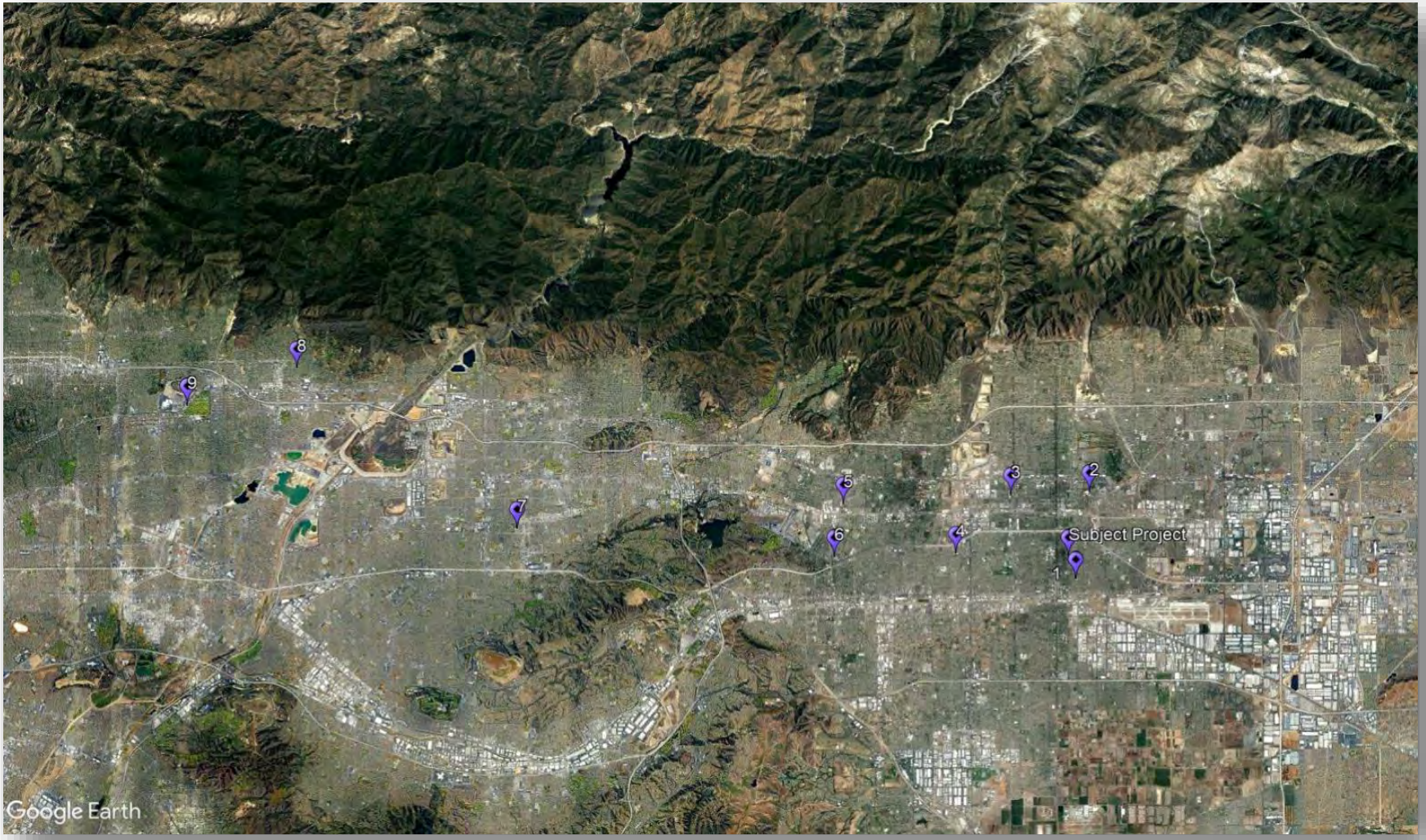
Medical Facilities Near the Subject Project Data Table

No.	Name	Address	Miles Away from the Subject Project
1	Kindred Hospital Ontario	550 N Monterey Ave, Ontario, CA 91764	0.71
2	San Antonio Regional Hospital	999 San Bernardino Rd, Upland, CA 91786	1.66
3	Chaparral Medical Group	585 N Mountain Ave, Upland, CA 91786	2.09
4	Montclair Hospital Medical Center	5000 San Bernardino St, Montclair, CA 91763	2.87
5	Casa Colina Hospital and Centers for Healthcare	255 E Bonita Ave, Pomona, CA 91767	5.70
6	Pomona Valley Hospital Medical Center	1798 N Garey Ave, Pomona, CA 91767	6.10
7	Emanate Health Inter-Community Hospital	210 W San Bernardino Rd, Covina, CA 91723	14.18
8	Monrovia Memorial Hospital	323 S Heliotrope Ave, Monrovia, CA 91016	20.05
9	Methodist Hospital	300 Huntington Dr, Arcadia, CA 91007	22.54

Source: Google Map, Veritas Development Advisors Primary Research Analysis

Market Feasibility

Medical Facilities Near the Subject Project Map



Source: Google Map, Veritas Development Advisors Primary Research Analysis

Market Feasibility

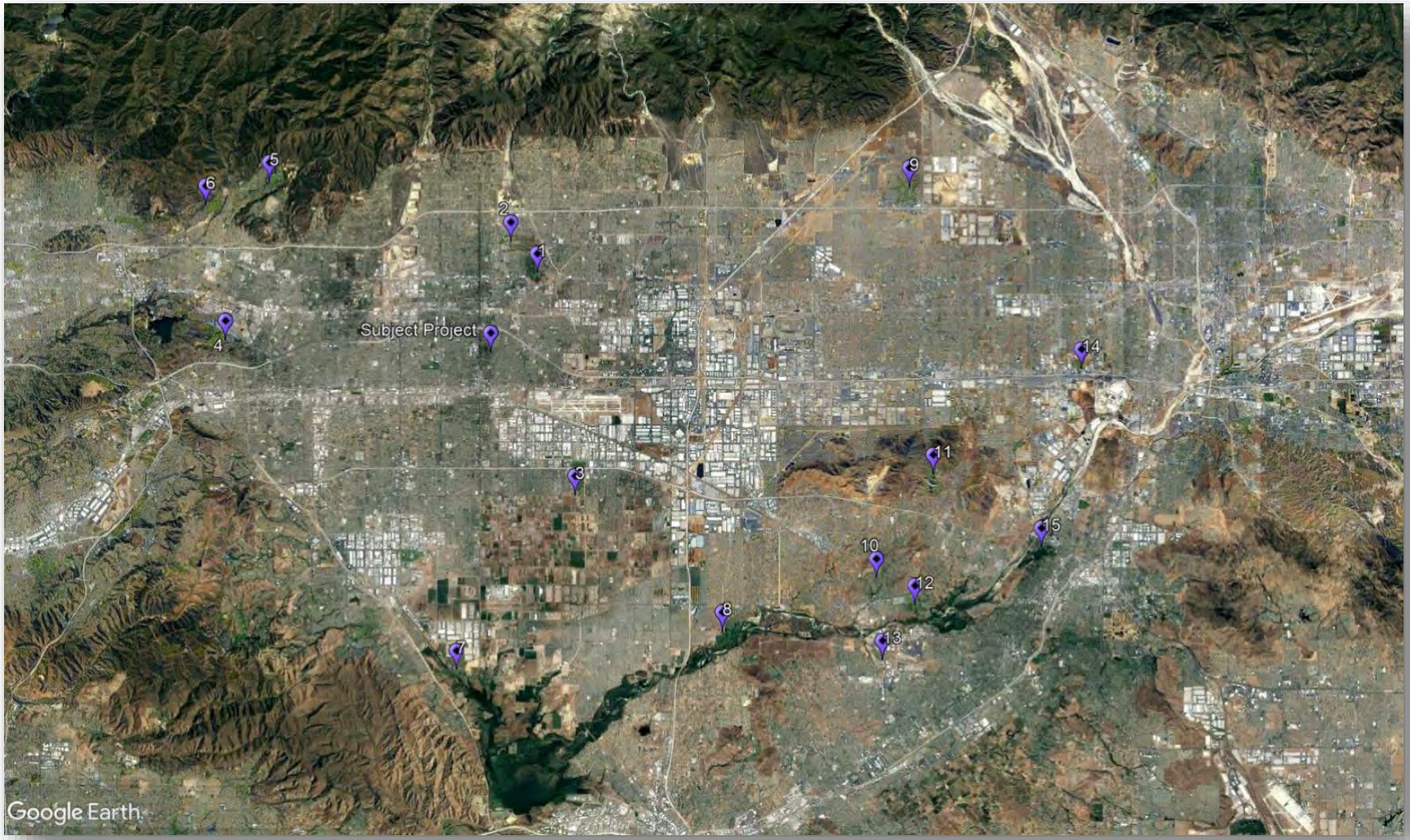
Golf Courses Near the Subject Project Data Table

No.	Name	Address	Miles Away from the Subject Project
1	Red Hill Country Club	8358 Red Hill Country Club Dr, Rancho Cucamonga, CA 91730	2.09
2	Upland Hills Country Club	1231 E 16th St, Upland, CA 91784	2.60
3	Whispering Lakes Golf Course	2525 E Riverside Dr, Ontario, CA 91761	5.23
4	Mountain Meadows Golf Course	1875 Fairplex Dr, Pomona, CA 91768	7.37
5	Marshall Canyon Golf Course	1135, 6100 Stephens Ranch Rd, La Verne, CA 91750	7.45
6	San Dimas Canyon Golf Course	2100 Terrebonne Ave, San Dimas, CA 91773	8.69
7	El Prado Golf Courses	6555 Pine Ave, Chino, CA 91708	9.61
8	Goose Creek Golf Club	11418 68th St, Mira Loma, CA 91752	10.72
9	Sierra Lakes Golf Club	16600 Clubhouse Dr, Fontana, CA 92336	12.41
10	Indian Hills Golf Club	5700 Club House Dr, Riverside, CA 92509	12.79
11	Oak Quarry Golf Club	7151 Sierra Ave, Riverside, CA 92509	12.96
12	Jurupa Hills Country Club	6161 Moraga Ave, Riverside, CA 92509	14.13
13	Van Buren Golf Center	6720 Van Buren Boulevard, Riverside, CA 92503	14.28
14	Colton Golf Course	1901 W Valley Blvd, Colton, CA 92324	16.49
15	Fairmount Golf Course	2681 Dexter Dr, Riverside, CA 92501	16.51

Source: Google Map, Veritas Development Advisors Primary Research Analysis

Market Feasibility

Golf Courses Near the Subject Project Map



Source: Google Map, Veritas Development Advisors Primary Research Analysis

Market Feasibility

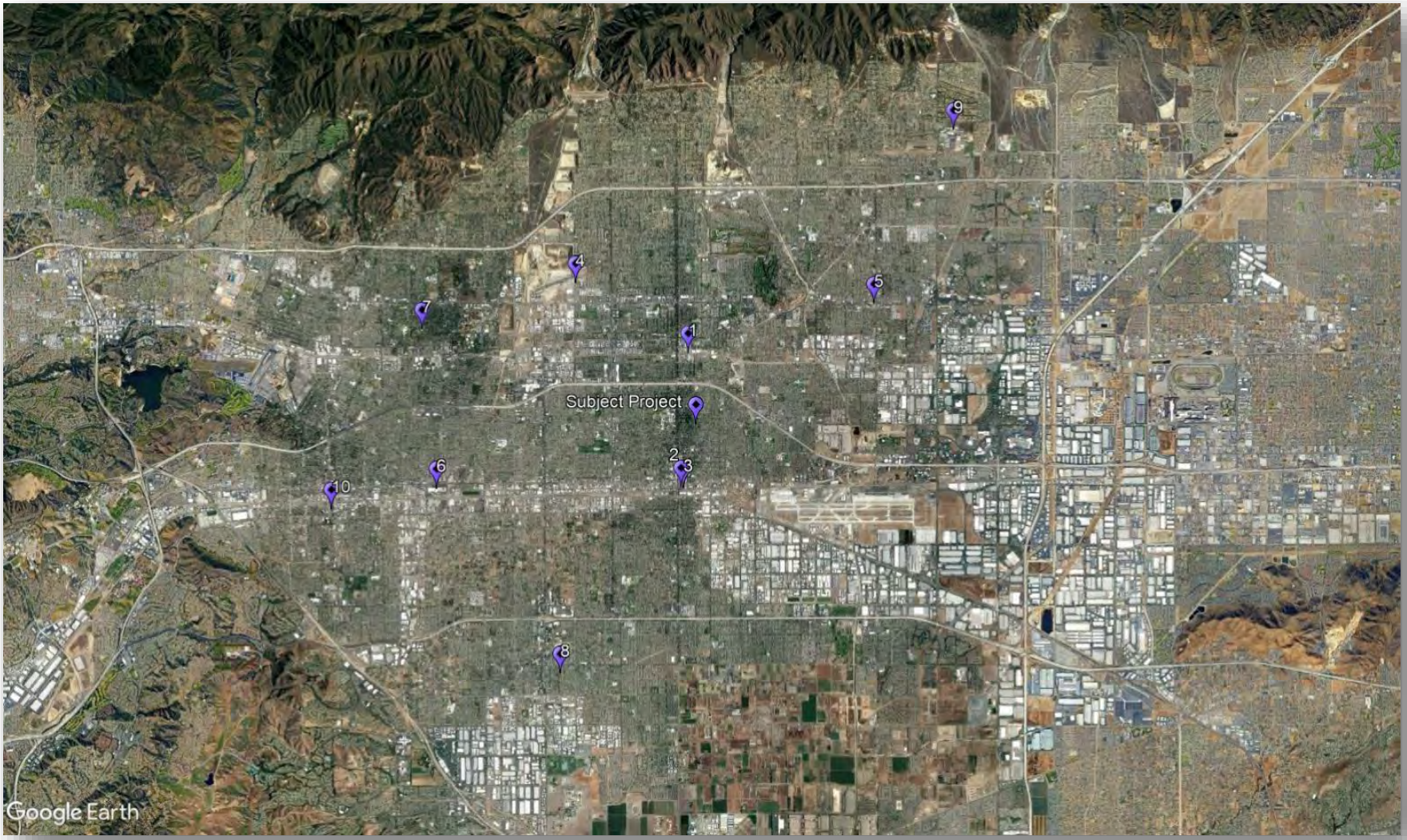
Museums Near the Subject Project Data Table

No.	Name	Address	Miles Away from the Subject Project
1	Cooper Regional History Museum	217 E A St, Upland, CA 9178	0.82
2	Ontario Museum of History & Art	225 Euclid Ave, Ontario, CA 91762	1.48
3	Chaffey Community Museum of Art	217 S Lemon Ave, Ontario, CA 91761	1.49
4	Sasse Museum of Art	1334 N Benson Ave STE D, Upland, CA 91786	2.79
5	Cucamonga Service Station	9670 Foothill Blvd, Rancho Cucamonga, CA 91730	3.38
6	The African-American Museum of Beginnings	1460 E Holt Ave Suite 188, Pomona, CA 91767	4.56
7	Petterson Museum of Intercultural Art	730 Plymouth Rd, Claremont, CA 91711	4.70
8	Chino's Old Schoolhouse Museum	5493 B St, Chino, CA 91710	5.19
9	Wignall Museum & Gallery	5885 Haven Ave, Rancho Cucamonga, CA 91737	6.19
10	Latino Art Museum	281 S Thomas St, Pomona, CA 91766	6.31

Source: Google Map, Veritas Development Advisors Primary Research Analysis

Market Feasibility

Museums Near the Subject Project Map



Source: Google Map, Veritas Development Advisors Primary Research Analysis

Market Feasibility

4th Street Hotel **(Subject Project)**

Site Info	
Location	5060 E. 4th Street, Ontario, California 91764
Rooms	128 (planned)
Room Types	61 Queen Suites 61 DBL Queen Suites 3 ADA DBL Queen Suites 3 ADA Queen Suites
Site Area	• 80,000 sq. ft
GBA	• 55,250 sq. ft
Story	• Four
Parking Area	• 19,106 sq. ft
Meeting Room	• 1,824 sq. ft
Seating Area	• 300 sq. ft
Café/Snack	• 331 sq. ft
Fitness	• 331 sq. ft
Pool Deck/Spa	• 2,353 sq. ft
Lobby	• 504 sq. ft
Reception	• 110 sq. ft
Laundry	• 437 sq. ft

SUITE AMENITIES INCLUDE

Spacious Kitchens

- Stove
- Microwave Oven
- Toaster
- Refrigerator (Full)
- Icemaker In Refrigerator
- Dishwasher
- Pots/Pans/Serving Dishes
- Plates/Glassware
- Silverware
- Dining Table

Flexible Workspaces

- Work Desk With Lamp
- Desk Level Electrical Outlet
- Spare Electrical Outlet at Desk

Connectivity

- Wired Internet Available in Rooms, Suites, Business Center, Public Areas and Meeting Convention Spaces.
- Wireless Internet Available in Rooms, Suites, Business Center, Public Areas and Meeting Convention Spaces.
- Standard Wireless Internet service is free for all members
- Two-Line Phone
- Phone with Voicemail

HOTEL AMENITIES INCLUDE

Connectivity

- Wired Internet Available in Rooms, Suites, Business Center, Public Areas and Meeting Convention Spaces.
- Wireless Internet Available in Rooms, Suites, Business Center, Public Areas and Meeting Convention Spaces.

Housekeeping and Laundry Services

- On-site Guest Self-Laundry Facilities
- Weekly Housekeeping
- Housekeeping Full Service
- Full service - complete room clean.

Market Feasibility

Business Services

- On-Site Business Center
- Business Services are available
- Copying
- Office supplies available
- Printer
- Scanner

Entertainment and Recreation

On-site Fitness Center Available

- Limited Offering
- Available Equipment: Elliptical Machines, Treadmill, Free Weights, Stationary Bicycle

Outdoor Pool Available

- Outdoor Gazebo Grill



Competitive Market Area Analysis

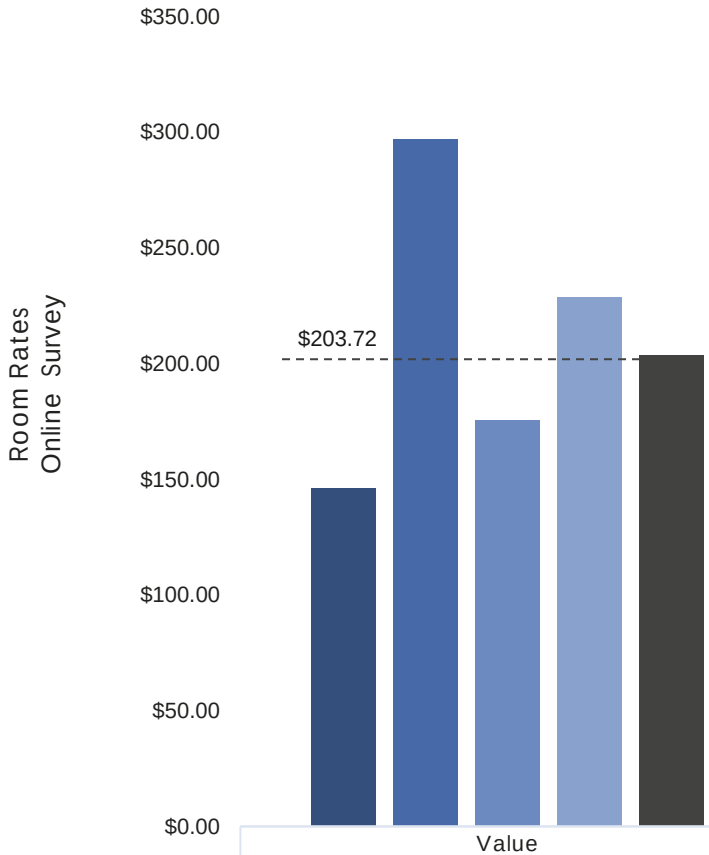
VERITAS | DEVELOPMENT ADVISORS

Market Feasibility

Home2 Suites by Hilton Azusa

Site Info	
Location	229 S Azusa Ave , Azusa, CA 91702
Room	110
Built	July 2017
Miles (away) from the Subject Project	15.23
Room Types	• King Studio Suite -Hearing Accessible • King Studio Suite- Non-Smoking • King Studio Suite -Mobility Access/Non-Smoking • One-bedroom King Suite - Non-Smoking • King Suite - Mobility Accessible/Non-Smoking • King Accessible Roll In Shower Suite With Sofa Bed - Non-Smoking • King Suite -Hearing Accessible/Non-Smoking





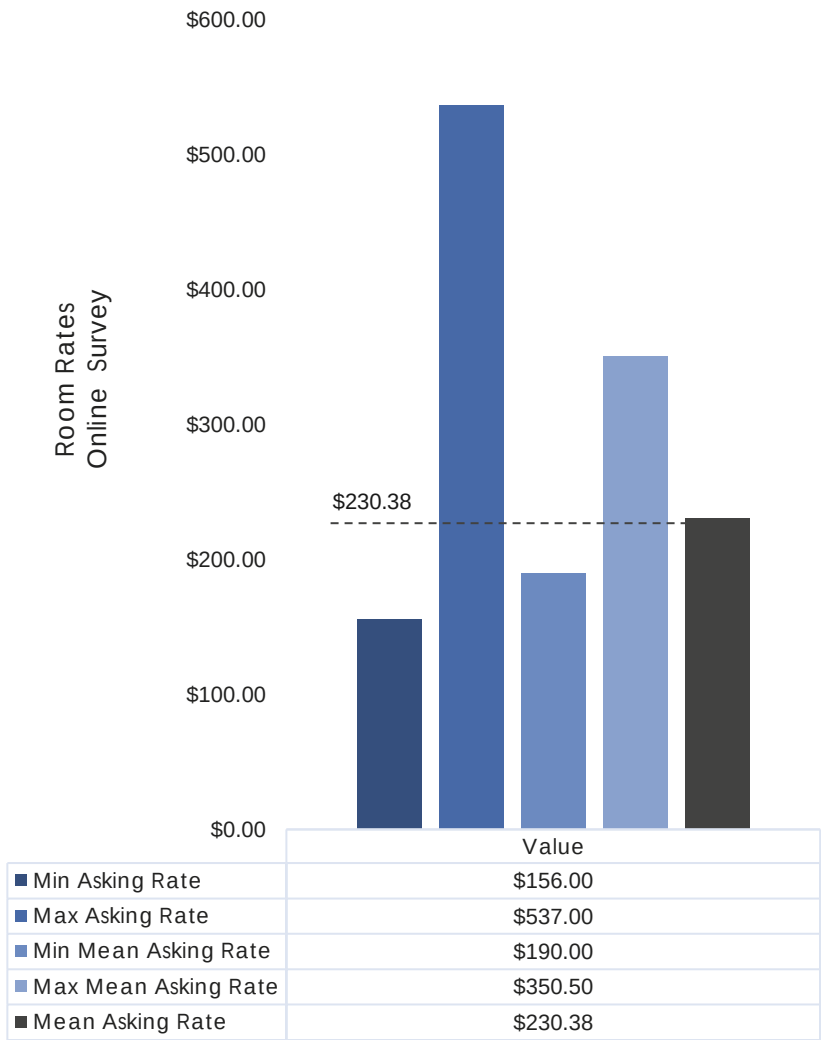
	Value
Min Asking Rate	$146.00
Max Asking Rate	$297.00
Min Mean Asking Rate	$175.44
Max Mean Asking Rate	$228.86
Mean Asking Rate	$203.72

Market Feasibility

Homewood Suites by Hilton Ontario Rancho Cucamonga

Site Info	
Location	11433 Mission Vista Drive, Rancho Cucamonga, CA 91730
Room	103
Built	November 2005
Miles (away) from the Subject Project	5.14
Room Types	• Studio Suite, 1 Queen Bed, Non-smoking • Suite, 2 Queen Beds, Non-Smoking • Suite, 2 Queen Beds, Accessible , Bathtub (Mobility & Hearing) • Suite, 1 King Bed, Non-Smoking • Suite, 1 King Bed, Hearing Accessible • Suite, 1 King Bed, Accessible, Bathtub (Mobility & Hearing) • Suite, 1 King Bed, Accessible (Mobility & Hearing , Roll In Shower) • Premium Suite, 1 King Bed, Accessible, Bathtub • Premium Suite, 1 King Bed, Accessible , Non- Smoking (Hearing) • Room. 2 Bedrooms. Non-Smoking • Suite, Accessible, Non - Smoking • Suite, 2 Queen Beds, Accessible (Roll-in Shower





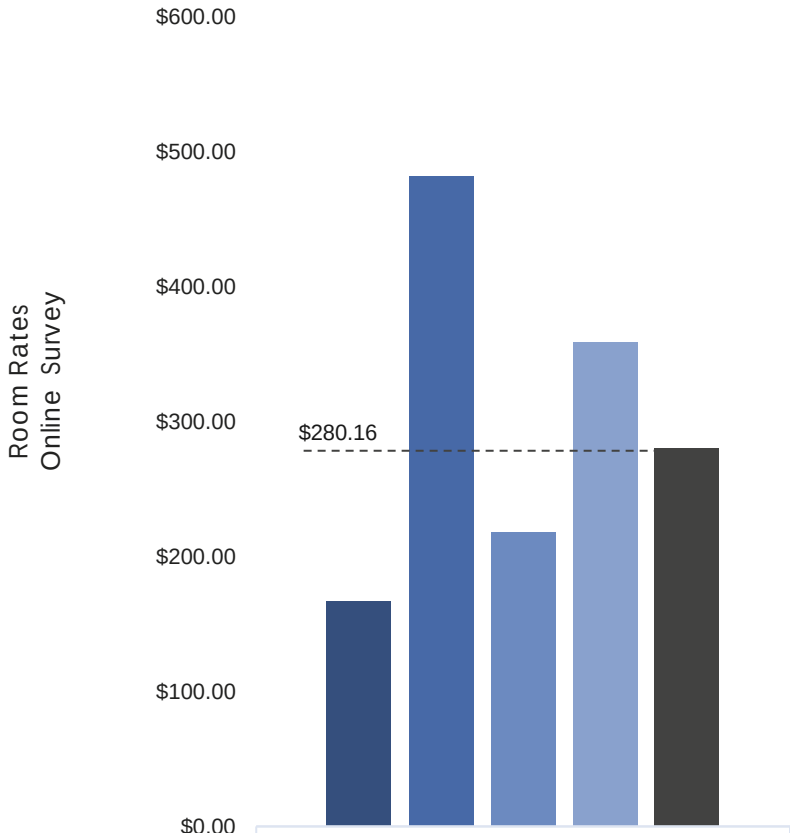
	Value
Min Asking Rate	$156.00
Max Asking Rate	$537.00
Min Mean Asking Rate	$190.00
Max Mean Asking Rate	$350.50
Mean Asking Rate	$230.38

Market Feasibility

TownePlace Suites Ontario Airport

Site Info	
Location	9625 Milliken Avenue, Rancho Cucamonga, CA 91730
Room	112
Built	November 2005
Miles (away) from the Subject Project	5.05
Room Types	• Studio, 1 Queen Bed, Non-Smoking • Studio, 2 Queen Beds, Non-Smoking • Suite, 1 Bedroom, Non-Smoking • Suite 2 Bedrooms, Non-Smoking





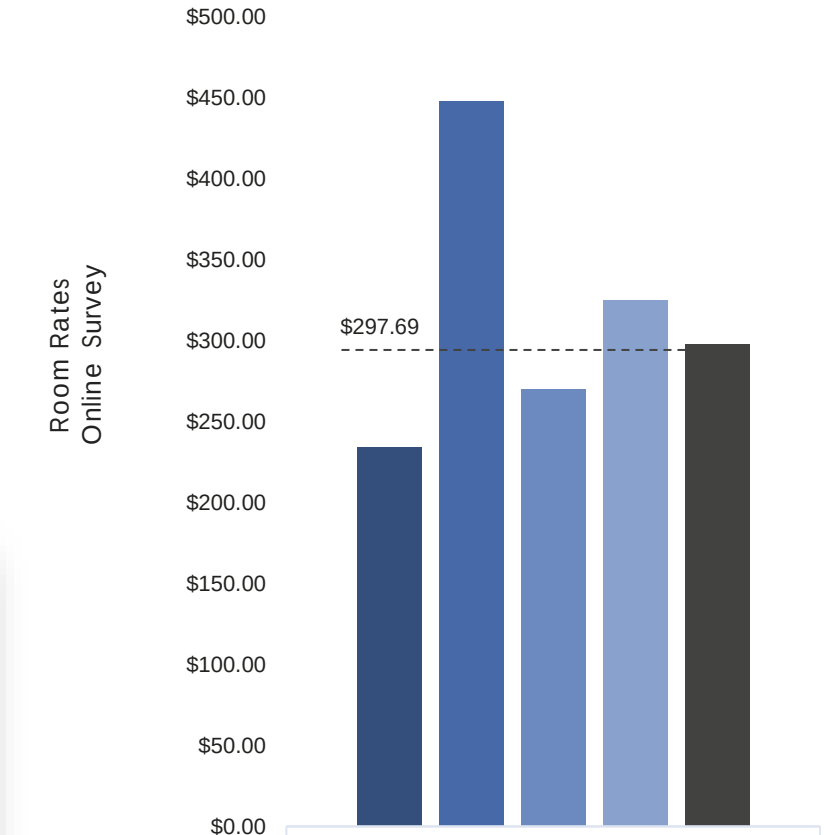
	Value
Min Asking Rate	$167.00
Max Asking Rate	$482.00
Min Mean Asking Rate	$218.09
Max Mean Asking Rate	$359.00
Mean Asking Rate	$280.16

Market Feasibility

Residence Inn Ontario Rancho Cucamonga

Site Info	
Location	9299 Haven Avenue, Rancho Cucamonga, 91730
Room	126
Built	December 2018
Miles (away) from the Subject Project	4.11
Room Types	• Studio, 1 King Bed, Non-Smoking • Studio, 2 Queen Beds, Non-Smoking • Suite, 1 Bedroom, Non-Smoking





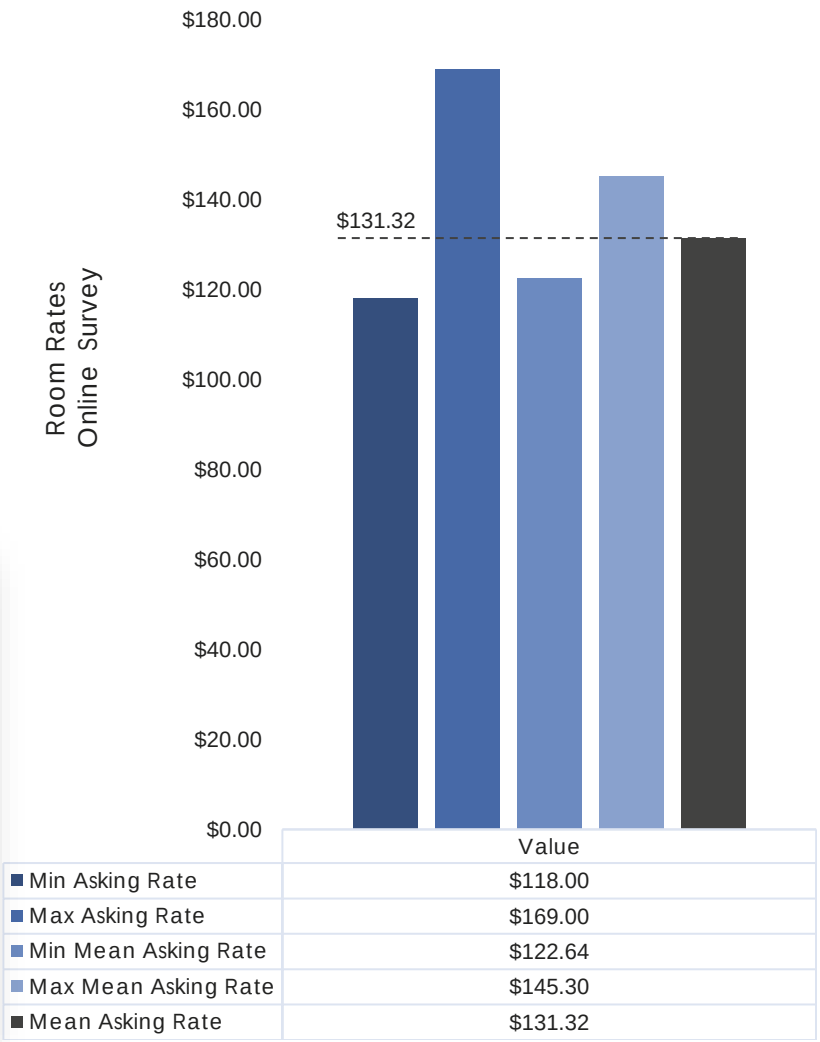
	Value
Min Asking Rate	$234.00
Max Asking Rate	$448.00
Min Mean Asking Rate	$269.91
Max Mean Asking Rate	$324.82
Mean Asking Rate	$297.69

Market Feasibility

Extended Stay America Los Angeles - Ontario Airport

Site Info	
Location	3990 Inland Empire Blvd, Guasti, CA 91764
Room	127
Built	May 1997
Miles (away) from the Subject Project	4.49
Room Types	• Studio, 1 Queen Bed, Non-Smoking • Studio, 1 Queen Bed, Accessible Non-Smoki • Studio, 1 King Bed, Non-Smoking • Studio, 2 Double Beds, Non-Smoking





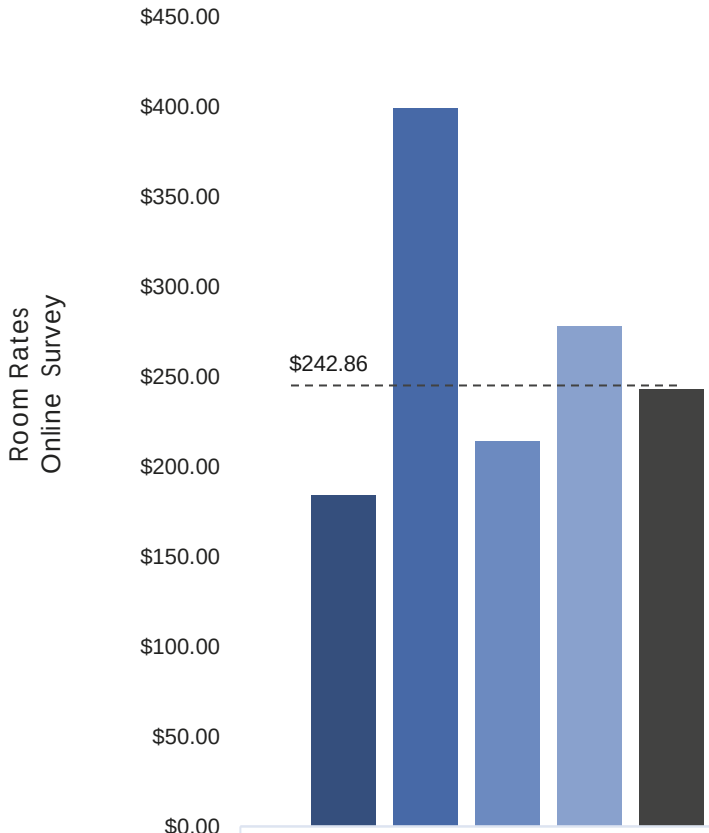
	Value
Min Asking Rate	$118.00
Max Asking Rate	$169.00
Min Mean Asking Rate	$122.64
Max Mean Asking Rate	$145.30
Mean Asking Rate	$131.32

Market Feasibility

Element Ontario

Site Info	
Location	900 Via Piemonte, Ontario, 91764
Room	131
Built	May 2020
Miles (away) from the Subject Project	4.65
Room Types	• Room,1 King Bed, Non-Smoking • Studio,1 King Bed, Non-Smoking • Studio,1 King Bed, Non-Smoking • Suite, 1 Bedroom, Non-Smoking

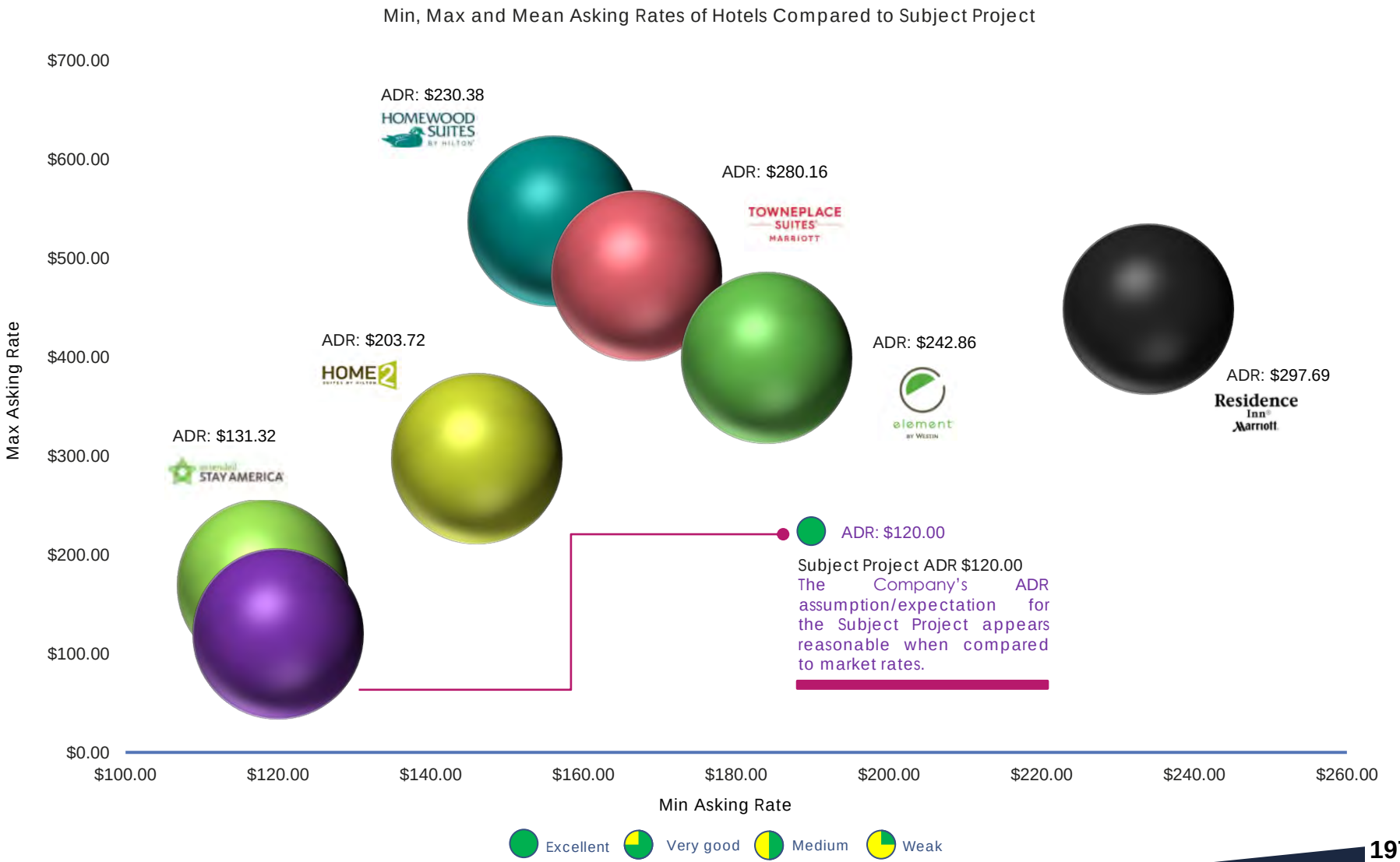




	Value
Min Asking Rate	$184.00
Max Asking Rate	$399.00
Min Mean Asking Rate	$214.18
Max Mean Asking Rate	$278.09
Mean Asking Rate	$242.86

Market Feasibility

Summary of ADR in the Market

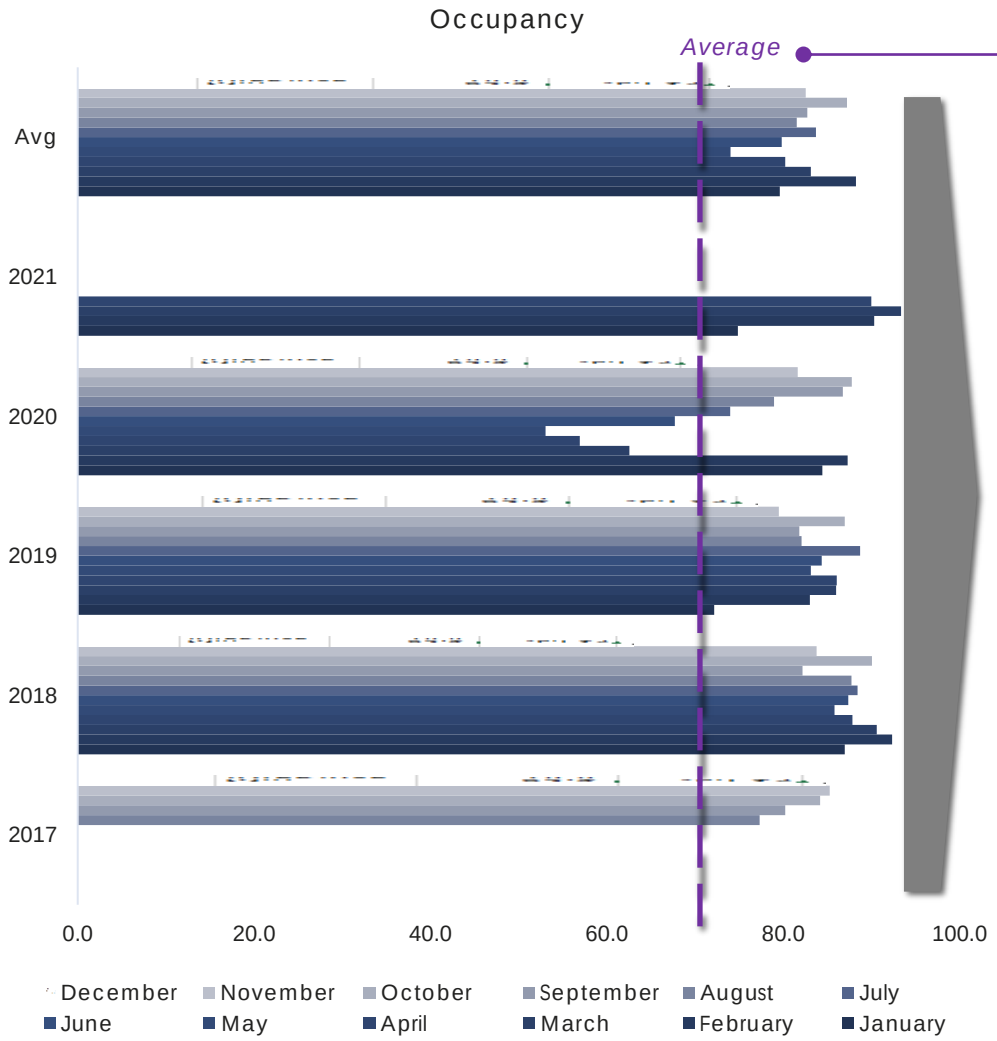


Smith Travel Research Report Analysis

VERITAS | DEVELOPMENT ADVISORS

Market Feasibility

Smith Travel Research STR Report – Hotels in the Market Area



53.1 Percent
May 2020

Min Occupancy

93.4 Percent
March 2021

Max Occupancy

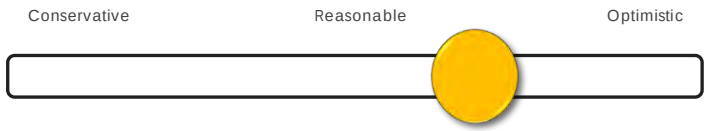
81.5 Percent
Aug 2017 – April 2021

Avg. Occupancy

82.0 – 85.0 Percent
Stabilized

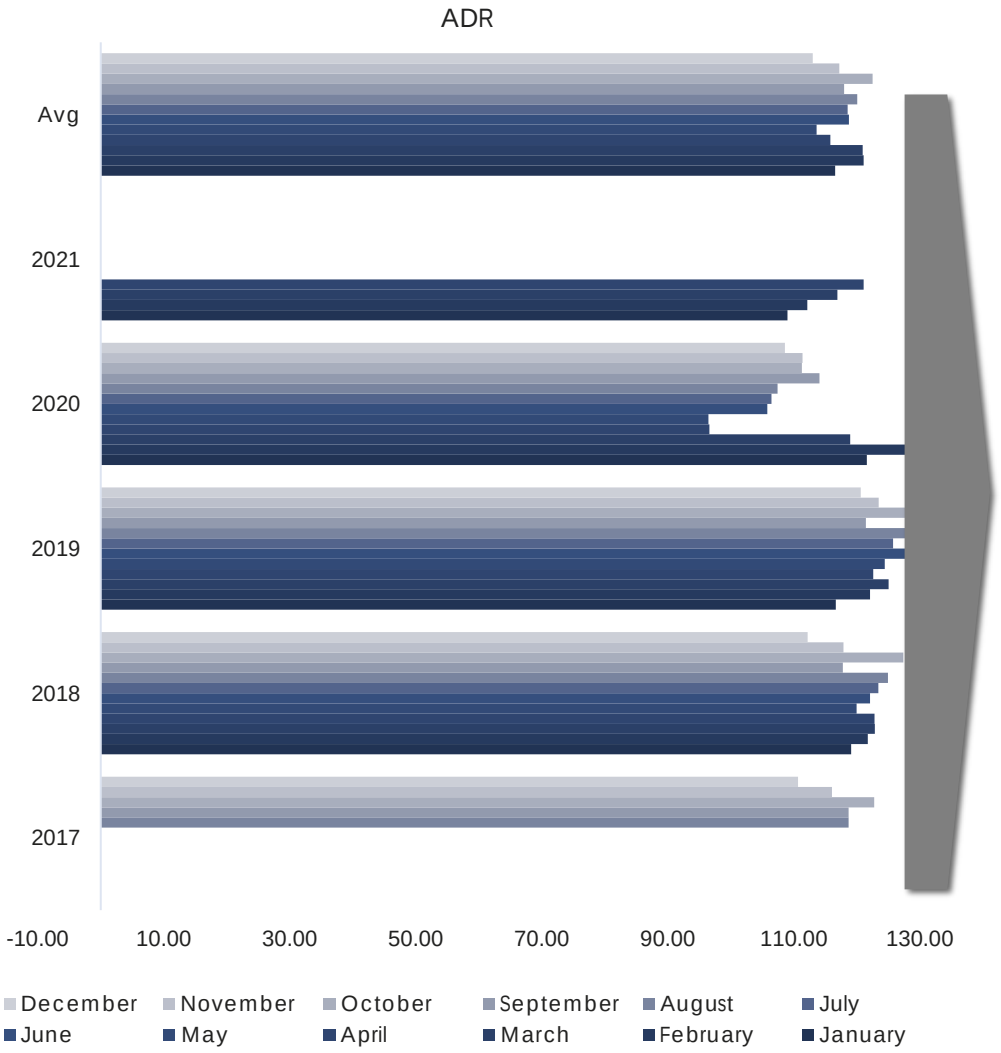
Company Expectations

Company Projections Vs. Market Area



Market Feasibility

Smith Travel Research STR Report – Hotels in the Market Area



$96.44
May 2020

Min ADR

$129.26
August 2019

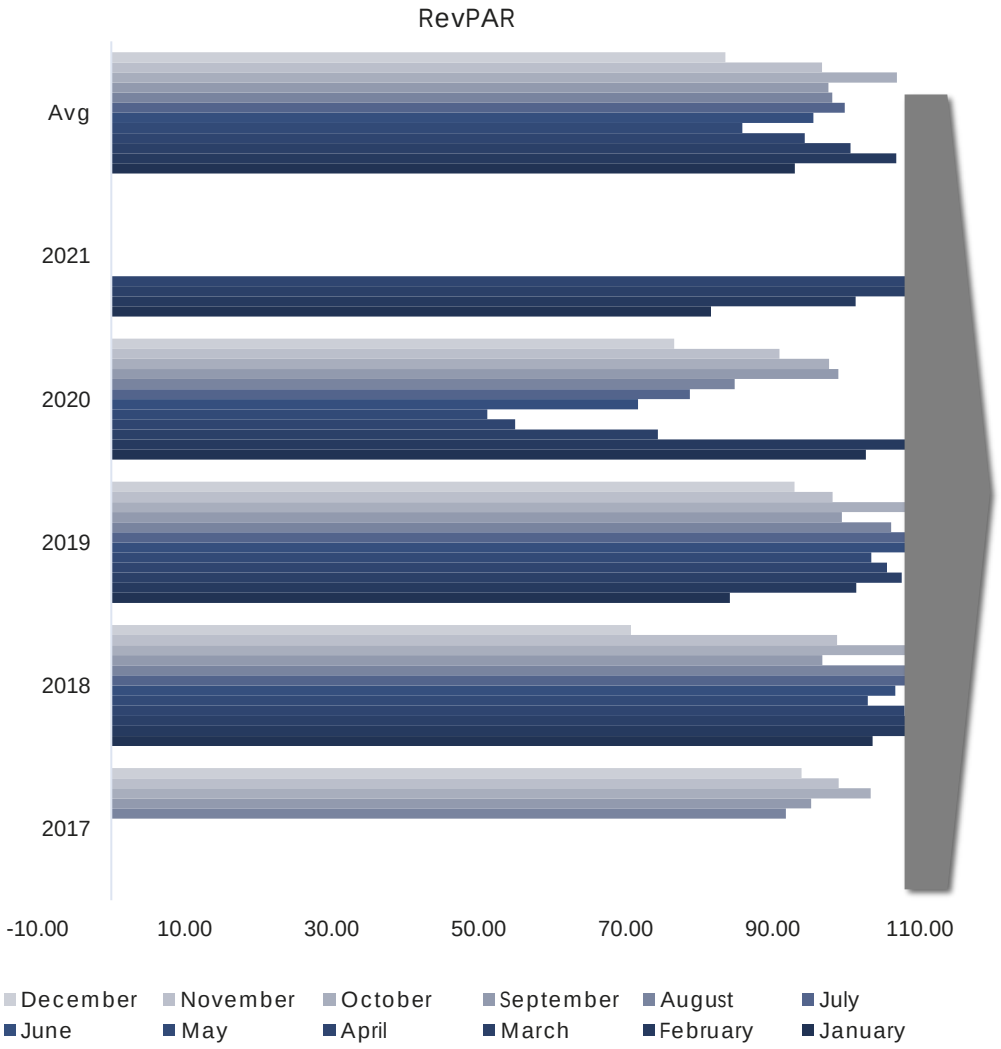
Max ADR

$118.10
Aug 2017 – April 2021

Avg. ADR

Market Feasibility

Smith Travel Research STR Report –Hotels in the Market Area



$51.17
May 2020

Min RevPAR

$114.72
October 2018

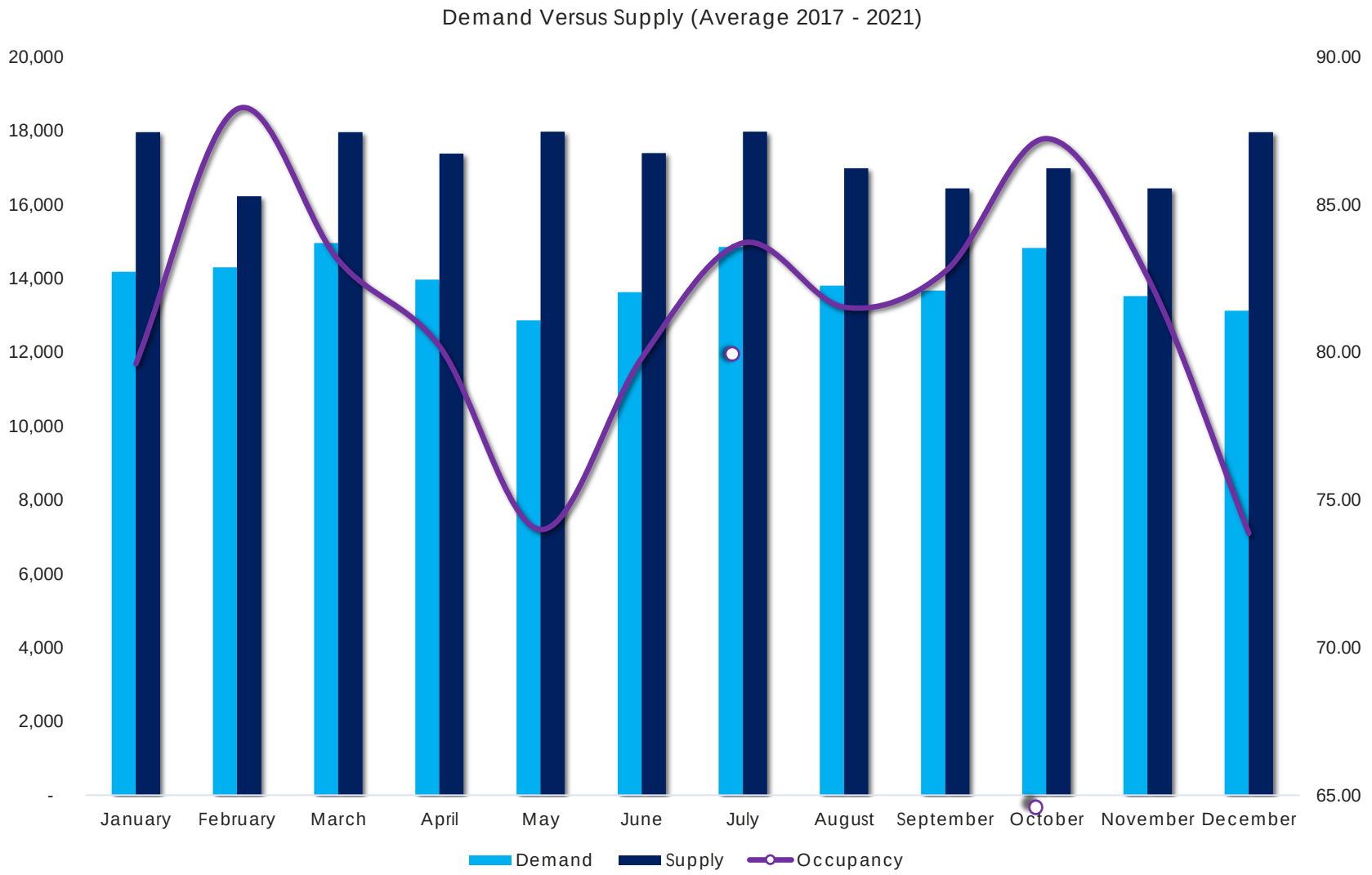
Max RevPAR

$96.76
Aug 2017 – April 2021

Avg. RevPAR

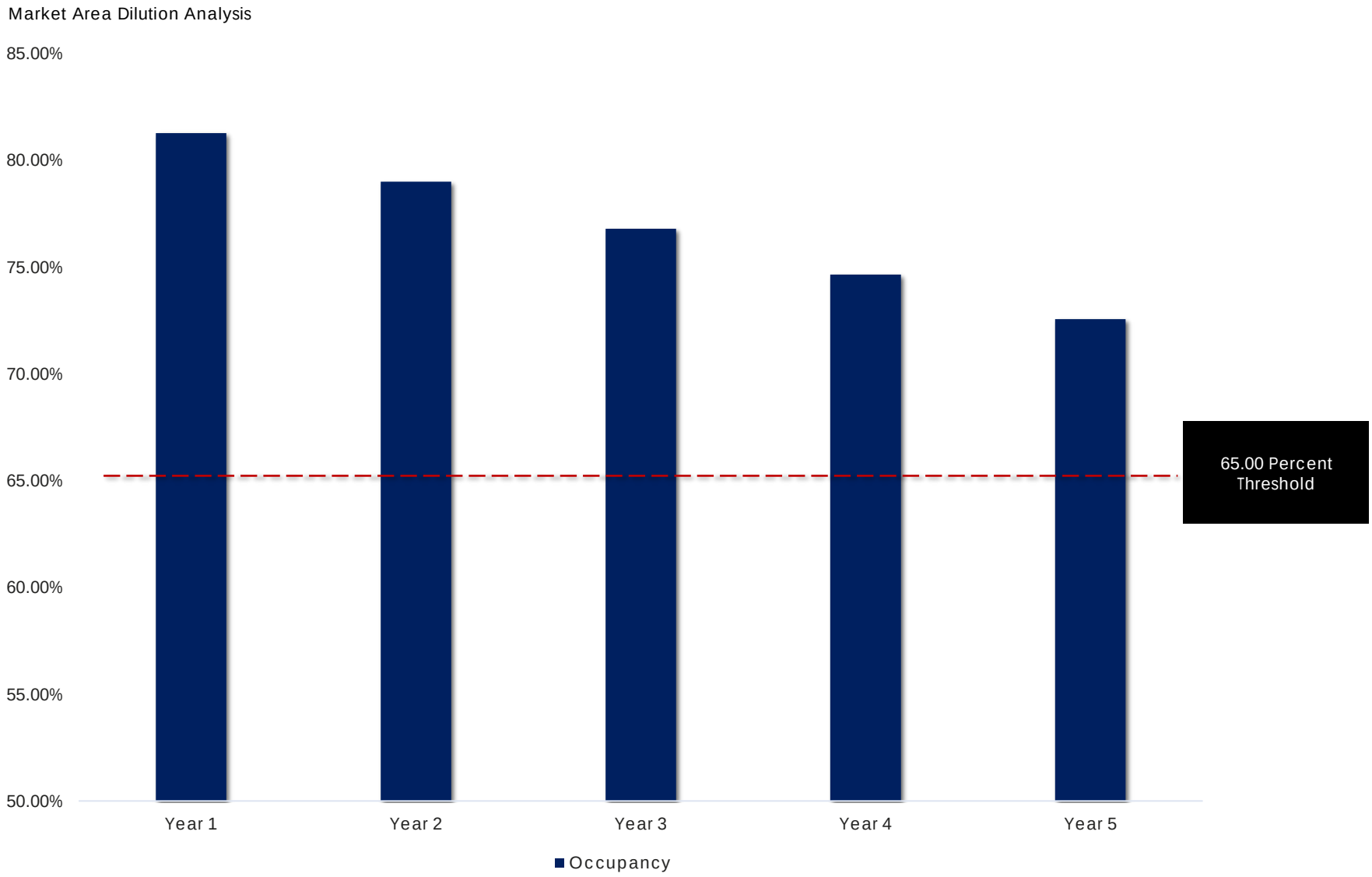
Market Feasibility

Smith Travel Research STR Report – Hotels in the Market Area



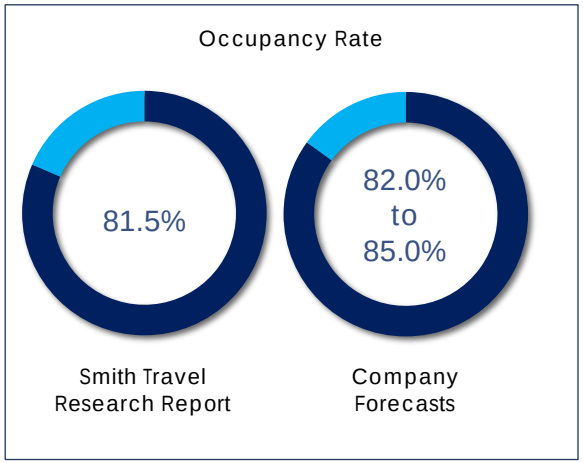
Market Feasibility

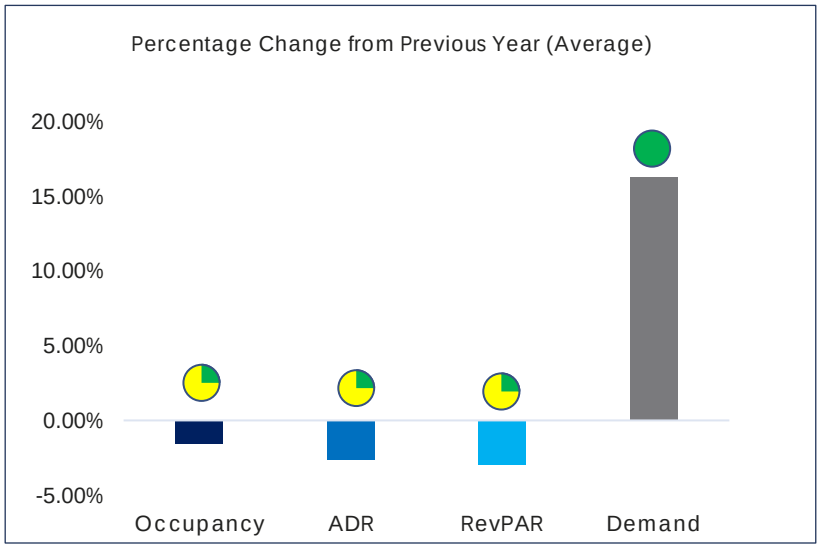
Based on the supply and demand analysis (pre-COVID) within the market area, it appears as though occupancy will likely remain above 65 percent over the next five years.



Market Feasibility

Summary of Occupancy, RevPAR, ADR and Demand in the Market Area

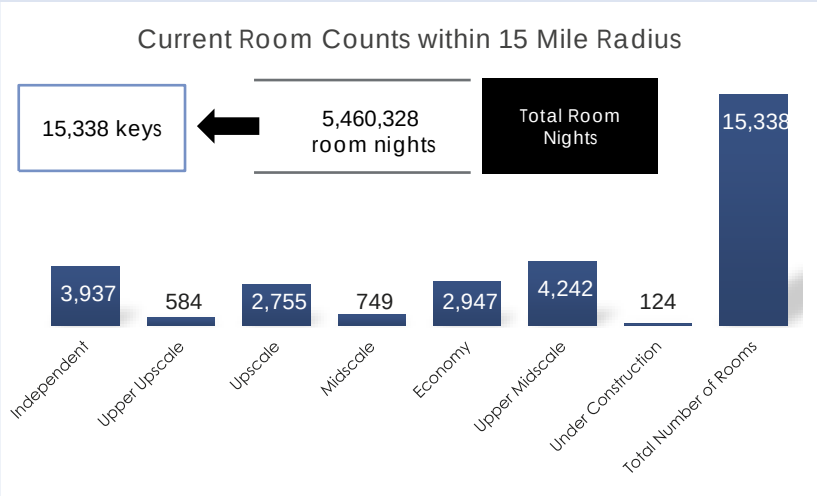




Based on the STR report, the Subject **Project's** rooms are expected to be absorbed in the market area.

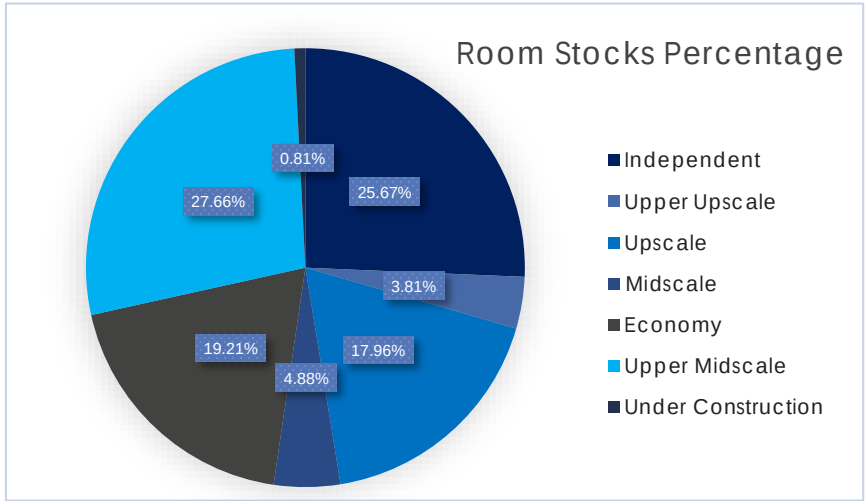
80.4 Percent	Weekend Occupancy
78.4 Percent	Weekday Occupancy
No Risks Identified	All Key Parameters
Approx. 124-Keys Construction Pipeline	New Hospitality Supply Units
Room: 124 Room Nights: 45,260	Subject Project

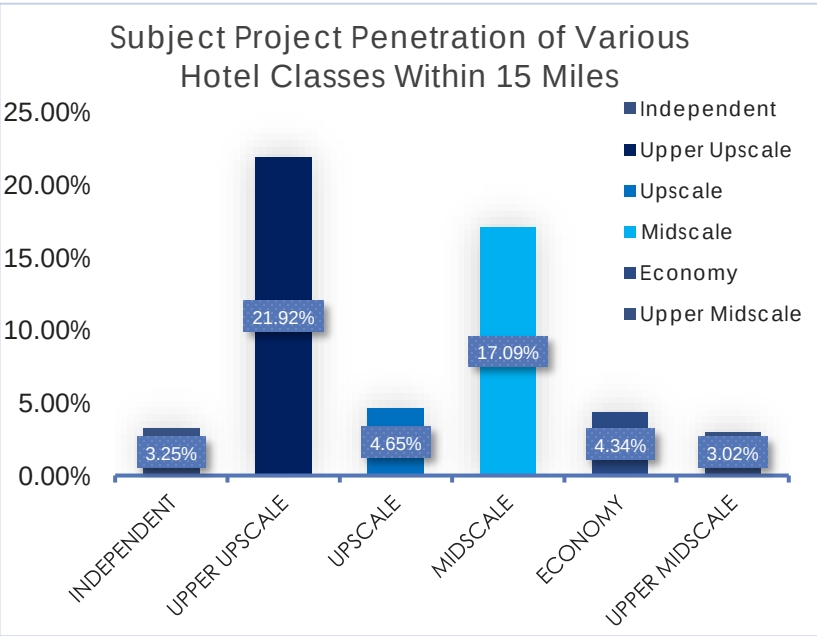
Market Feasibility



0.80 Percent of the total market area

Subject Project Market Share





Subject Project Penetration Rate:

- The graph, derived from data obtained from Smith Travel Research, shows hotel types and room counts in a 15-mile radius from the Subject Project.
- This geographic footprint contains about 15,338 total rooms which accounts for about 5,460,328 total room nights.
- The Subject Project plans call for 128 keys, which is 46,720 room nights, and represents a penetration rate of ~ 0.8 percent of the total market.
- Based on the STR report, it appears as though the Subject Project rooms will be absorbed in the market area as the demand for the market appears to be growing at a CAGR of ~16.30 percent.

Market Feasibility

Discuss adequacy of management (experience, training, and education of management).

Leadership Team

Hero Hotels, LLC	The Company is a fully integrated real estate development company specializing in hotel development with a focus in the California and Texas market areas. The Company also specializes in asset management, hotel property management, and revenue management, with a strong focus on an aggressive sales and marketing strategies, so that their hotels are run at maximum efficiencies. Company principals have owned, operated, and developed real estate assets for the last thirty years and have partnered with well-known franchises such as Holiday Inn Express, Best Western, Days Inn, Ramada, Four Points and Choice.
Dipak Patel| Founder & Principal- Operations	Focus: Hotel Operations Education: UCLA, Bachelors of Science- Bachelors of Science in Economics Other: Owner and Operator of Hotels for 30 plus years in Southern California; liaison to the community relations and experience entrepreneur.
Amar Patel| Founder & Principal- Development	Focus: Acquisitions, real estate development, construction, design & architecture Education: University of Southern California (USC), Bachelors in Business Administration, Real Estate Finance, Masters of Science (USC) for Construction Management Other: USC Construction Alumni Group, Founder; 10 plus years in Project Management with RD Olson Construction.

Market Feasibility

A complete listing of proposed facilities, amenities, and services (i.e.: number and type of rooms, meeting space square footage, recreational amenities, business services such as data ports-workstations-etc., refrigerators in room, laundry service, restaurant-coffee shop-food service, etc.);
See PP55, 56.

History of proposed developer and potential operators (i.e.: years in business, principals, capitalizing, experience, listing of projects, number of units owned, average rates charged, occupancy rates, etc.);
See P73.

Analysis of economic environment projecting likely future economic conditions as they relate to the operation of the subject hotel;
See PP9-17.

Subjects competitive market (i.e.: identification of their market, 3 and 5 year history of occupancy, average daily rate, revenue per available room trends for that market, estimated share of the market the hotel will capture during the first five years of operation, etc.);
See PP57-72.

Analysis of the economic impacts on existing hotel markets within Ontario (i.e.: estimate of the dilution of the market due to addition of proposed hotel, etc.). Note: new hotel projects should only be approved if competitive market occupancy remains at or above 65 percent for a five year projection period;
See PP70-72.

Relationship to demand generators (i.e.: airport, convention center, corporate market, shopping and entertainment);
See PP45-54.

Public cost/revenue projections.
This item does not apply to the Subject Project as planned.

Project Experience (Partial List)

- Upscale Hotels in California
- Midscale Hotels in California
- Midscale Hotels in Arizona
- Luxury Hotels in Florida
- Luxury Hotels in California
- Midscale Hotels in Texas
- Upper Midscale Hotels in California
- Cannabis Grow House Expansion in Florida
- Hydroponic Facility acquisition in Puerto Rico
- Hydroponic in Florida
- Retail Fruits and Vegetables project in Hurst, Texas
- Indoor Sports Complex in Texas
- Indoor Sports Complex in North Carolina
- Indoor Game Center in New Jersey
- Squash Academy in New Jersey
- Neighborhood Retail Center in Florida
- Biofuel Facility in Hawaii
- Hospitals in Louisiana
- Mobile Home Parks in Louisiana
- Cold Storage Facility in Wisconsin
- Cold Storage Facility in New Jersey
- Self Storage Facility in Texas
- Car Wash in California
- Medical Waste to Energy in Rhode Island
- Wheat, Corn and Forage Operation
- Frac Sand Manufacturing Plant
- 52 Oil and Gas Wells in Kentucky
- Golf Center and Hotel in Colorado
- Indoor Gym & Wellness Center in Idaho
- Indoor Sports Complex in North Carolina
- Nursery and Landscaping in Maryland
- Assisted Living and Memory Care in Michigan
- Marina Expansion in Kentucky
- Apartment Complex in Texas
- Football Stadium in Riyadh
- Pipe Factory in Sweden

Resume of the Analyst

Awais Dilawer, B.E, MBA eq, FMVA, CMSA, CBCA, IM&A, M&AP, American Appraisal Institute Certified, CFA Investment Foundations Certificate Holder, Completed Level I in 2021 (1st Attempt), CFA Level II (Candidate)

Over fifteen years of experience in investment, venture capital, business management and consulting with a demonstrated record of consistent achievements across different organizations globally. Specialties include feasibility and due diligence of investment opportunities, business strategy and planning, investment strategy development, deal negotiation and structuring.

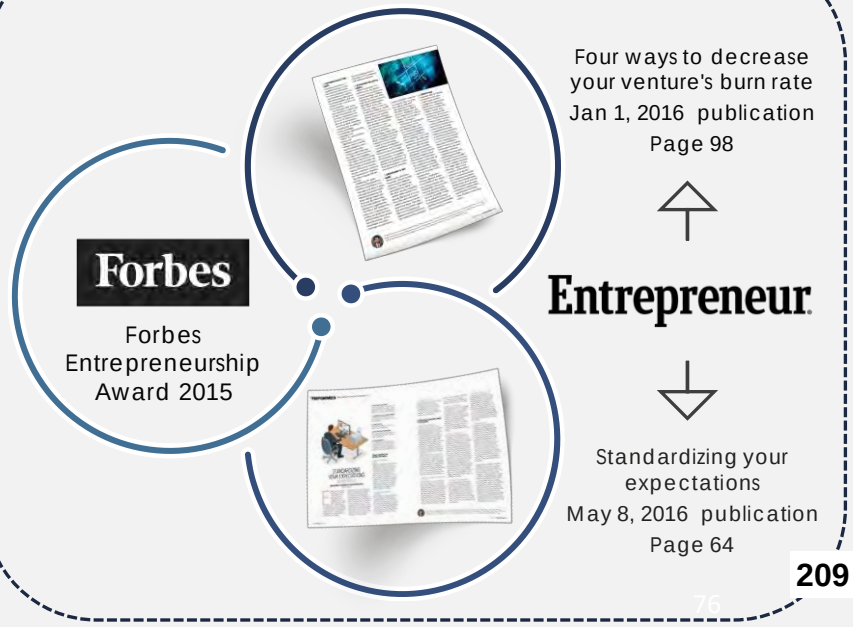
Education/Courses/Certifications

- Investment Foundations certificate by CFA Institute, ID: 204095
- Financial Modelling and Valuation Analyst, ID: 21257732
- Capital Market and Securities Analyst, ID: 22013916
- Certified Banking and Credit Analyst, ID: 22717302
- Hotel Valuation, American Appraisal Institute, ID: 2637
- Forecasting Revenue, American Appraisal Institute, ID: 2637
- CFA level 1 (Passed), ID: 9445336
- Project Management (University of New South Wales), ID: 3250978
- Business Management (University of New South Wales), ID: 3250978
- Crystal Ball (Oracle), ID: 41909
- University of New South Wales, Australia– Master with Business Management, ID: 3250978
- University of Engineering and Technology, ID: 100312
- International Merger & Acquisition Expert ID: 592
- Merger & Acquisition Professional ID: 593

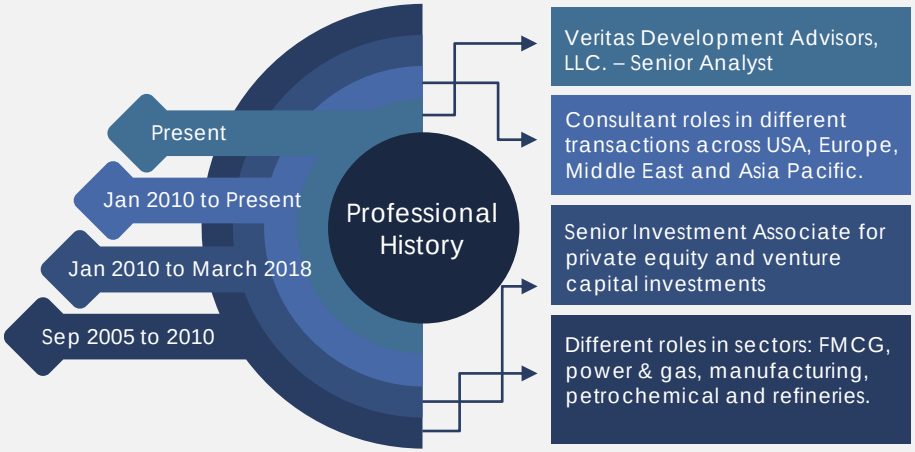
Certifications



International Publications/Awards



Resume of the Analyst



Key Success

Led *due diligence and feasibility study* of a biotech based in California. The transaction involved arranging financing. The target company listed on Nasdaq with the market cap of more than a billion dollar.

Worked on the *due diligence and feasibility study* on an electric vehicle startup with the transaction valued more than $100 million. The target company is listed in Hong Kong Exchange with the market cap of 400 million dollar.

Successfully conducted *feasibility study and due diligence* of a Dutch based EV charging station company for a private equity fund. The Company is listed on Amsterdam Exchange with the market cap of 170 million dollar..

Key Experience

- Prepared and supervised feasibility study, due diligence and business plan of various complexities across USA, EU and other regions.
- Built and recommended investment committee and board in managing real estate portfolio of million US Dollars in value (commercial malls, hospitals, stadiums, hotels, residential apartments, villas, etc.)
- Experienced in performing in depth transaction financial and commercial diligence using internal and external resources
- Assessed risk and impact analysis for different business opportunities and proposing solutions to deal with potential threatening investment risks.
- Analyzed, reviewed and evaluated reports in the area of ICT, Renewable Energy, Life Sciences Health Care and manufacturing sector in the deals pipeline
- Conducted equity valuations both for transactions and financial reporting purposes
- Developed Investment MEMO's and deal reports for board and potential investors especially for the private equity and venture capital funds.
- Advised clients on financial feasibilities of large projects and conducted market research studies.
- Hands on experience in preparation of legal documents in coordination with internal and external resources.
- Experienced in identifying and sourcing investments in private equity and venture capital funds.
- Managed a team of different resources and contributed to their professional development. Extensive experience of talent management, coaching, development and mentoring.
- Led equity investment projects, help structuring and negotiating transactions from start to close.

Resume of the Analyst

Key Projects throughout his career include:

Manufacturing:

- Battery Manufacturing, WA
- Operational Assessment Steel Plant, ME
- Dairy Farm, GA
- Shrimp Farm, AZ,
- Solar Cells Manufacturing, CA
- Aseptic Packaging Food & Beverage Plant, WV
- Bunker Fuel Oil Processing Plant, TX
- Oil and Gas Drill Fuel Wastewater Plant, OH
- Dairy Biogas Digester, WI, TX, AZ
- Yard Waste Disposal and Composting Facility, FL
- Charcoal Manufacturing, OK
- Aluminum processing facility, TX
- Hydroponics, TX, PR
- Concrete Manufacturing Plant, USVI
- Water Bottling Factory, ME
- Chip Manufacturing, ME
- Biofuel Processing, HI
- Medical Waste, RI
- Oil and Gas Wells, KY
- Frac Sand Facility, OK
- Pipe factory, EU
- Automotive, ME
- Solar Panels Coating, EU

Healthcare & Life science:

- Addiction Center, MD, PA
- Biotech, CA
- Assisted Living & Memory Care, WI, UT, TX, FL, MI, CO
- Therapy and Skilled Day School Facility, FL
- Child Day Care, NV
- Hospitals, LA
- Biosimilars Manufacturing, MA
- Vaccine Manufacturing Plant, WA
- Diabetes Center, ME
- Health Information System, MO

Real Estate:

- Self Storage & RV Storage, NV, PA
- Outdoor Soccer Facility, NM
- Car Wash, CA, NV, TX
- Multicomplex Apartments, TX, LA, CA
- Leadership School, UT
- Equestrian Center, TX
- Cold Storage, FL, WI
- Primrose Schools, MD, VA
- Historic Park, IL, KY
- Indoor Sports Complex, NC, NM, TX, ID
- Gas Station with Convenience Store, UT, CA
- Nursey and Landscaping, MD
- RV Park, FL
- Indoor Shooting Range, VA
- Golf Sports Complex, CO
- Distribution & Shipping Facility, TX
- Marina, KY
- Mobile Home Park, LA
- Neighborhood Shopping Center, FL
- Squash Academy, NJ
- Private School, WA, EU
- Stadium, ME

Restaurant:

- Culver, AZ
- Independent Restaurants, UT, NM
- Buffalo Wings, KY
- Dairy Queen, GA
- Cinnabon, ME
- McDonald, ME
- Subway, ME

Hotels & Resorts:

- Baymont Inn & Suites, AZ
- Hilton Hotel, PA, CA, AZ
- Best Western, CA,
- Best Western Plus, TX
- Fairfield Inn& Suites, CA
- Mainstay Suites, TN
- Holiday Inn, TX
- Motel 6, CA
- Independent Hotels, CA, FL, UT
- Resort, NY
- Dual Branded Hotel, AL
- Banquet Hall, CA
- Event Center, TX
- Comfort Suites, CA
- Hampton Inn & Suites, CA
- Marriot, CA

Contact Us

Veritas Development Advisors, LLC ("VDA")

Steve Alves, Managing Partner

Email: salves@veritasda.com

Ph: 240-626-1209



Exhibit L—PARKING STUDY

(Document follows this page)

TRAMES SOLUTIONS INC.
4225 Oceanside Blvd., #354H
Oceanside, CA 92056
(760) 291 - 1400

October 21, 2021

Roger Barbosa
Milestone Management
9891 Irvine Center Dr., Suite #200
Irvine, CA 92618

Subject: Extended Stay Hotel Parking Study (JN 0365-0001)

Dear Mr. Barbosa:

Trames Solutions Inc. is pleased to submit the following parking evaluation for the proposed Extended Stay Hotel development. It is our understanding that the site is proposed to be developed with a 128 room hotel. The project site is located at 5060 E. Fourth St. in the City of Ontario.

INTRODUCTION

The proposed project consists of a 128-room hotel with an 1,824 sf meeting room, and a 331 sf cafe. Attachment A contains the site plan that shows a total of 118 parking spaces consisting of 106 regular spaces, 5 handicap spaces, and 7 electric vehicle spaces.

The intent of this parking evaluation is to determine the parking requirements of the proposed uses based on the City's parking code and the potential requirements of the project due to the nature of the proposed land uses.

CITY OF ONTARIO PARKING CODE REQUIREMENTS

Proposed Project

The following parking rate is based on the City of Ontario for the use associated with the proposed site:

- Hotel = 1 space per room

Therefore, according to the City's requirements, the following number of parking spaces would be required for the proposed project:

Hotel: 128 rooms x (1 space per room) = 128 spaces

PARKING REDUCTION MEASURES

The proposed project will consist of several factors that can reduce the number of parking spaces required for the site. These "mode and noncaptive adjustment" factors include the location of the project (urban environment), provision/proximity to public transit opportunities, and ride hailing opportunities.

The typical patron of the proposed hotel use is anticipated to arrive from the Ontario International Airport (about 5 miles away) to attend a conference or meeting in the adjacent area or attend an event at the Ontario Convention Center. Rather than renting a car, it is anticipated that the patrons will arrive at the hotel via a ride hailing service since the cost and convenience of such services outweigh the difficulty and expense of renting a vehicle.

Ride Hailing Services

Uber/Lyft provide on-demand transportation services for a reasonable cost. Once at the hotel, guests can use the Uber/Lyft services to travel to their nearby meetings/conferences rather than renting a vehicle.

Public Transit

Public bus service is provided by Omnitrans Route 61 and can be taken to the Ontario Airport or other various amenities.

Urban Location

The urban environment promotes pedestrian mobility in lieu of vehicles. Many of the restaurants/attractions are within walking distance of the hotel. Sidewalks and signalized intersections provide controlled crossings.

Urban Land Institute (ULI) Recommended Reduction Measures

The Urban Land Institute has provided mode and noncaptive parking reduction percentages for a hotel based on the factors listed above. ULI has indicated a 41% reduction factor during the weekday and a 31% reduction factor during the weekend in visitor parking for a hotel located in the vicinity of a suburban location (**Shared Parking**, 3rd Edition, Urban Land Institute, 2020, Figure 4-18 Suggested Mode and Noncaptive Adjustment Factors for Hotels). Since the hotel will contain an 1,824 sf meeting room and a 331 sf cafe, these uses were also accounted for in the parking calculations. Furthermore, parking demands at hotels peak at different times of day/different months of the year. ULI's publication Shared Parking, 3rd edition (2020) provides the peaking factors by time of day and month. For the analysis provided in this report, the highest peaks (worst case conditions) were used.

The peak parking demands can be determined by applying the factors and peak demands by time of day/month for the proposed hotel use as shown below. Based on the application of these factors, the hotel will have a peak demand of 94 spaces at 8 AM on a weekday and 105 spaces at 8 AM on a weekend. Attachment B contains the summary of the project's peak parking demands based on the ULI factors.

Weekday at 8 AM

Suburban Hotel:

Rooms (128 rooms x 1 space/room)	= 128 spaces
Adjustment due to ride hailing/public transit/suburban location (41% reduction)	= -52 spaces
Peak hour adjustment (10% reduction)	= -8 spaces
Subtotal	= 68 spaces
Employees (128 rooms x .15 space/room)	= 19 spaces
Subtotal	= 19 spaces
Meeting Room (1,824 sf x 8.72 space/tsf)	= 16 spaces
Peak hour adjustment (70% reduction)	= -11 spaces
Employees (2,155 sf x 1.39 space/tsf)	= 3 spaces
Peak hour adjustment (40% reduction)	= -1 space
Subtotal	= 7 spaces
Total	**= 94 spaces**

Weekend at 8 AM

Suburban Hotel:

Rooms (128 rooms x 1 space/room)	= 128 spaces
Adjustment due to ride hailing/public transit/suburban location (31% reduction)	= -40 spaces
Peak hour adjustment (10% reduction)	= -9 spaces
Subtotal	= 79 spaces
Employees (128 rooms x .15 space/room)	= 19 spaces
Subtotal	= 19 spaces
Meeting Room (1,824 sf x 6.78 space/tsf)	= 12 spaces
Peak hour adjustment (70% reduction)	= -8 spaces
Employees (2,155 sf x 1.41 space/tsf)	= 3 spaces
Peak hour adjustment (40% reduction)	= -1 space
Subtotal	= 6 spaces
Total	**= 104 spaces**

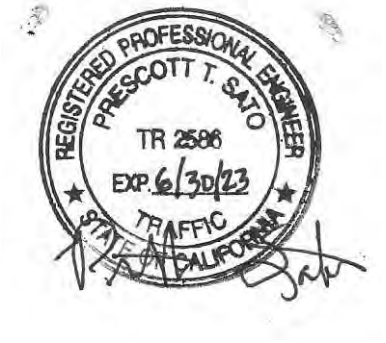
CONCLUSIONS

Based on the City's requirements, a total of 128 parking spaces would be required for the proposed 128 room hotel project. The City's parking code does not differentiate between the various hotel types nor where they are located. For example, a resort/family hotel may require more parking spaces than a suburban hotel located near a hotel since renting a passenger vehicle may be more economical/convenient for a family on vacation than using a ride hailing service.

As indicated in this study, a reduction in the number of parking spaces for a suburban hotel has been determined due to the close proximity to the Ontario Airport, the economic advantage and convenience of ride hailing services, and the availability of public transit services. The analysis indicates that a total of 94 parking spaces on a weekday and 104 parking spaces on a weekend would be the peak parking demands of the proposed hotel due to the factors described above. Since the project is proposed to provide 118 spaces for the hotel, a surplus of 14 parking spaces would be provided for the hotel during the peak demand timeframe.

If there are any questions regarding this evaluation, please do not hesitate to call me at (949) 244-2436.

Respectfully submitted,
Trames Solutions Inc.



Scott Sato, P.E.
Vice President

Attachment A – Site Plan
Attachment B - Shared Parking Summary

ATTACHMENT A

SITE PLAN

NEW 4-STORY BRANDED EXTENDED STAY / RESIDENCE INN HOTEL DEVELOPMENT (128 ROOMS)

5060 E. FOURTH ST., ONTARIO, CA 91764

Project Directory

DEVELOPER:
ROGER BARBOSA (PRINCIPAL)
MILESTONE MANAGEMENT
9891 IRVINE CENTER DR., SUITE #200
IRVINE, CA 92618
TEL.: (714) 321-8557

ARCHITECT & CIVIL ENGINEER:
W&W LAND DESIGN CONSULTANTS INC.
WINSTON LIU P.E., TOM LAU, AIA
2335 W. FOOTHILL BLVD., SUITE I
UPLAND, CA 91786
TEL.: (909) 608-7118
FAX.: (909) 946-1137

LANDSCAPE ARCHITECT:
PHILMAY LANDSCAPE ARCHITECT
PHILMAY
1937 W. 9TH ST.,
UPLAND, CA 91786
TEL.: (909) 373-1959
FAX.: (909) 373-1958

Abbreviations

&	AND	F.F.	FLOOR FINISH	PL.	PLATE
∠	ANGLE	FDN.	FOUNDATION	P.LAM.	PLASTIC LAMINATE
@	AT	FIN.	FINISH	PLAS.	PLASTER
℄	CENTERLINE	FL.	FLOOR	PLYWD.	PLYWOOD
⌀	DIAMETER OR ROUND	FLASH'G	FLASHING	PR.	PAIR
#	POUND OR NUMBER	FLUOR.	FLUORESCENT	PT.	POINT
(E)	EXISTING	F.O.C.	FACE OF CONCRETE	PTN.	PARTITION
(R)	RELOCATED	F.O.F.	FACE OF FINISH		
(N)	NEW	F.O.S.	FACE OF STUDS	Q.T.	QUARRY TILE
		FPRF.	FIREPROOF	QSR	QUICK SERVE RESTAURANT
A.F.F.	ABOVE FINISH FLOOR	F.S.	FLOOR SINK		
A.D.	AREA DRAIN	FT.	FOOT OR FEET	R/RAD.	RADIUS
ADJ.	ADJUSTABLE	FTG.	FOOTING	R.D.	ROOF DRAIN
AGGR.	AGGREGATE	FURR.	FURRING	REF.	REFERENCE
AL.	ALUMINUM	FUT.	FUTURE	REFR.	REFRIGERATOR
APPROX.	APPROXIMATE			RGTR.	REGISTER
ARCH.	ARCHITECTURAL	G.A.	GAUGE	REINF.	REINFORCED
ASB.	ASBESTOS	GALV.	GALVANIZED	REQ'D	REQUIRED
ASPH.	ASPHALT	GL.	GLASS	RESIL.	RESILIENT
		GR.	GRADE	RM.	ROOM
		GSM	GALVANIZED SHEET METAL	R.O.	ROUGH OPENING
BD.	BOARD	GYP.	GYPSUM	RWD.	REDWOOD
BITUM.	BITUMINOUS	GYP. BD.	GYPSUM BOARD	R.W.L.	RAIN WATER LEADER
BLDG.	BUILDING				
BLKG.	BLOCKING	H.B.	HOSE BIBB		
BM.	BEAM	H.C.	HOLLOW CORE		
BOT.	BOTTOM	HCP	HANDICAP	S.C	SOLID CORE
		HDWD.	HARDWOOD	SCHED.	SCHEDULE
CAB.	CABINET	HDWE.	HARDWARE	S.D.	SOAP DISPENSER
CEM.	CEMENT	H.M.	HOLLOW METAL	SECT.	SECTION
CER.	CERAMIC	HORIZ.	HORIZONTAL	SH.	SHELF
C.I.	CAST IRON	HR.	HOUR	SHR.	SHOWER
CLG.	CEILING	HGT.	HEIGHT	SHT.	SHEET
CLKG.	CAULKING			SIM.	SIMILAR
CLO.	CLOSET	I.D.	INSIDE DIAMETER	SL.	SLOPE
CLR.	CLEAR	INSUL.	INSULATION	SPEC.	SPECIFICATION
C.O.	CASED OPENING	INT.	INTERIOR	SQ.	SQUARE
COL.	COLUMN			S.ST.	STAINLESS STEEL
CONC.	CONCRETE	JT.	JOINT	STD.	STANDARD
CONN.	CONNECTION			STL.	STEEL
CONSTR.	CONSTRUCTION	KIT.	KITCHEN	STOR.	STORAGE
CONT.	CONTINUOUS			STRL.	STRUCTURAL
CTSK.	COUNTERSUNK	LAMINATE	LAM.	SYM.	SYMMETRICAL
CNTR.	COUNTER	LAV.	LAVATORY		
CTR.	CENTER	LT.	LIGHT	T.B.S.	TO BE SPECIFIED
				TRD.	TREAD
DBL.	DOUBLE	MAX.	MAXIMUM	T.B.	TOWEL BAR
DEPT.	DEPARTMENT	M.C.	MEDICINE CABINET	T.C.	TOP OF CURB
DET.	DETAIL	MECH.	MECHANICAL	TEL.	TELEPHONE
DIA.	DIAMETER	MEMB.	MEMBRANE	TER.	TERRAZZO
DIM.	DIMENSION	MET.	METAL	T.& G.	TONGUE & GROOVE
DISP.	DISPENSER	MFR.	MANUFACTURER	THK.	THICK
DN.	DOWN	MIN.	MINIMUM	T.P.	TOP OF PAVEMENT
D.O.	DOOR OPENING	MIR.	MIRROR	T.P.D.	TOILET PAPER DISPENSER
DR.	DOOR	MISC.	MISCELLANEOUS	T.V.	TELEVISION
DWR.	DRAWER	M.O.	MASONRY OPENING	T.W.	TOP OF WALL
D.S.	DOWNSPOUT	MTD.	MOUNTED	TYP.	TYPICAL
DWG.	DRAWING	MUL.	MULLION		
				UNF.	UNFINISHED
E.	EXISTING	N.	NEW	U.O.N.	UNLESS OTHERWISE NOTED
EA.	EACH	N.I.C.	NOT IN CONTRACT		
E.J.	EXPANSION JOINT	NO./#	NUMBER	VERT	VERTICAL
EL.	ELEVATION	NOM.	NOMINAL		
ELEC.	ELECTRICAL	N.T.S.	NOT TO SCALE	W.	WEST
E.P.	ELECTRICAL PANELBOARD	O.A.	OVERALL	W/	WITH
EQ.	EQUAL	OBS.	OBSCURE	W.C.	WATER CLOSET
EQPT.	EQUIPMENT	O.C.	ON CENTER	WD.	WOOD
EXST.	EXISTING	O.D.	OUTSIDE DIAMETER	W/O	WITHOUT
EXP.	EXPANSION	OFF.	OFFICE	WP.	WATERPROOF
EXT.	EXTERIOR	OPNG.	OPENING	WSCT.	WAINSCOT
		OPP.	OPPOSITE	WT.	WEIGHT

Sheet Index

T	PROJECT DATA, EXISTING SITE/SURVEY, VICINITY MAP
A1.01	PROPOSED SITE PLAN
A1.02	CONDITIONS OF APPROVAL
A1.03	FIRE ACCESS PLAN, TRASH/RECYCLE ENCLOSURE
A1.04	ENLARGED PAVING PLAN
A2.01	PROPOSED FIRST FLOOR PLAN
A2.02	PROPOSED SECOND FLOOR PLAN
A2.03	PROPOSED THIRD FLOOR PLAN
A2.04	PROPOSED FOURTH FLOOR PLAN
A2.05	PROPOSED ROOF PLAN
A3.01	PROPOSED BLD'G ELEVATION (NORTH)
A3.02	PROPOSED BLD'G ELEVATIONS (WEST & SOUTH)
A3.03	PROPOSED BLD'G ELEVATION (EAST)
A4.01	BUILDING SECTIONS & LINE OF SIGHT STUDIES
A4.02	WALL SECTIONS
A4.03	WALL SECTIONS
A4.04	WALL SECTIONS
L-1	COVER SHEET
L-2	PRELIMINARY LANDSCAPE PLAN
C-1	SITE UTILIZATION MAP
C-2	CONCEPTUAL GRADING/DRAINAGE PLAN
C-3	PROPOSED WQMP EXHIBIT
C-4	UTILITIES SYSTEMS MAP
C-5	SOLID WASTE HANDLING PLAN

Legal Description

LOT PARCEL 5 OF PARCEL MAP 15953. IN THE CITY OF ONTARIO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 202 PAGE 44-47 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Planning Dept. Notes

1) SITE PLAN SHALL MEET ALL ENGINEERING & NPDES REQUIREMENTS.
2) SIGNAGE UNDER SEPARATE SUBMITTAL.
3) FIRE SPRINKLER (NFPA 13) & ALARM (NFPA 72) UNDER SEPARATE PERMIT.

Project Data

ADDRESS:	5060 E FOURTH ST., ONTARIO, CA 91764
APN#:	0238-012-30-0000
GENERAL PLAN USE:	GENERAL COMMERCIAL (0.4 FAR)
ZONING (SP):	FC FREEWAY COMMERCIAL (THE EXCHANGE) PSP02-002
PROPOSED OCCUPANCY:	R-1 (HOTEL > 10 PERSON) 50,364 S.F. B (BUSINESS) 4,886 S.F.
(E) SITE AREA (GROSS):	80,000 S.F. (1.837 ACRE)
SITE AREA (NET):	80,000 S.F. (1.837 ACRE)
PROPOSED BUILDING:	55,250 S.F. (4-STORY)
TYPE OF CONSTRUCTION:	VA (1/F TO 4/F)
SPRINKLER:	FULLY SPRINKLERED (NFPA 13) (UNDER SEPARATE PERMIT)
FIRE ALARM:	YES, (NFPA 72) (UNDER SEPARATE PERMIT)
BUILDING HEIGHT:	40'-0" (MAIN ROOF), +53'-0" (TOWER)
PARKING AREA:	19,106 S.F.
PARKING LANDSCAPE:	12,000 S.F. (15.00%)
SHARED DRIVEWAY:	5,516± S.F. (0.127± ACRE)

A) SETBACK REQUIREMENTS:

	PARKING SETBACK REQUIRED	PARKING SETBACK PROVIDED	BUILDING SETBACK REQUIRED	BUILDING SETBACK PROVIDED
I-15 FWY	= 5'(MIN.)	= 5'	= 20'	= >20'
	=15'(AVE.)	= 15.04' (SEE CAL. ON A1.01)		
FOURTH ST.	= 25'	= >25'	= 30'	= >30'

B) PARKING COMPUTATION

	REQUIRED	(PROVIDED)
128 ROOMS	129 STALLS	118 STALLS (91.5%)
	TOTAL	118 STALLS (INCL. 5 HCP & 7 EV)

C) FLOOR AREA RATIO (0.5 MAX.) = 0.5
55,250 S.F./80,000 S.F. = 0.691
LOT COVERAGE
13,250 S.F./80,000 S.F. = 16.56%
LANDSCAPE AREA = 14,190 S.F. (INCL. POOL)
14,190 S.F./80,000 S.F. = 17.74%

D) GUESTROOM AREA BREAKDOWN:

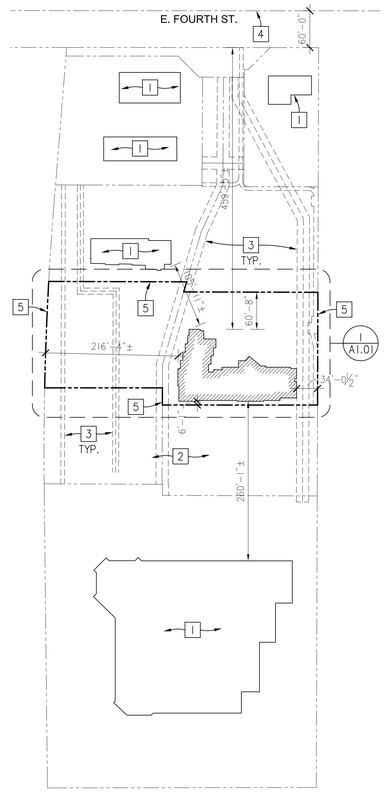
RM. TYPE	QUEEN SUITE	D.Q. SUITE	ADA QQ QUEEN	ADA QUEEN
4/F 14,000 S.F. (36)	18	16	1	1
3/F 14,000 S.F. (36)	18	16	1	1
2/F 14,000 S.F. (36)	18	16	1	1
1/F 13,250 S.F. (20)	7	13		
55,250 S.F.(128)	61	61	3	3
SUB-TOTAL 128 ROOMS				

E) AMENITY AREA BREAKDOWN SUMMARY

MEETING ROOM (1/F)	1,194+630 = 1,824 S.F.
SEATING AREA (2/F, 3/F & 4/F)	300 S.F.
CAFE/SNACK (1/F)	331 S.F.
FITNESS (1/F)	331 S.F.
AMENITY SUB-TOTAL	2,786 S.F.
AMENITY REQUIRED: 128x15 S.F. = 1,920	
OUTDOOR SEATING	400 S.F.
POOL DECK/POOL/SPA	2,353 S.F.

FIRST FLOOR BREAKDOWN

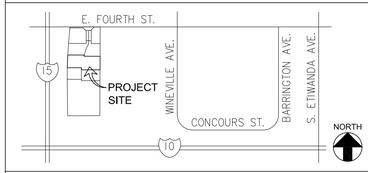
LOBBY	504 S.F.	CART	31 S.F.
RECEPTION	110 S.F.		
STAFF LAUNDRY	437 S.F.	STORAGE	26 S.F.
ELEC. RM.	224 S.F.	GUEST LAUNDRY	319 S.F.
PUBLIC RESTROOM	61 S.F.	ENGINEERING RM.	187 S.F.
TRAINING	148 S.F.	ELEV. MECH.	53 S.F.



1 Overall Site Dimension Plan SCALE: 1"=100'-0"

Vicinity Map

SCALE: N.T.S.

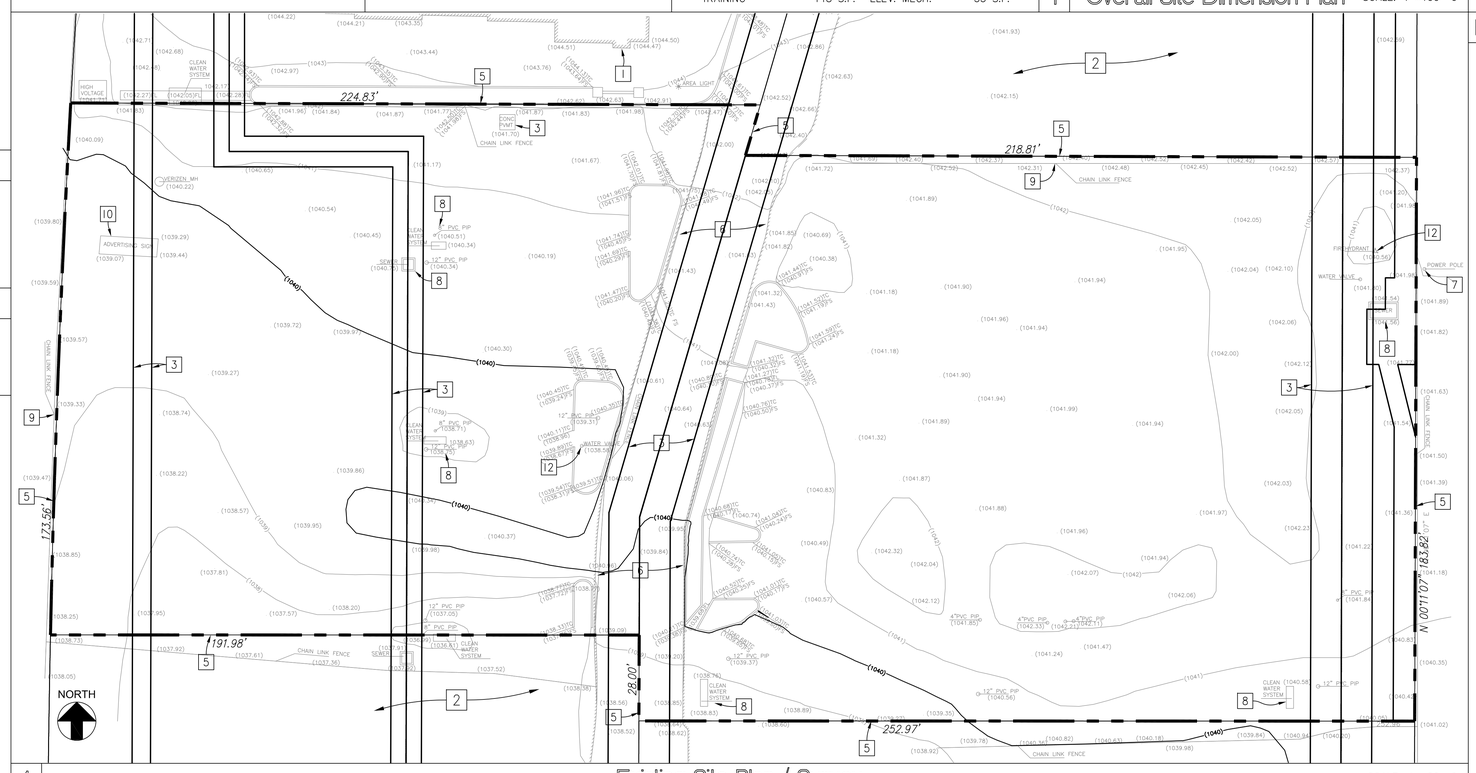


Project Description

NEW DEVELOPMENT OF 4-STORY 128 ROOMS EXTENDED STAY/ RESIDENCE INN HOTEL, 118 ON-SITE PARKING SPACES (INCL. 5 HCP & 7 EV). TOTAL BUILDING AREA IS 55,250 S.F.
HOTEL SIGNAGE UNDER SEPARATE APPLICATION.
HOURS OF OPERATION: 24x7
NUMBER OF EMPLOYEE: 6 EMPLOYEES (FULL & PART TIME)
3 @ DAY/2 @ NIGHT/1 GRAVE YARD SHIFT

Reference Notes

1. (E) COMMERCIAL BUILDING, NOT A PART.
2. (E) VACANT LAND, NOT A PART.
3. (E) UTILITY EASEMENT, SEE CIVIL PLAN.
4. (E) CENTER LINE OF STREET.
5. (E) PROPERTY LINE.



1 Existing Site Plan / Survey SCALE: 1"=20'-0"

Reference Notes

1. (E) COMMERCIAL BUILDING, NOT A PART.
2. (E) VACANT LAND, NOT A PART.
3. (E) UTILITY EASEMENT, SEE CIVIL PLAN.
4. (E) CENTER LINE OF STREET.
5. (E) PROPERTY LINE.
6. (E) 30'-0" WIDE ASPHALT PAVED ROAD TO REMAIN.
7. (E) POWER POLE & GUY WIRE TO REMAIN.
8. (E) SITE DRAINAGE SYSTEM, SEE CIVIL PLAN.
9. (E) METAL FENCE.
10. (E) PYLON SIGN TO REMAIN.
11. REMOVE & DISPOSE (E) METAL FENCE.
12. (E) FIRE HYDRANT.

W&W LAND DESIGN CONSULTANTS INC.
ARCHITECTURE, CIVIL ENGINEERING & INTERIOR
2335 W. FOOTHILL BLVD., STE 1, UPLAND, CA 91786
PHONE: (909) 608-7118 FAX: (909) 946-1137

COPYRIGHT © 2021 W&W LAND DESIGN CONSULTANTS

PROJECT: NEW DEVELOPMENT OF 4-STORY BRANDED EXTENDED STAY / RESIDENCE INN HOTEL (128 ROOMS)
ADDRESS: 5060 E. 4TH ST., ONTARIO, CA 91764
CLIENT: ROGER BARBOSA (PRINCIPAL) MILESTONE MANAGEMENT 9891 IRVINE CENTER DR., SUITE #200 IRVINE, CA 92618 TEL.: (714) 321-8557

SHEET TITLE: PROJECT DATA, DIRECTORY, VICINITY MAP, ABBREVIATIONS, OVERALL SITE DIMENSION PLAN & REFERENCE NOTES

KEY MAP:

SEAL/STAMP

JOB NO.	2108AR
DRAWN BY:	CL
SUPERVISED BY:	TL
CHECKED BY:	TL
PLAN CHECK	
PERMIT SET	__/__/____
BID SET	__/__/____

REVISIONS

PLANNING SUBMITTAL	JUN 4, 2021
PLANNING MEETING	JUL 27, 2021
PLANNING OFF-SITE	AUG 12, 2021
OWNER REVIEW	AUG 20, 2021
PLANNING REVIEW	SEP 10, 2021
PLANNING RE-SUBMITTAL	SEP 22, 2021

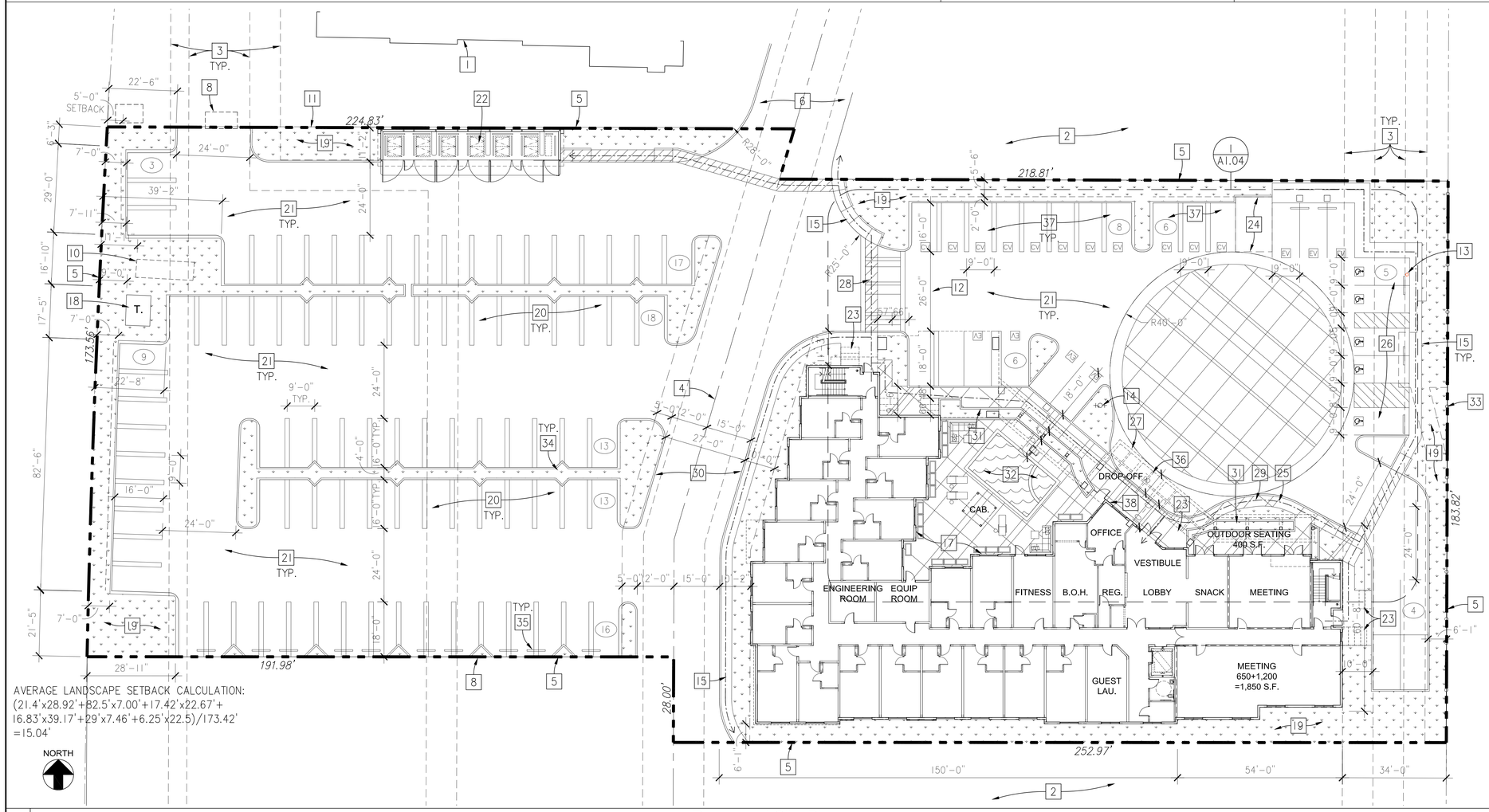
ALL IDEAS, DESIGNS, ARRANGEMENTS AND PLANS INDICATED OR REPRESENTED BY THESE DRAWINGS ARE OWNED BY, AND THE PROPERTY OF W&W LAND DESIGN CONSULTANTS INC. AND PROTECTED BY THE CURRENT ARCHITECTURAL WORKS COPYRIGHT PROTECTION ACT, AND OTHER APPLICABLE LAWS. THESE DRAWINGS WERE CREATED, EVOLVED AND DEVELOPED FOR USE ON AND IN CONNECTION WITH THE SPECIFIED PROJECT. NONE OF SUCH IDEAS, DESIGNS, ARRANGEMENTS OR PLANS SHALL BE USED OR DISCLOSED TO ANY PERSON, FIRM OR CORPORATION FOR ANY PURPOSE WHATSOEVER WITHOUT THE WRITTEN PERMISSION OF W&W LAND DESIGN CONSULTANTS INC. THESE DRAWINGS ARE NOT VALID FOR CONSTRUCTION PURPOSES UNLESS EXPRESSELY CERTIFIED BY W&W LAND DESIGN CONSULTANTS INC. FOR CONSTRUCTION ONLY.

SHEET NO:

T

OF SHEETS

SHEET



AVERAGE LANDSCAPE SETBACK CALCULATION:
(21.4'x28.92'+82.5'x7.00'+17.42'x22.67'+
16.83'x39.17'+29'x7.46'+6.25'x22.5)/173.42'
=15.04'

NORTH

Reference Notes

1. (E) COMMERCIAL BUILDING, NOT A PART.
2. (E) VACANT LAND, NOT A PART.
3. (E) UTILITY EASEMENT, SEE CIVIL PLAN.
4. (E) CENTER LINE OF STREET.
5. (E) PROPERTY LINE.
6. (E) 30'-0" WIDE ASPHALT PAVED ROAD TO REMAIN.
7. (E) POWER POLE & GUY WIRE TO REMAIN.
8. (E) SITE DRAINAGE SYSTEM, SEE CIVIL PLAN.
9. (E) METAL FENCE TO REMAIN, NOT A PART.
10. (E) PYLON SIGN TO REMAIN.
11. REMOVE & DISPOSE (E) METAL FENCE.
12. 26'-0" FIRE LANE.
13. (E) FIRE HYDRANT TO RELOCATE.
14. (N) FIRE HYDRANT.
15. (N) SIDEWALK.
16. REMOVE & DISPOSE (E) CURB & GUTTER, SEE CIVIL PLAN.
17. PROPOSED NEW HOTEL BUILDING, SEE A2.01 FLOOR PLAN.
18. PROPOSED TRANSF. PAD (8'x10').
19. PROPOSED LANDSCAPE AREA.
20. PROPOSED ASPHALT PAVED PARKING AREA.
21. PROPOSED ASPHALT PAVED DRIVEWAY.
22. PROPOSED TRASH ENCLOSURE PER CITY STD, SEE (2/A1.03)
23. PROPOSED BIKE PARKING/STORAGE AT 12 LOCATIONS. (5% LONG-TERM + 5% SHORT-TERM)
24. PROPOSED LOADING/UNLOADING (12'-0"x18'-0").
25. 4' WIDE POURED IN PLACE CONC. WALKWAY, SCORE EVERY 4' TO 6', BROOM-SWEPT FINISH, SEE HARDSCAPE PLAN.
26. PROPOSED ADA PARKING & LOADING AT FIVE LOCATIONS.
27. PROPOSED ENTRY CANOPY, SEE FLOOR PLAN.
28. PROPOSED CROSS WALKWAY TO PUBLIC RIGHT OF WAY.
29. PROPOSED PATH OF TRAVEL.
30. PROPOSED 27'-0" DRIVEWAY.
31. PROPOSED 2'-0" HT. PLANTER W/ 4'-0" HT. GLASS PANEL.
32. PROPOSED POOL AND WHIRLPOOL/SPA.
33. PROPOSED 6'-0" HT. DECORATIVE W.I. FENCE.
34. PROPOSED 5'-0"x5'-0" TREE WELL.
35. WHEEL STOP.
36. PROPOSED PASSENGER LOADING/UNLOADING AREA.
37. PROPOSED CV/VAN POOL SPACE AT 11 LOCATIONS.
38. PROPOSED LOCATION FOR RECESSED MAILBOX, SIZE DETERMINED BY POST OFFICE.

Legend

- PATH OF TRAVEL
- (E) FIRE HYDRANT
- FIRE DEPT. CONNECTION
- (N) FIRE HYDRANT & CONNECTION
- (E) CHAIN LINK FENCE
- LANDSCAPE AREA

1 Proposed Site Plan — SCALE: 1/16"=1'-0"

ALL IDEAS, DESIGNS, ARRANGEMENTS AND PLANS INDICATED OR REPRESENTED BY THESE DRAWINGS ARE OWNED BY AND THE PROPERTY OF W&W LAND DESIGN CONSULTANTS INC. AND PROTECTED BY THE CURRENT ARCHITECTURAL WORKS COPYRIGHT PROTECTION ACT, AND OTHER APPLICABLE LAWS. THESE DRAWINGS WERE CREATED, EVOLVED AND DEVELOPED FOR USE ON AND IN CONNECTION WITH THE SPECIFIED PROJECT. NONE OF SUCH IDEAS, DESIGN ARRANGEMENTS OR PLANS SHALL BE USED OR DISCLOSED TO ANY PERSON, FIRM OR CORPORATION FOR ANY PURPOSE WHATSOEVER WITHOUT THE WRITTEN PERMISSION OF W&W LAND DESIGN CONSULTANTS INC. THESE DRAWINGS ARE NOT VALID FOR CONSTRUCTION PURPOSES UNLESS EXPRESSELY CERTIFIED BY W&W LAND DESIGN CONSULTANTS INC.: FOR CONSTRUCTION ONLY.
COPYRIGHT © 2021 W&W LAND DESIGN CONSULTANTS

W&W LAND DESIGN CONSULTANTS INC.
ARCHITECTURE, CIVIL ENGINEERING & INTERIOR
2335 W. FOOTHILL BLVD., STE 1, UPLAND, CA 91786
PHONE: (909) 608-7118 FAX: (909) 946-1137

PROJECT: NEW DEVELOPMENT OF 4-STORY BRANDED EXTENDED STAY / RESIDENCE INN HOTEL (128 ROOMS)
ADDRESS: 5060 E. 4TH ST., ONTARIO, CA 91764

CLIENT: ROGER BARBOSA (PRINCIPAL)
MILESTONE MANAGEMENT
9893 IRVINE CENTER DR., SUITE #200
IRVINE, CA 92618
TEL.: (714) 321-8557

SHEET TITLE: PROPOSED SITE PLAN (OPTION 'A')

KEY MAP:

SEAL/STAMP

JOB NO.	2108AR
DRAWN BY:	CL
SUPERVISED BY:	TL
CHECKED BY:	TL
PLAN CHECK	
PERMIT SET	__/__/____
BID SET	__/__/____

REVISIONS

1	PLANNING SUBMITTAL	JUN 4, 2021
2	PLANNING MEETING	JUL 27, 2021
3	PLANNING OFF-SITE	AUG 12, 2021
4	OWNER REVIEW	AUG 20, 2021
5	PLANNING REVIEW	SEP 10, 2021
6	PLANNING RE-SUBMITTAL	SEP 22, 2021

SHEET NO: A1.01

OF SHEETS
SHEET

ATTACHMENT B

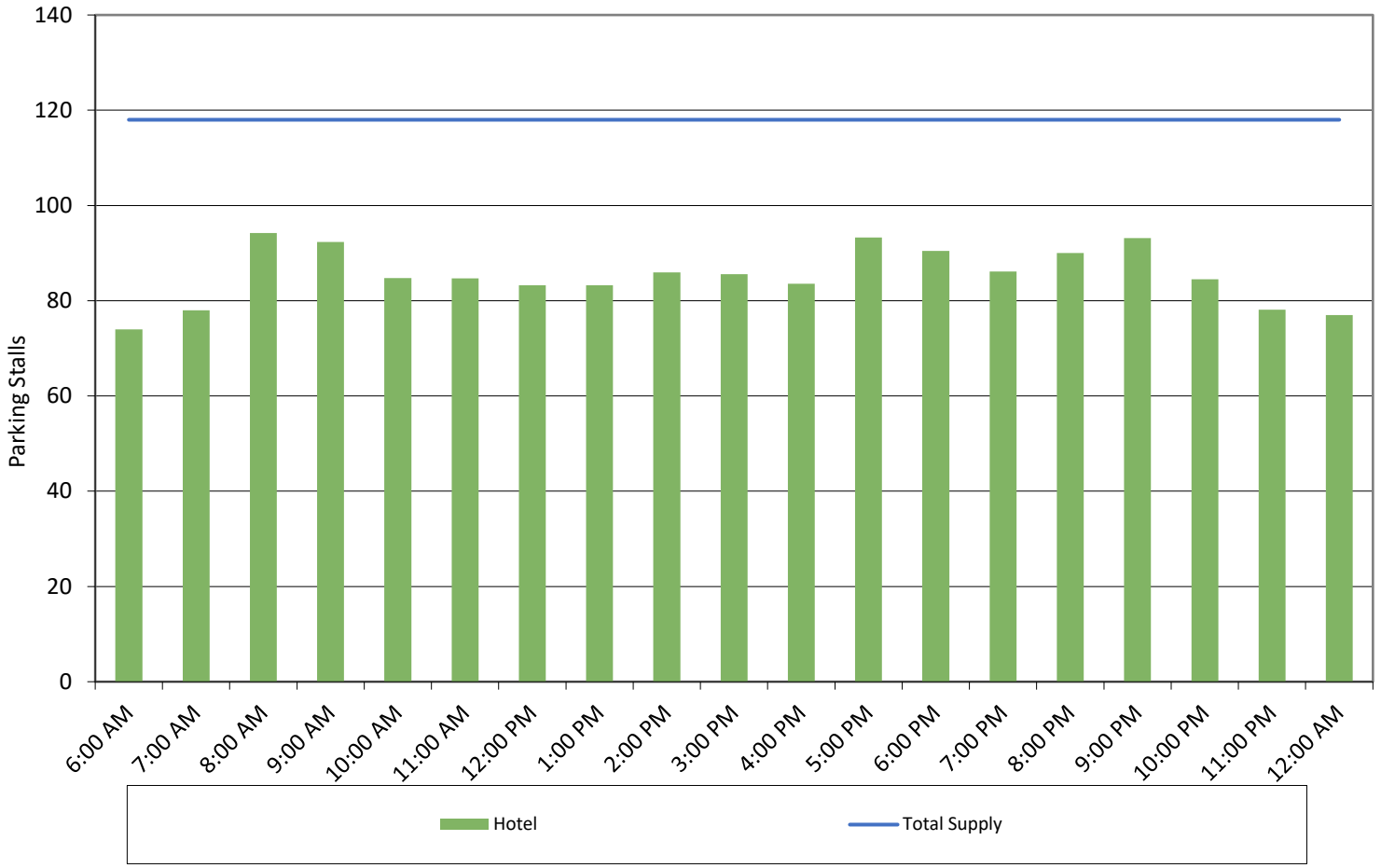
ULI PEAK PARKING DEMAND SUMMARY

Copyright © 2020 All rights reserved. The Urban Land Institute, International Council of Shopping Centers, and National Parking Association.

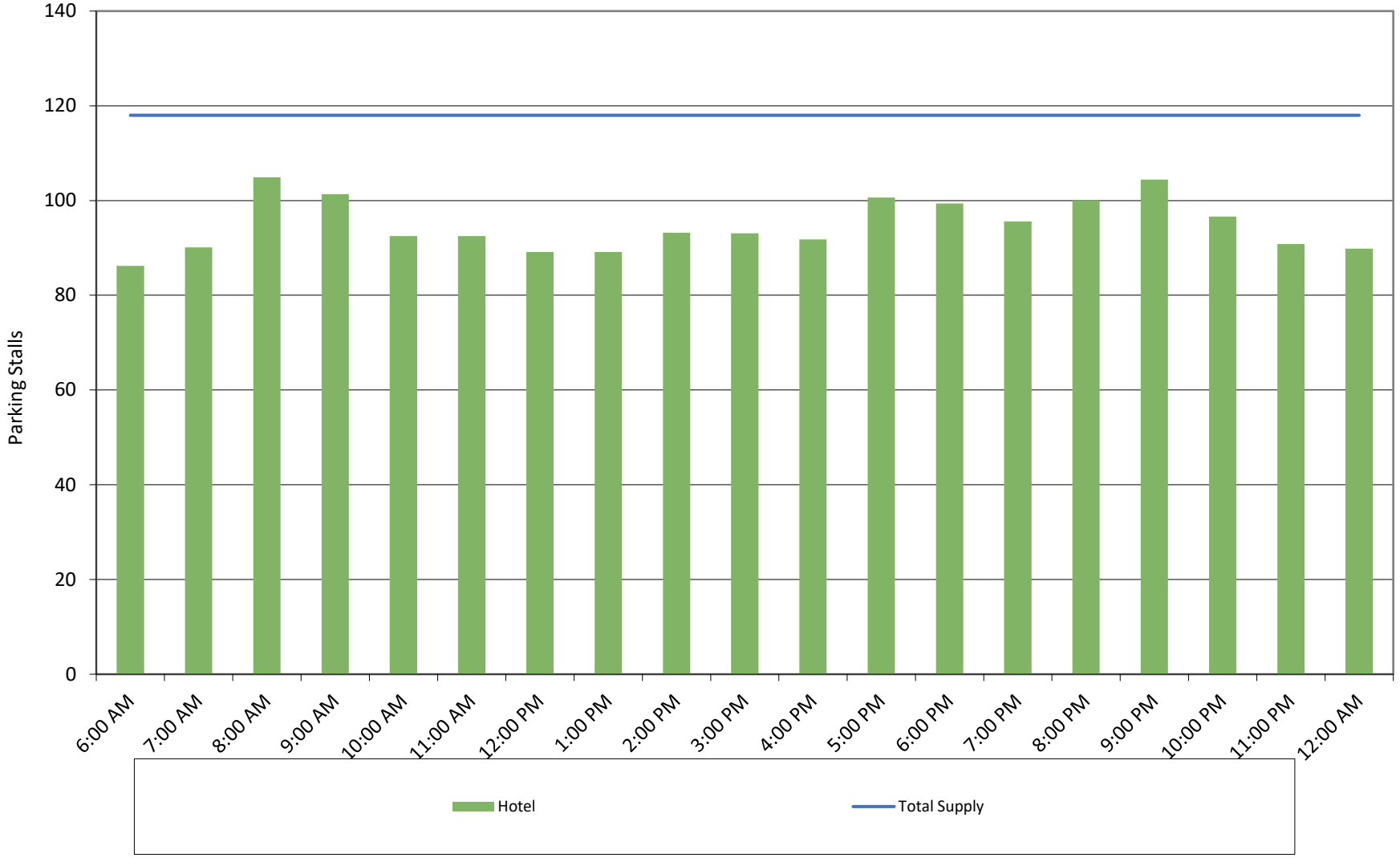
Project: Extended Stay
Description: 128 room hotel

Shared Parking Demand Summary																		
Peak Month: MARCH -- Peak Period: 8 AM, WEEKEND																		
Land Use	Project Data		Weekday					Weekend					Weekday			Weekend		
	Quantity	Unit	Base Ratio	Driving Adj	Non-Captive Ratio	Project Ratio	Unit For Ratio	Base Ratio	Driving Adj	Non-Captive Ratio	Project Ratio	Unit For Ratio	Peak Hr Adj 8 AM	Peak Mo Adj March	Estimated Parking Demand	Peak Hr Adj 8 AM	Peak Mo Adj March	Estimated Parking Demand
Retail																		
Food and Beverage																		
Entertainment and Institutions																		
Hotel and Residential																		
Hotel-Business		keys	1.00	59%	100%	0.59	key	1.00	69%	100%	0.69	key	80%	90%	-	80%	90%	-
Hotel-Leisure	128	keys	1.00	59%	100%	0.59	key	1.00	69%	100%	0.69	key	90%	100%	68	90%	100%	79
Hotel Employees	128	keys	0.15	100%	100%	0.15	key	0.15	100%	100%	0.15	key	100%	100%	19	100%	100%	19
Restaurant/Lounge	331	sf GLA	6.67	63%	90%	3.78	ksf GLA	7.67	54%	30%	1.24	ksf GLA	30%	95%	-	30%	95%	-
Meeting/Banquet (0 to 20 sq ft/key)	1,824	sf GLA	21.38	68%	60%	8.72	ksf GLA	14.25	68%	70%	6.78	ksf GLA	30%	100%	5	30%	100%	4
Meeting/Banquet (20 to 50 sq ft/key)		sf GLA	0.00	68%	60%	0.00	ksf GLA	0.00	68%	70%	0.00	ksf GLA	30%	100%	-	30%	100%	-
Meeting/Banquet (50 to 100 sq ft/key)		sf GLA	0.00	68%	60%	0.00	ksf GLA	0.00	68%	70%	0.00	ksf GLA	30%	100%	-	30%	100%	-
Convention (100 to 200 sq ft/key)		sf GLA	0.00	68%	60%	0.00	ksf GLA	5.50	68%	70%	2.62	ksf GLA	50%	90%	-	50%	90%	-
Convention (> 200 sq ft/key)		sf GLA	5.50	68%	60%	2.24	ksf GLA	5.50	68%	70%	2.62	ksf GLA	50%	90%	-	50%	90%	-
Restaurant/Meeting Employees	2,155	sf GLA	1.39	100%	100%	1.39	ksf GLA	1.41	100%	100%	1.41	ksf GLA	60%	100%	2	60%	100%	2
Office																		
Additional Land Uses																		
													Customer/Visitor		73	Customer		83
													Employee/Resident		21	Employee/Resident		21
													Reserved		-	Reserved		-
													Total		94	Total		104

Peak Month Daily Parking Demand by Hour (Weekday)



Peak Month Daily Parking Demand by Hour (Weekend)



RESOLUTION NO. PC22-011

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF ONTARIO, CALIFORNIA, RECOMMENDING APPROVAL TO CITY COUNCIL FOR FILE NO. PCUP21-009, A CONDITIONAL USE PERMIT TO ESTABLISH AND OPERATE A LIMITED-SERVICE HOTEL ON 1.83 ACRES OF LAND LOCATED AT 5060 EAST FOURTH STREET, WITHIN THE FREEWAY COMMERCIAL LAND USE DISTRICT OF THE EXCHANGE SPECIFIC PLAN, AND MAKING FINDINGS IN SUPPORT THEREOF—APN: 0238-012-30.

WHEREAS, ROGER BARBOSA ("Applicant") has filed an Application for the approval of a Conditional Use Permit, File No. PCUP21-009, as described in the title of this Resolution (hereinafter referred to as "Application" or "Project"); and

WHEREAS, the Application applies to 1.83 acres of land located at 5060 East Fourth Street, within the Freeway Commercial land use district of The Exchange Specific Plan, and the site is presently vacant; and

WHEREAS, the property to the north of the Project site is within the Freeway Commercial land use district of The Exchange Specific Plan and is developed with a multi-tenant retail building. The property to the east is within the Open Space zoning district and is developed with Southern California Edison transmission lines. The property to the south is within the Freeway Commercial land use district of The Exchange Specific Plan and is currently vacant. The property to the west is Interstate 15; and

WHEREAS, on June 4, 2021, the Applicant submitted File No. PCUP21-009, a Conditional Use Permit application requesting approval to establish and operate a limited-service hotel land use on the Project site; and

WHEREAS, the proposed Conditional Use Permit was submitted for concurrent processing with File No. PDEV21-021, a Development Plan to construct a 4-story, 128-room Extended Stay Hotel on the Project site; and

WHEREAS, in 2003, the City approved The Exchange Specific Plan, a 23.60-acre master plan for the project area. The Exchange Specific Plan is composed of two land use districts, including the Freeway Commercial land use district, which comprises the northerly 12.03 acres of the Specific Plan, and the Industrial Park land use district, which comprises the southerly 11.57 acres of the Specific Plan; and

WHEREAS, the City's Development Code requires that all new hotels must be reviewed under concurrently filed Conditional Use Permit and Development Plan applications. The purpose of the Conditional Use Permit application and review is to ensure that the proposed use will be operated in a manner consistent with all local regulations, and to ensure the use will not be detrimental to the public health, safety, or

welfare, or materially injurious to uses, properties or improvements in the vicinity. More specifically, in the case of hotels, the Conditional Use Permit is required to establish the project's market feasibility and ensure on-going compliance with the minimum amenity package required by the Development Code; and

WHEREAS, in fulfillment of the requirements of Development Code Section 5.03.250.C (Market Feasibility Report Required), the Applicant has submitted a Market Feasibility Study, which demonstrates that the local market can support the development of a new hotel. The Study, prepared by Veritas Development Advisors (dated October 21, 2021), includes analysis and market research related to the proposed project. The Study found that the local market can support a limited-service hotel on the Project site. The study's conclusions are based primarily upon the growth in the Inland Empire, the area's proximity to the Los Angeles area, the Ontario Convention Center, the Ontario International Airport, California Speedway in Fontana, and the Project's proximity to the Ontario Mills Mall. The report includes an analysis of other similar hotels in the area, long-term viability, and overall demand due to new businesses and activities in and around the City; and

WHEREAS, the proposed Project has met or exceeded the minimum amenity package requirements, as stipulated by Section 5.03.250.D (Minimum Amenity Package) of the City's Development Code; and

WHEREAS, the Application is a project pursuant to the California Environmental Quality Act, commencing with Public Resources Code Section 21000 (hereinafter referred to as "CEQA"); and

WHEREAS, the Project is exempt from CEQA pursuant to a categorical exemption (listed in CEQA Guidelines Article 19, commencing with Section 15300) and the application of that categorical exemption is not barred by one of the exceptions set forth in CEQA Guidelines Section 15300.2; and

WHEREAS, Ontario Development Code Table 2.02-1 (Review Matrix) grants the Planning Commission the responsibility and authority to review and make recommendation to the City Council on the subject Application; and

WHEREAS, the Project has been reviewed for consistency with the Housing Element of the Policy Plan component of The Ontario Plan, as State Housing Element law (as prescribed in Government Code Sections 65580 through 65589.8) requires that development projects must be consistent with the Housing Element, if upon consideration of all its aspects, it is found to further the purposes, principals, goals, and policies of the Housing Element; and

WHEREAS, the Project is located within the Airport Influence Area of Ontario International Airport, which encompasses lands within parts of San Bernardino, Riverside, and Los Angeles Counties, and is subject to, and must be consistent with, the policies and criteria set forth in the Ontario International Airport Land Use Compatibility Plan ("ALUCP"), which applies only to jurisdictions within San Bernardino County, and addresses the noise, safety, airspace protection, and overflight impacts of current and future airport activity; and

WHEREAS, City of Ontario Development Code Division 2.03 (Public Hearings) prescribes the manner in which public notification shall be provided and hearing procedures to be followed, and all such notifications and procedures have been completed; and

WHEREAS, on February 7, 2022, the Development Advisory Board of the City of Ontario conducted a hearing to consider the Project, and concluded said hearing on that date, voting to issue Decision No. DAB22-007, recommending that the Planning Commission recommend the City Council approve the Application; and

WHEREAS, on February 22, 2022, the Planning Commission of the City of Ontario conducted a hearing to consider the Project, and concluded said hearing on that date; and

WHEREAS, all legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED, AND RESOLVED by the Planning Commission of the City of Ontario, as follows:

SECTION 1: ***Environmental Determination and Findings.*** As the recommending authority for the Project, the Planning Commission has reviewed and considered the information contained in the administrative record for the Project. Based upon the facts and information contained in the administrative record, including all written and oral evidence presented to the Planning Commission, the Planning Commission finds as follows:

(1) The administrative record has been completed in compliance with CEQA, the State CEQA Guidelines, and the City of Ontario Local CEQA Guidelines; and

(2) The Project is categorically exempt from environmental review pursuant to Section 15332 (Class 32, In-Fill Development Projects) of the CEQA Guidelines, which consists of: (a) the Project is consistent with the applicable general plan designation and all applicable general plan policies, as well as the applicable zoning designation and regulations; (b) the proposed development occurs within city limits, on a project site of no more than five acres, and is substantially surrounded by urban uses; (c) the Project site

has no value as habitat for endangered, rare, or threatened species; (d) approval of the Project will not result in any significant effects relating to traffic, noise, air quality, or water quality; and (e) the Project site is adequately served by all required utilities and public services; and

(3) The application of the categorical exemption is not barred by one of the exceptions set forth in CEQA Guidelines Section 15300.2; and

(4) The determination of CEQA exemption reflects the independent judgment of the Planning Commission.

SECTION 2: ***Housing Element Compliance.*** Pursuant to the requirements of California Government Code Chapter 3, Article 10.6, commencing with Section 65580, as the recommending authority for the Project, the Planning Commission finds that based on the facts and information contained in the Application and supporting documentation, at the time of Project implementation, the project is consistent with the Housing Element of the Policy Plan (General Plan) component of The Ontario Plan, as the project site is not one of the properties in the Available Land Inventory contained in Table A-3 (Available Land by Planning Area) of the Housing Element Technical Report Appendix.

SECTION 3: ***Ontario International Airport Land Use Compatibility Plan ("ALUCP") Compliance.*** The California State Aeronautics Act (Public Utilities Code Section 21670 et seq.) requires that an Airport Land Use Compatibility Plan be prepared for all public use airports in the State; and requires that local land use plans and individual development proposals must be consistent with the policies set forth in the adopted Airport Land Use Compatibility Plan. On April 19, 2011, the City Council of the City of Ontario approved and adopted the ALUCP, establishing the Airport Influence Area for Ontario International Airport (hereinafter referred to as "ONT"), which encompasses lands within parts of San Bernardino, Riverside, and Los Angeles Counties, and limits future land uses and development within the Airport Influence Area, as they relate to noise, safety, airspace protection, and overflight impacts of current and future airport activity. As the recommending authority for the Project, the Planning Commission has reviewed and considered the facts and information contained in the Application and supporting documentation against the ALUCP compatibility factors, including [1] Safety Criteria (ALUCP Table 2-2) and Safety Zones (ALUCP Map 2-2), [2] Noise Criteria (ALUCP Table 2-3) and Noise Impact Zones (ALUCP Map 2-3), [3] Airspace protection Zones (ALUCP Map 2-4), and [4] Overflight Notification Zones (ALUCP Map 2-5). As a result, the PLANNING COMMISSION, therefore, finds and determines that the Project, when implemented in conjunction with the conditions of approval, will be consistent with the policies and criteria set forth within the ALUCP.

SECTION 4: ***Concluding Facts and Reasons.*** Based upon the substantial evidence presented to the Planning Commission during the above-referenced hearing,

and upon the specific findings set forth in Sections 1 through 3, above, the Planning Commission hereby concludes as follows:

(1) ***The scale and intensity of the proposed land use would be consistent with the scale and intensity of land uses intended for the particular zoning or land use district.*** The proposed location of the Conditional Use Permit is in accord with the objectives and purposes of the City of Ontario Development Code and The Exchange Specific Plan, and the scale and intensity of land uses intended for the Freeway Commercial land use district in which the use is proposed to be located. Furthermore, the proposed 128-room, hotel land use will be established and operated consistent with the objectives and purposes, and development standards and guidelines of the Freeway Commercial land use designation of The Exchange Specific Plan; and

(2) ***The proposed use at the proposed location, and the manner in which it will be operated and maintained, is consistent with the goals, policies, plans and exhibits of the Vision, Policy Plan (General Plan), and City Council Priorities components of The Ontario Plan.*** The proposed 128-room hotel land use will be located within the Planned Commercial land use district of the Policy Plan Land Use Map, and the Freeway Commercial land use district of The Exchange Specific Plan. The development standards, and the conditions of approval under which the proposed land use will be established, operated, and maintained, are consistent with the goals, policies, plans, and exhibits of the Vision, City Council Priorities, and Policy Plan (General Plan) components of The Ontario Plan; and

(3) ***The proposed use at the proposed location, and the manner in which it will be operated and maintained, is consistent with the objectives and requirements of the Development Code and any applicable specific plan or planned unit development.*** The proposed 128-room hotel land use is located with the Freeway Commercial land use district of The Exchange Specific Plan and has been reviewed and conditioned to ensure the establishment, operation and maintenance of the proposed land use consistent with all applicable objectives, purposes, standards, and guidelines of the Development Code and The Exchange Specific Plan; and

(4) ***The establishment, maintenance, and operation of the proposed use at the proposed location would not be detrimental or injurious to property and improvements within the vicinity, nor would it be detrimental to the health, safety, or general welfare of persons residing or working in the surrounding neighborhood.*** The Development Advisory Board has required certain safeguards, and impose certain conditions of approval, which have been established to ensure that: [i] the purposes of The Exchange Specific Plan are maintained; [ii] the project will not endanger the public health, safety or general welfare; [iii] the project will not result in any significant environmental impacts; and [iv] the project will be in harmony with the surrounding area in which it is proposed to be located.

SECTION 5: ***Planning Commission Action.*** Based upon the findings and conclusions set forth in Sections 1 through 4, above, the Planning Commission hereby RECOMMENDS THE CITY COUNCIL APPROVE the herein described Application, subject to each and every condition set forth in the Department reports attached hereto as "Attachment A," and incorporated herein by this reference.

SECTION 6: ***Indemnification.*** The Applicant shall agree to defend, indemnify and hold harmless, the City of Ontario or its agents, officers, and employees from any claim, action or proceeding against the City of Ontario or its agents, officers or employees to attack, set aside, void, or annul this approval. The City of Ontario shall promptly notify the applicant of any such claim, action, or proceeding, and the City of Ontario shall cooperate fully in the defense.

SECTION 7: ***Custodian of Records.*** The documents and materials that constitute the record of proceedings on which these findings have been based are located at the City of Ontario City Hall, 303 East "B" Street, Ontario, California 91764. The custodian for these records is the City Clerk of the City of Ontario.

SECTION 8: ***Certification to Adoption.*** The Secretary shall certify to the adoption of the Resolution.

- - - - - - - - - - - - - -

The Secretary Pro Tempore for the Planning Commission of the City of Ontario shall certify as to the adoption of this Resolution.

I hereby certify that the foregoing Resolution was duly and regularly introduced, passed and adopted by the Planning Commission of the City of Ontario at a regular meeting thereof held on the 22nd day of February 2022, and the foregoing is a full, true and correct copy of said Resolution, and has not been amended or repealed.

Rick Gage
Planning Commission Chairman

ATTEST:

Rudy Zeledon
Planning Director and
Secretary to the Planning Commission

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, Gwen Berendsen, Secretary Pro Tempore of the Planning Commission of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. PC22-011, was duly passed and adopted by the Planning Commission of the City of Ontario at their regular meeting held on February 22, 2022, by the following roll call vote, to wit:

AYES: Anderson, Dean, DeDiemar, Gage, Lampkin, Ricci, Willoughby

NOES: None

ABSENT: None

ABSTAIN: None

Gwen Berendsen
Secretary Pro Tempore

ATTACHMENT A:

File No. PCUP21-009
Departmental Conditions of Approval

(Departmental conditions of approval to follow this page)

LAND DEVELOPMENT DIVISION
CONDITIONS OF APPROVAL

303 East B Street, Ontario, California 91764 Phone: 909.395.2036 / Fax: 909.395.2420

Date Prepared: 1/24/2022

File No: PCUP21-009

Related Files: N/A

Project Description: A Conditional Use Permit (File No. PCUP21-009) to establish and operate a limited-service hotel use on 1.83 acres of land located at 5060 East Fourth Street, within the Freeway Commercial land use district of The Exchange Specific Plan. (APN: 0238-012-30); submitted by Roger Barbosa.

Prepared By: Luis E. Batres, Senior Planner
Phone: 909.395.2431 (direct)
Email: Lbatres@ontarioca.gov

The Planning Department, Land Development Section, conditions of approval applicable to the above-described Project, are listed below. The Project shall comply with each condition of approval listed below:

1.0 Standard Conditions of Approval. The project shall comply with the *Standard Conditions for New Development*, adopted by City Council Resolution No. 2017-027 on April 18, 2017. A copy of the *Standard Conditions for New Development* may be obtained from (https://www.ontarioca.gov/Planning/Applications) or from the Planning Department/City Clerk/Records Management Department.

2.0 Special Conditions of Approval. In addition to the *Standard Conditions for New Development* identified in condition no. 1.0, above, the project shall comply with the following special conditions of approval:

2.1 Time Limits. Conditional Use Permit approval shall become null and void one year following the effective date of application approval, unless a building permit is issued and construction is commenced, and diligently pursued toward completion, or a time extension has been approved by the Planning Director, except that a Conditional Use Permit approved in conjunction with a Development Plan shall have the same time limits as said Development Plan. This condition does not supersede any individual time limits specified herein, or any other departmental conditions of approval applicable to the Project, for the performance of specific conditions or improvements.

2.2 General Requirements. The Project shall comply with the following general requirements:

(a) All construction documentation shall be coordinated for consistency, including, but not limited to, architectural, structural, mechanical, electrical, plumbing, landscape

and irrigation, grading, utility and street improvement plans. All such plans shall be consistent with the approved entitlement plans on file with the Planning Department.

(b) The project site shall be developed in conformance with the approved plans on file with the City. Any variation from the approved plans must be reviewed and approved by the Planning Department prior to building permit issuance.

(c) The herein-listed conditions of approval from all City departments shall be included in the construction plan set for project, which shall be maintained on site during project construction.

(d) The project shall provide a total of 118 parking spaces. In the future, if it is determined by the Planning Department as a result of complaints received that additional parking is necessary, the Applicant shall enter into a reciprocal parking agreement with adjacent developments to provide the additional parking (additional 10 parking spaces).

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING FILE NO. PCUP21-009, A CONDITIONAL USE PERMIT TO ESTABLISH AND OPERATE A 128-ROOM LIMITED-SERVICE HOTEL ON 1.83 ACRES OF LAND LOCATED AT 5060 EAST FOURTH STREET, WITHIN THE FREEWAY COMMERCIAL LAND USE DISTRICT OF THE EXCHANGE SPECIFIC PLAN AND MAKING FINDINGS IN SUPPORT THEREOF - APN: 0238-012-30.

WHEREAS, ROGER BARBOSA ("Applicant") has filed an Application for the approval of File No. PCUP21-009, a Conditional Use Permit as described in the title of this Resolution (hereinafter referred to as "Application" or "Project"); and

WHEREAS, the Application applies to 1.83 acres of land located at 5060 East Fourth Street, within the Freeway Commercial land use district of The Exchange Specific Plan, and the site is presently vacant; and

WHEREAS, the property to the north of the Project site is within the Freeway Commercial land use district of The Exchange Specific Plan and is developed with a multi-tenant retail building. The property to the east is within the Open Space zoning district and is developed with Southern California Edison transmission lines. The property to the south is within the Freeway Commercial land use district of The Exchange Specific Plan and is currently vacant. The property to the west is Interstate 15; and

WHEREAS, on June 4, 2021, the Applicant submitted File No. PCUP21-009, a Conditional Use Permit application requesting approval to establish and operate a limited-service hotel on the Project site; and

WHEREAS, the proposed Conditional Use Permit was submitted for concurrent processing with File No. PDEV21-021, a Development Plan to construct a four-story, 128-room Extended Stay Hotel on the Project site; and

WHEREAS, in 2003, the City approved The Exchange Specific Plan, a 23.60 acre master plan for the project area. The Exchange Specific Plan is composed of two land use districts, including the Freeway Commercial, which comprises the northerly 12.03 acres of the Specific Plan, and the Industrial Park land use district, which comprises the southerly 11.57 acres of the Specific Plan; and

WHEREAS, the City's Development Code requires that all new hotels must be reviewed under concurrently filed Conditional Use Permit and Development Plan applications. The purpose of the Conditional Use Permit application and review is to ensure that the proposed use will be operated in a manner consistent with all local regulations, and to ensure the use will not be detrimental to the public health, safety, or welfare, or materially injurious to uses, properties or improvements in the vicinity. More specifically, in the case of hotels, the Conditional Use Permit is required to establish the project's market feasibility and ensure on-going compliance with the minimum amenity package required by the Development Code; and

WHEREAS, Development Code Section 5.03.250.D (Minimum Amenity Package) stipulates that no Conditional Use Permit shall be approved for a hotel, motel, residence inn, or other similar traveler accommodation, unless certain specific amenities are provided and permanently maintained, as described below:

- Each guestroom shall include voicemail, wired or wireless internet access, desk with chair, hairdryer, retractable magnifying (10X) and lighted makeup mirror, iron and ironing board, high definition television, and alarm clock or wake-up service. Compliance with these requirements will be verified by the Planning Department during Building Department plan check and at time of final building inspection; and

- For limited-service hotels, meeting space equal to 15 square feet per guestroom shall be provided, requiring that Project provide a minimum of 1,920 square feet of meeting/gathering area. The Project exceeds the minimum requirement, incorporating a total of 2,250 square feet of available meeting/gathering area; and

- Both active and passive leisure amenities are required. At a minimum, the Project must provide a swimming pool, whirlpool/spa or furnished cabana, and fitness room. The Project exceeds the minimum requirement, providing a pool and spa, poolside cabana, outdoor seating areas, and a fitness room; and

- A guest courtesy lounge for the serving of light meals and snacks is required to be provided in conjunction with limited-service hotels. The Project has provided a 331-square-foot café/snack room for hotel guests, meeting the minimum requirement; and

WHEREAS, in fulfillment of the requirements of Development Code Section 5.03.250.C (Market Feasibility Report Required), the Applicant has submitted a Market Feasibility Study, which demonstrates that the local market can support the development of a new hotel. The Study, prepared by Veritas Development Advisors (dated October 21, 2021), includes analysis and market research related to the proposed project. The Study found that the local market can support a limited-service hotel on the Project site. The study's conclusions are based primarily upon the growth in the Inland Empire, the area's proximity to the Los Angeles area, the Ontario Convention Center, the Ontario International Airport, California Speedway in Fontana, and the Project's proximity to the Ontario Mills Mall. The report includes an analysis of other similar hotels in the area, long-term viability, and overall demand due to new businesses and activities in and around the City; and

WHEREAS, the Application is a project pursuant to the California Environmental Quality Act, commencing with Public Resources Code Section 21000 (hereinafter referred to as "CEQA"); and

WHEREAS, the Project is exempt from CEQA pursuant to a categorical exemption (listed in CEQA Guidelines Article 19, commencing with Section 15300) and the application of that categorical exemption is not barred by one of the exceptions set forth in CEQA Guidelines Section 15300.2; and

WHEREAS, Ontario Development Code Table 2.02-1 (Review Matrix) grants the City Council the responsibility and authority to review and act on the subject Application; and

WHEREAS, the Project has been reviewed for consistency with the Housing Element of the Policy Plan component of The Ontario Plan, as State Housing Element law (as prescribed in Government Code Sections 65580 through 65589.8) requires that development projects must be consistent with the Housing Element, if upon consideration of all its aspects, it is found to further the purposes, principals, goals, and policies of the Housing Element; and

WHEREAS, the Project is located within the Airport Influence Area of Ontario International Airport, which encompasses lands within parts of San Bernardino, Riverside, and Los Angeles Counties, and is subject to, and must be consistent with, the policies and criteria set forth in the Ontario International Airport Land Use Compatibility Plan ("ALUCP"), which applies only to jurisdictions within San Bernardino County, and addresses the noise, safety, airspace protection, and overflight impacts of current and future airport activity; and

WHEREAS, City of Ontario Development Code Division 2.03 (Public Hearings) prescribes the manner in which public notification shall be provided and hearing procedures to be followed, and all such notifications and procedures have been completed; and

WHEREAS, on February 7, 2022, the Development Advisory Board of the City of Ontario conducted a hearing to consider the Project, and concluded said hearing on that date, voting to issue Decision No. DAB22-007, recommending that the Planning Commission recommend the City Council approve the Application; and

WHEREAS, on February 22, 2022, the Planning Commission of the City of Ontario conducted a hearing to consider the Project and concluded said hearing on that date, voting unanimously (7-0) to issue Resolution No. PC22-01 recommending that the City Council approve the Application; and

WHEREAS, on April 19, 2022, the City Council of the City of Ontario conducted a hearing to consider the Project, and concluded said hearing on that date; and

WHEREAS, all legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED, AND RESOLVED by the City Council of the City of Ontario, as follows:

SECTION 1. ***Environmental Determination and Findings.*** As the decision-making body for the Project, the City Council has reviewed and considered the information contained in the administrative record for the Project. Based upon the facts and information contained in the administrative record, including all written and oral evidence presented to the City Council, the City Council finds as follows:

(1) The administrative record has been completed in compliance with CEQA, the State CEQA Guidelines, and the City of Ontario Local CEQA Guidelines; and

(2) The Project is categorically exempt from environmental review pursuant to Section 15332 (Class 32, In-Fill Development Projects) of the CEQA Guidelines, which consists of: (a) the Project is consistent with the applicable general plan designation and all applicable general plan policies, as well as the applicable zoning designation and regulations; (b) the proposed development occurs within city limits, on a project site of no more than five acres, and is substantially surrounded by urban uses; (c) the Project site has no value as habitat for endangered, rare, or threatened species; (d) approval of the Project will not result in any significant effects relating to traffic, noise, air quality, or water quality; and (e) the Project site is adequately served by all required utilities and public services; and

(3) The application of the categorical exemption is not barred by one of the exceptions set forth in CEQA Guidelines Section 15300.2; and

(4) The determination of CEQA exemption reflects the independent judgment of the City Council.

SECTION 2. ***Housing Element Compliance.*** Pursuant to the requirements of California Government Code Chapter 3, Article 10.6, commencing with Section 65580, as the decision-making body for the Project, the City Council finds that based on the facts and information contained in the Application and supporting documentation, at the time of Project implementation, the project is consistent with the Housing Element of the Policy Plan (General Plan) component of The Ontario Plan, as the project site is not one of the properties in the Available Land Inventory contained in Table A-3 (Available Land by Planning Area) of the Housing Element Technical Report Appendix.

SECTION 3. ***Ontario International Airport Land Use Compatibility Plan ("ALUCP") Compliance.*** The California State Aeronautics Act (Public Utilities Code Section 21670 et seq.) requires that an Airport Land Use Compatibility Plan be prepared for all public use airports in the State; and requires that local land use plans and individual development proposals must be consistent with the policies set forth in the adopted Airport Land Use Compatibility Plan. On April 19, 2011, the City Council of the City of Ontario approved and adopted the Ontario International Airport Land use Compatibility Plan ("ALUCP"), establishing the Airport Influence Area for Ontario International Airport ("ONT"), which encompasses lands within parts of San Bernardino, Riverside, and Los Angeles Counties, and limits future land uses and development within the Airport Influence Area, as they relate to noise, safety, airspace protection, and overflight impacts of current and future airport activity. As the decision-making body for the Project, the City Council has reviewed and considered the facts and information contained in the Application and supporting documentation against the ALUCP compatibility factors, including [1] Safety Criteria (ALUCP Table 2-2) and Safety Zones (ALUCP Map 2-2), [2] Noise Criteria (ALUCP Table 2-3) and Noise Impact Zones (ALUCP Map 2-3), [3] Airspace protection Zones (ALUCP Map 2-4), and [4] Overflight Notification Zones (ALUCP Map 2-5). As a result, the City Council, therefore, finds and determines that the Project, when implemented in conjunction with the conditions of approval, will be consistent with the policies and criteria set forth within the ALUCP.

SECTION 4. ***Concluding Facts and Reasons.*** Based upon the substantial evidence presented to the City Council during the above-referenced hearing, and upon the specific findings set forth in Sections 1 through 3, above, the City Council hereby concludes as follows:

(1) ***The scale and intensity of the proposed land use would be consistent with the scale and intensity of land uses intended for the particular zoning or land use district.*** The proposed location of the Conditional Use Permit is in accord with the objectives and purposes of the City of Ontario Development Code and The Exchange Specific Plan, and the scale and intensity of land uses intended for the Freeway Commercial land use district in which the use is proposed to be located. Furthermore, the proposed 128-room extended stay hotel will be established and operated consistent with the objectives and purposes, and development standards and guidelines of the Freeway Commercial land use designation of The Exchange Specific Plan, which meets the Specific Plans goal of providing a balance of employment, shopping and service opportunities, reducing the need for long commutes; and

(2) ***The proposed use at the proposed location, and the manner in which it will be operated and maintained, is consistent with the goals, policies, plans and exhibits of the Vision, Policy Plan (General Plan), and City Council Priorities components of The Ontario Plan.*** The proposed 128-room extended stay hotel will be located within the Planned Commercial land use district of the Policy Plan Land Use Map, and the Freeway Commercial land use district of The Exchange Specific Plan. A hotel land use within the Freeway Commercial land use is conditionally permitted with the approval of a Conditional Use Permit. Furthermore, the development standards, and the conditions of approval under which the proposed land use will be established, operated, and maintained, are consistent with the goals, policies, plans, and exhibits of the Vision, City Council Priorities, and Policy Plan (General Plan) components of The Ontario Plan; and

(3) ***The proposed use at the proposed location, and the manner in which it will be operated and maintained, is consistent with the objectives and requirements of the Development Code and any applicable specific plan or planned unit development.*** The proposed 128-room extended stay hotel is located with the Freeway Commercial land use district of The Exchange Specific Plan and has been reviewed and conditioned to ensure the establishment, operation and maintenance of the proposed land use is consistent with all applicable objectives, purposes, standards, and guidelines of the Development Code and The Exchange Specific Plan; and

(4) ***The establishment, maintenance, and operation of the proposed use at the proposed location would not be detrimental or injurious to property and improvements within the vicinity, nor would it be detrimental to the health, safety, or general welfare of persons residing or working in the surrounding neighborhood.*** The establishment, maintenance, and operation of the proposed 128-room extended stay hotel at the proposed location would not be detrimental or injurious to property and improvements within the vicinity, nor would it be detrimental to the health, safety, or general welfare of persons residing or working in the surrounding neighborhood. The project site is located within the Freeway Commercial land use designation of the Exchange Specific Plan

and a hotel use is a conditionally permitted use. In addition, certain safeguards are required and certain conditions of approval have been imposed, which have been established to ensure that: (i) the purposes of The Exchange Specific Plan are maintained; (ii) the project will not endanger the public health, safety or general welfare; (iii) the project will not result in any significant environmental impacts; and (iv) the project will be in harmony with the surrounding area in which it is proposed to be located.

SECTION 5. ***City Council Action.*** Based upon the findings and conclusions set forth in Sections 1 through 4, above, the City Council hereby APPROVES the herein described Conditional Use Permit subject to each and every condition set forth in the Department reports, attached hereto as Exhibit "A" and incorporated herein by this reference.

SECTION 6. ***Indemnification.*** The Applicant shall agree to defend, indemnify, and hold harmless, the City of Ontario or its agents, officers, and employees from any claim, action or proceeding against the City of Ontario or its agents, officers or employees to attack, set aside, void, or annul this approval. The City of Ontario shall promptly notify the applicant of any such claim, action, or proceeding, and the City of Ontario shall cooperate fully in the defense.

SECTION 7. ***Custodian of Records.*** The documents and materials that constitute the record of proceedings on which these findings have been based are located at the City of Ontario City Hall, 303 East "B" Street, Ontario, California 91764. The custodian for these records is the City Clerk of the City of Ontario.

The City Clerk of the City of Ontario shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 3rd day of May 2022.

_____
PAUL S. LEON, MAYOR

ATTEST:

_____
SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

_____
BEST BEST & KRIEGER LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2022- was duly passed and adopted by the City Council of the City of Ontario at their regular meeting held May 3, 2022, by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2022- duly passed and adopted by the Ontario City Council at their regular meeting held May 3, 2022.

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

ATTACHMENT A:

Conditions of Approval

(Document follows this page)

CITY OF ONTARIO PLANNING DEPARTMENT

LAND DEVELOPMENT DIVISION CONDITIONS OF APPROVAL

303 East B Street, Ontario, California 91764 Phone: 909.395.2036 / Fax: 909.395.2420

Date Prepared: 1/24/2022

File No: PCUP21-009

Related Files: N/A

Project Description: A Conditional Use Permit (File No. PCUP21-009) to establish and operate a limited-service hotel use on 1.83 acres of land located at 5060 East Fourth Street, within the Freeway Commercial land use district of The Exchange Specific Plan. (APN: 0238-012-30); **submitted by Roger Barbosa.**

Prepared By: Luis E. Batres, Senior Planner
Phone: 909.395.2431 (direct)
Email: Lbatres@ontarioca.gov

The Planning Department, Land Development Section, conditions of approval applicable to the above-described Project, are listed below. The Project shall comply with each condition of approval listed below:

1.0 Standard Conditions of Approval. The project shall comply with the *Standard Conditions for New Development*, adopted by City Council Resolution No. 2017-027 on April 18, 2017. A copy of the *Standard Conditions for New Development* may be obtained from (https://www.ontarioca.gov/Planning/Applications) or from the Planning Department/City Clerk/Records Management Department.

2.0 Special Conditions of Approval. In addition to the *Standard Conditions for New Development* identified in condition no. 1.0, above, the project shall comply with the following special conditions of approval:

2.1 Time Limits.

(a) Conditional Use Permit approval shall become null and void one year following the effective date of application approval, unless a building permit is issued and construction is commenced, and diligently pursued toward completion, or a time extension has been approved by the Planning Director, except that a Conditional Use Permit approved in conjunction with a Development Plan shall have the same time limits as said Development Plan. This condition does not supersede any individual time limits specified herein, or any other departmental conditions of approval applicable to the Project, for the performance of specific conditions or improvements.

2.2 General Requirements. The Project shall comply with the following general requirements:

(a) All construction documentation shall be coordinated for consistency, including, but not limited to, architectural, structural, mechanical, electrical, plumbing, landscape and irrigation, grading, utility and street improvement plans. All such plans shall be consistent with the approved entitlement plans on file with the Planning Department.

(b) The project site shall be developed in conformance with the approved plans on file with the City. Any variation from the approved plans must be reviewed and approved by the Planning Department prior to building permit issuance.

(c) The herein-listed conditions of approval from all City departments shall be included in the construction plan set for project, which shall be maintained on site during project construction.

(d) The project shall provide a total of 118 parking spaces. In the future, if it is determined by the Planning Department as a result of complaints received that additional parking is necessary, the Applicant shall enter into a reciprocal parking agreement with adjacent developments to provide the additional parking (additional 10 parking spaces).

CITY OF ONTARIO
POLICE DEPARTMENT
MEMORANDUM

TO:	**Luis Batres, Senior Planner**
FROM:	**Officer Savannah Thompson, C.E.T. Unit**
DATE:	**March 31, 2022 (Revised)**
SUBJECT:	**FILE NO. PCUP21-009 – The Extended Stay Hotel – 5060 E Fourth Street**

The Police Department is placing the following conditions:

ALCOHOL BEVERAGE SALES

1. The sale of Alcohol Beverages is prohibited. All future sale and on-site consumption of Alcohol Beverages will require the review and approval of a Conditional Use Permit. Proprietor to provide an "intent of use statement" as related to the sales of alcoholic beverages.
2. Live entertainment (ex. dancing, live musicians, concerts, etc.) is prohibited. Future live entertainment uses will require the review and approval of a Conditional Use Permit.

POOL AREA CONDITIONS

1. Guests are not allowed to transport and/or have personal alcoholic beverages in the pool area.

PATIO CONDITIONS

1. Patio exits must be gated and always closed. Emergency sounding devices and panic hardware must be installed on gates.
2. Outdoor tables shall not be removed or rearranged to increase occupancy.
3. No sounds emitted to the patio shall be heard outside of the patio area.

SECURITY CONDITIONS

1. A no trespass letter will be on file with the Police Department.
2. All hallways must be kept clear from merchandise, storage, and patrons blocking pathway.
3. The applicant shall be responsible for maintaining premises free of graffiti to the premises over which the applicant has control and shall be responsible for its removal within 72 hours of its appearance or upon notice of its appearance to the applicant.
4. No loitering shall be permitted on any property adjacent to the licensed premise, which is under the control of the applicant, and signs must be posted.
5. Restrooms must be kept free of graffiti.
6. No pool tables or arcade/amusement games are permitted inside the establishment.
7. Address to establishment must be illuminated for easy identification of safety personnel.
8. Roof top numbers shall be installed on the flat part of the roof. The numbers shall be a minimum of 3 feet in length and 1 foot in width. Numbers shall be painted, and maintained, in reflective white paint on a flat black background away from roof obstacles. The bottom of the numbers must face the street in which it belongs. The numbers should be maintained every 3 years.
9. For the safety of hotel guests, the applicant shall work with the Police Department and Planning Department staff to provide perimeter fencing along the north and south sides of the hotel and along the north, south, and east perimeter of the west guest parking lot. The fencing should be a minimum of six (6) feet in height, open view fencing (wrought iron or tubular steel) and open ended. Pickets shall be a minimum of four (4) inches on center.
10. The applicant shall work with the Police Department and Planning Department staff to secure the ingress and egress of the west guest overnight parking lot (defined as any lot

intended for overnight guests). Consideration shall be given to the use of controlled arm gates at all the ingress and egress access points of the parking lot.

11. All exterior electrical outlets to be installed on the building shall be secured and locked.
12. No overnight commercial vehicle parking.
13. For the safety of hotel guests, all first story room windows, to the extent feasible and subject to the Fire Department regulations, shall be secured to prevent windows from being opened to detour break-ins and illegal activities. In addition, plant shrubs three (3) feet high, shall be planted along the base of the windows.
14. Wi-Fi access to only registered guests must be password protected.
15. Trash enclosures shall be locked and secured at all times, to prevent transients from living in the enclosure, and prevent the pilfering trash/recyclable items. On the days of trash pickup, the enclosure shall be unlocked to facilitate the emptying of the trash receptacles by solid waste hauler and shall once again be locked.
16. Trash enclosures shall be screened by adjacent planters containing a mix of trees, shrubs, and vines.
17. No shrubs/plants higher than three (3) feet and no tree canopy lower than seven (7) feet shall be permitted so as to not obstruct the view of Police Officers on patrol.
18. Business shall not offer hourly rentals to guests. Room rentals will be increments of 24 hours.
19. The exterior windows on the first floor shall not be utilized as an entry or exit point. Business to ensure proper security measures are in place to prevent such use in accordance with Fire Departments regulations.
20. The establishment is required to have two (2) internal/external security guards to proactively monitor patrons/guests, at all times.
21. In the event security problems occur as a result of the use, the Police Department may request a public hearing before the Planning Commission to consider modifications to the security including, but not limited to, the addition of security guards, additional hours for security guards, and replacement of security guards with Ontario Police officers. The public hearing process shall be conducted in accordance with the requirements of the City's Development Code.
22. Ontario Police Officers have the right to limit or reduce the occupancy inside the establishment, if situations arise that may compromise the safety of patrons and the

officer. Any additional police resources requested to bring peace in the establishment may be charged to the business owner.

23. Security personnel will be required to follow Ontario Municipal Code Article 6, Title 3, Section 3-1.601-621 (security regulations), which states in part that the security guards used will be registered with the City.
24. A Code of Conduct will be required and posted at all public entrances of the establishment.
25. Graffiti abatement by the business owner/licensee, or management shall be immediate and on-going on the premises, but in no event shall graffiti be allowed unabated on the premises for more than 72 hours. Abatement shall take the form of removal or shall be covered/painted over with a color reasonably matching the color of the existing building, structure, or other surface being abated. Additionally, the business owner/licensee, or management shall notify the City within 24 hours at (909) 395-2626 (graffiti hotline) of any graffiti elsewhere on the property not under the business owner/licensee's or management control so that it may be abated by the property owner and/or the City's graffiti team.
26. The business shall maintain a security camera surveillance system in proper working order. A minimum of one camera will record the patio area, a minimum of one camera will record the pool area, a minimum of one camera will record each parking lot, and a minimum of one camera will record each interior building. Each camera will record at least 640x480 recording resolution levels, and at least fifteen (15) frames per second. The field of view for each camera will be to maximize the coverage of patrons. Recorded video will be stored for a minimum of 30 days and made available to the Police Department upon request.
27. The parking lot lighting must provide adequate lighting from dusk to dawn (minimum one (1) foot candles) and or within the guidelines from the Planning Department.
28. Lighting within the establishment must be kept at a reasonable level as determined by city Planning and Engineering Departments officials.

Prior to opening, inspection of the premises will be conducted by the Ontario Police Department and the Ontario Planning Department.

The Police Department will conduct a review in six months to determine whether additional conditions are needed.

A copy of the listed conditions of approval must be always posted in a prominent place in the interior of the premises.

Any special event outside the scope of the Conditional Use Permit (CUP) will require a Temporary Use Permit (TUP) which will be processed by the Planning Department and conditioned by the Ontario Police Department. (For example, a radio station promotion held at the hotel, or an outdoor event with alcoholic beverages would be a special event requiring Police or security personnel, but a community service organization breakfast meeting would not be considered a special event and therefore would not require additional security.)

If you have any questions, please call Officer Savannah Thompson at (909) 408-1125

CITY OF ONTARIO *Agenda Report* **May 3, 2022**	**SECTION:** **PUBLIC HEARINGS**
Department: Investments & Revenue Resources Prepared By: Nicole Phillips Staff Member Presenting: Armen Harkalyan, Executive Director of Finance Reviewed By: Cecilia House, Armen Harkalyan Approved By:	Submitted To: Council/OHA Approved: _____ Continued To: _____ Denied: _____ Item No: 15

SUBJECT: **A PUBLIC HEARING TO CONSIDER A RESOLUTION REGARDING THE FORMATION OF THE CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 63 (OLIVE AND OLEANDER); ADOPTION OF A RESOLUTION TO INCUR BONDED INDEBTEDNESS; AND INTRODUCTION OF AN ORDINANCE LEVYING SPECIAL TAXES**

RECOMMENDATION: That the City Council consider and:

A. Adopt a Resolution of formation of Community Facilities District No. 63 (Olive and Oleander), authorizing the levy of special taxes within the community facilities district, and establishing an appropriations limit for the community facilities district;
B. Adopt a Resolution deeming it necessary to incur bonded indebtedness within Community Facilities District No. 63 (Olive and Oleander);
C. Adopt a resolution calling a special election for City of Ontario Community Facilities District No. 63 (Olive and Oleander);
D. Adopt a resolution declaring the results of the special election and directing the recording of a Notice of Special Tax Lien;
E. Introduce and waive further reading of an ordinance levying special taxes within City of Ontario Community Facilities District No. 63 (Olive and Oleander); and
F. Adopt a resolution authorizing the execution and delivery of an acquisition and funding agreement with Shea Homes Limited Partnership, a California limited partnership.

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:
Operate in a Businesslike Manner
Focus Resources in Ontario's Commercial and Residential Neighborhoods
Invest in the City's Infrastructure (Water, Streets, Sewers, Parks, Storm Drains and Public Facilities)
Ensure the Development of a Well Planned, Balanced, and Self-Sustaining Community in Ontario Ranch

FISCAL IMPACT: The use of Mello-Roos financing for facilities in the residential development of the Olive and Oleander project is estimated to generate approximately $38 million in bond proceeds to

be used to fund a portion of the public infrastructure improvements needed to serve the project. Mello-Roos bonds are not a direct obligation of the City and are paid from special taxes levied on each taxable parcel in the district; therefore, there is no General Fund impact from the issuance of Mello Roos bonds. City Council approval will be required in future years to process annual special tax levies.

BACKGROUND & ANALYSIS: The Mello-Roos Community Facilities Act of 1982 provides local government, with the consent from a majority of the property owners, the authority to establish community facilities districts for the purpose of levying special taxes to finance various kinds of public infrastructure facilities and City services. Under the Mello-Roos Act the initial steps in the formation of a community facilities district to finance public improvements and City Services are to adopt resolutions declaring the intention to establish a community facilities district, authorize the levy of special taxes, and issue bonds. Accordingly, on March 15, 2022, the City Council approved Resolution No. 2022-019, a Resolution of Intention to establish City of Ontario Community Facilities District No. 63 (Olive and Oleander) and authorize the levy of special taxes; and Resolution No. 2022-020 declaring the City Council's intention to issue bonds for the district. The Resolution of Intention set the public hearing date for the regularly scheduled City Council meeting on April 19, 2022, to consider formation matters. City Council opened the hearing on April 19, 2022, and continued the hearing to May 3, 2022.

In the First Amended and Restated Agreement for the Financing and Construction of Limited Infrastructure Improvements to Serve an Easterly Portion of the New Model Colony ("First Amended and Restated Construction Agreement") between the City and NMC Builders, LLC, the City agreed to cooperate with the members of NMC Builders, LLC in the formation of community facilities districts to assist in the financing of the public improvements included in the agreement. Shea Homes LP of California have provided a written petition to the City requesting formation of a community facilities district for the Olive and Oleander project in Ontario Ranch. The Olive and Oleander project addresses the development of approximately 21.09 gross acres located west of Cleveland Avenue, east of Hamner Avenue, north of Edison Avenue, and south of Ontario Ranch Road. At build out, the project is projected to include 137 attached units and 87 detached units.

Included, as part of the resolution of formation is the proposed Rate and Method of Apportionment of Special Tax for the District. Under the proposed Rate and Method of Apportionment, the portion of the maximum annual special tax rates which will be used to fund debt service payments on the bonds is fixed and will not increase over time. As proposed, the amount of bonds authorized for the district ($38 million) is set intentionally higher than the current estimated bond amount (approximately $10.3 million) in order to allow future City Councils the option, without increasing the amount of the annual special taxes, to issue additional bonds to replace and/or construct new public infrastructure improvements in the future, or to fund City services. The term and structure of the Rate and Method of Apportionment of Special Tax for the Olive and Oleander project is consistent with those of previously adopted Rates and Methods of Apportionment for Ontario Ranch community facilities districts. This ensures that the special tax rates levied on all residential property owners in community facilities districts in Ontario Ranch are developed in a consistent and equivalent manner. In addition, under the provisions of the Mello-Roos Act, to ensure that home buyers are making an informed decision, all residential builders in the Ontario Ranch districts will be required to disclose the maximum annual special tax amount to each homeowner before

entering into a sales contract.

Attached are five resolutions and an ordinance. The first attached resolution establishes the community facilities district, with the rate and method of apportionment of special taxes, and authorizes the levy of special taxes within the district. The second attached resolution deems the necessity of incurring bonded indebtedness for the district. The third attached resolution calls for a special landowner election to be held on May 3, 2022. The fourth attached resolution declares the results of the election, including a statement from the City Clerk as to the canvass of ballots, and directs the recording of the Notice of Special Tax Lien. The attached ordinance authorizes the levying of special taxes, and the final attached resolution authorizes the execution and delivery of an acquisition and funding agreement with Shea Homes LP of California.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, OF FORMATION OF THE CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 63 (OLIVE AND OLEANDER FACILITIES), AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN THE COMMUNITY FACILITIES DISTRICT AND ESTABLISHING AN APPROPRIATIONS LIMIT FOR THE COMMUNITY FACILITIES DISTRICT.

WHEREAS, on March 15, 2022, the City Council (the "City Council") of the City of Ontario (the "City"), pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act"), adopted a resolution entitled "A Resolution of the City Council of the City of Ontario, California, of Intention to Establish a Community Facilities District, Proposed to be Named City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities), and to Authorize the Levy of Special Taxes" (the "Resolution of Intention"), stating its intention to establish a community facilities district (the "Community Facilities District") proposed to be named City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities), to authorize the levy of special taxes within the Community Facilities District to finance certain public facilities and services and setting the date for a public hearing to be held on the establishment of the Community Facilities District; and

WHEREAS, pursuant to the Resolution of Intention, notice of said public hearing was published in the *Inland Valley Daily Bulletin*, a newspaper of general circulation published in the area of the Community Facilities District, in accordance with the Act; and

WHEREAS, on this date, the City Council opened, conducted and closed said public hearing; and

WHEREAS, pursuant to the Resolution of Intention, each officer of the City who is or will be responsible for providing one or more of the proposed types of public facilities or services was directed to study, or cause to be studied, the proposed Community Facilities District and, at or before said public hearing, file a report with the City Council containing a brief description of the public facilities and services by type that will in his or her opinion be required to adequately meet the needs of the Community Facilities District, and his or her estimate of the cost of providing such public facilities and services; such officers were also directed to estimate the fair and reasonable cost of the public facilities proposed to be purchased as completed public facilities and of the incidental expenses proposed to be paid; and

WHEREAS, said report was so filed with the City Council and made a part of the record of said public hearing; and

WHEREAS, at the hearing, the testimony of all persons for or against the establishment of the Community Facilities District, the extent of the Community Facilities District and the furnishing of the specified types of public facilities and services was heard; and

WHEREAS, written protests against the establishment of the Community Facilities District, the furnishing of any specified type or types of facilities and services within the Community Facilities District or the levying of any specified special tax were not made or filed at or before said hearing by 50% or more of the registered voters, or six registered voters, whichever is more, residing within the territory proposed to be included in the Community Facilities District, or the owners of one-half or more of the area of land in the territory proposed to be included in the Community Facilities District and not exempt from the special tax; and

WHEREAS, there has been filed with the City Clerk of the City a letter from the Registrar of Voters of the County of San Bernardino indicating that no persons were registered to vote within the territory of the proposed Community Facilities District as of March 17, 2022, and, accordingly, that 12 or more persons have not been registered to vote within the territory of the proposed Community Facilities District for each of the 90 days preceding the close of said public hearing; and

WHEREAS, Section 53314.9 of the Act provides that, at any time either before or after the formation of a community facilities district, the legislative body may accept advances of funds from any source, including, but not limited to, private persons or private entities and may provide, by resolution, for the use of those funds for any authorized purpose, including, but not limited to, paying any cost incurred by the local agency in creating a community facilities district; and

WHEREAS, Section 53314.9 of the Act further provides that the legislative body may enter into an agreement, by resolution, with the person or entity advancing the funds, to repay all or a portion of the funds advanced, as determined by the legislative body, with or without interest, under all the following conditions: (a) the proposal to repay the funds is included in both the resolution of intention to establish a community facilities district adopted pursuant to Section 53521 of the Act and in the resolution of formation to establish a community facilities district pursuant to Section 53325.1 of the Act, (b) any proposed special tax is approved by the qualified electors of the community facilities district pursuant to the Act, and (c) any agreement shall specify that if the qualified electors of the community facilities district do not approve the proposed special tax, the local agency shall return any funds which have not been committed for any authorized purpose by the time of the election to the person or entity advancing the funds; and

WHEREAS, the City and Shea Homes Limited Partnership (“Shea Homes”) entered into a Deposit and Reimbursement Agreement, dated as of January 1, 2022 (the “Deposit Agreement”), that provides for the advancement of funds by Shea Homes to be used to pay costs incurred in connection with the establishment of the Community Facilities District and the issuance of special tax bonds thereby, and provides for the reimbursement to Shea Homes of such funds advanced, without interest, from the proceeds of any such bonds issued by the Community Facilities District; and

WHEREAS, in accordance with Section 53314.9 of the Act, the City desires to accept such advances and to reimburse Shea Homes therefor, without interest, from the proceeds of special tax bonds issued by the Community Facilities District;

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

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. The Community Facilities District is hereby established pursuant to the Act.

SECTION 3. The Community Facilities District is hereby named "City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities)."

SECTION 4. The public facilities (the "Facilities") proposed to be financed by the Community Facilities District pursuant to the Act are described under the caption "Facilities" on Exhibit A hereto, which is by this reference incorporated herein. Those Facilities proposed to be purchased as completed public facilities are described under the caption "Facilities to be Purchased" on Exhibit A hereto. The services (the "Services") proposed to be financed by the Community Facilities District pursuant to the Act are described under the caption "Services" on Exhibit A hereto. The incidental expenses proposed to be incurred are described under the caption "Incidental Expenses" on Exhibit A hereto. All or any portion of the Facilities may be financed through a financing plan, including, but not limited to, a lease, lease-purchase or installment-purchase arrangement.

SECTION 5. The proposed special tax to be levied within the Community Facilities District has not been precluded by majority protest pursuant to Section 53324 of the Act.

SECTION 6. Except where funds are otherwise available, a special tax sufficient to pay for all Facilities and Services, secured by recordation of a continuing lien against all nonexempt real property in the Community Facilities District, will be annually levied within the Community Facilities District. The rate and method of apportionment of the special tax (the "Rate and Method"), in sufficient detail to allow each landowner within the proposed Community Facilities District to estimate the maximum amount that he or she will have to pay, is described in Exhibit B attached hereto, which is by this reference incorporated herein. The conditions under which the obligation to pay the special tax to pay for Facilities may be prepaid and permanently satisfied are specified in the Rate and Method. The special tax will be collected in the same manner as ordinary *ad valorem* property taxes or in such other manner as the City Council shall determine, including direct billing of the affected property owners.

SECTION 7. The special tax may only finance the Services to the extent that they are in addition to those provided in the territory of the Community Facilities District before the Community Facilities District is created. The Services may not supplant services already available within that territory when the Community Facilities District is created.

SECTION 8. The tax year after which no further special tax to pay for Facilities will be levied against any parcel used for private residential purposes is specified in the Rate and Method. Under no circumstances shall the special tax to pay for Facilities in any

fiscal year against any parcel used for private residential purposes be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within the Community Facilities District by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. For purposes of this paragraph, a parcel shall be considered "used for private residential purposes" not later than the date on which an occupancy permit for private residential use is issued.

SECTION 9. Pursuant to Section 53344.1 of the Act, the City Council hereby reserves to itself the right and authority to allow any interested owner of property within the Community Facilities District, subject to the provisions of said Section 53344.1 and to those conditions as it may impose, and any applicable prepayment penalties as prescribed in the bond indenture or comparable instrument or document, to tender to the Community Facilities District treasurer in full payment or part payment of any installment of the special taxes or the interest or penalties thereon which may be due or delinquent, but for which a bill has been received, any bond or other obligation secured thereby, the bond or other obligation to be taken at par and credit to be given for the accrued interest shown thereby computed to the date of tender.

SECTION 10. The name, address and telephone number of the office that will be responsible for preparing annually a current roll of special tax levy obligations by assessor's parcel number and that will be responsible for estimating further special tax levies pursuant to Section 53340.2 of the Act are as follows: Management Analyst, Financial Services, City of Ontario, 303 East B Street, Ontario, California 91764, (909) 395-2341.

SECTION 11. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property in the Community Facilities District and this lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the tax by the City Council ceases.

SECTION 12. The boundary map of the Community Facilities District has been recorded in San Bernardino County in Book 90 at Page 10 of Maps of Assessments and Community Facilities Districts in the San Bernardino County Recorder's Office (Document No. 2022-0100950).

SECTION 13. The annual appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of the Community Facilities District is hereby established at $38,000,000.

SECTION 14. Pursuant to the provisions of the Act, the levy of the special tax and a proposition to establish the appropriations limit specified above shall be subject to the approval of the qualified electors of the Community Facilities District at a special election. The City Council hereby finds and determines that no persons were registered to vote within the territory of the proposed Community Facilities District as of March 17, 2022, and that 12 or more persons have not been registered to vote within the territory of the Community Facilities District for each of the 90 days preceding the close

of the public hearing held by the City Council on the establishment of the Community Facilities District. Accordingly, pursuant to Section 53326 of the Act, the vote shall be by the landowners of the Community Facilities District and each person who is the owner of land as of the close of said public hearings, or the authorized representative thereof, shall have one vote for each acre or portion of an acre that he or she owns within the Community Facilities District not exempt from the special tax. The voting procedure shall be by mailed or hand-delivered ballot.

SECTION 15. Shea Homes has heretofore advanced certain funds, and may advance additional funds, which have been or may be used to pay costs incurred in connection with the creation of the Community Facilities District and the issuance of special tax bonds thereby. The City Council has previously approved the acceptance of such funds for the purpose of paying costs incurred in connection with the creation of the Community Facilities District and the issuance of special tax bonds thereby. The City Council proposes to repay all or a portion of such funds expended for such purpose, solely from the proceeds of such bonds, pursuant to the Deposit Agreement. The Deposit Agreement is hereby incorporated herein as though set forth in full herein.

SECTION 16. The City Council hereby finds and determines that all proceedings up to and including the adoption of this Resolution were valid and in conformity with the requirements of the Act. In accordance with Section 53325.1 of the Act, such finding shall be final and conclusive.

SECTION 17. All actions heretofore taken by the officers, employees and agents of the City with respect to the establishment of the Community Facilities District, or in connection with or related to any of the matters referred to herein, are hereby approved, confirmed and ratified.

SECTION 18. The officers, employees and agents of the City are hereby authorized and directed to take all actions and do all things which they, or any of them, may deem necessary or desirable to accomplish the purposes of this Resolution and not inconsistent with the provisions hereof.

SECTION 19. This Resolution shall take effect immediately upon its adoption.

The City Clerk of the City of Ontario shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 3rd day of May 2022.

_____

PAUL S. LEON, MAYOR

ATTEST:

_____
SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

_____
BEST BEST & KRIEGER, LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2022- was duly passed and adopted by the City Council of the City of Ontario at their regular meeting held May 3, 2022 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2022- duly passed and adopted by the Ontario City Council at their regular meeting held May 3, 2022.

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

EXHIBIT A

FACILITIES, SERVICES AND INCIDENTAL EXPENSES

Facilities

The types of facilities to be financed by the Community Facilities District are street and bridge improvements, including grading, paving, curbs and gutters, sidewalks, street signalization and signage, street lights and parkway and landscaping related thereto, domestic and recycled water distribution facilities, sewer collection facilities, solid waste facilities, storm drainage facilities, park and recreation facilities and equipment, aquatic facilities and equipment, fire facilities and equipment, police facilities and equipment, library facilities and equipment, fiber optic telecommunication system facilities, general governmental office, administrative and meeting facilities, and land, rights-of-way and easements necessary for any of such facilities.

Facilities to be Purchased

The types of facilities to be purchased as completed facilities are street and bridge improvements, including grading, paving, curbs and gutters, sidewalks, street signalization and signage, street lights and parkway and landscaping related thereto, domestic and recycled water distribution facilities, sewer collection facilities, solid waste facilities, storm drainage facilities, park and recreation facilities and equipment, aquatic facilities and equipment, fire facilities and equipment, police facilities and equipment, library facilities and equipment, fiber optic telecommunication system facilities, general governmental office, administrative and meeting facilities, and land, rights-of-way and easements necessary for any of such facilities.

Services

The types of services to be financed by the Community Facilities District are police protection services, fire protection and suppression services, ambulance and paramedic services, maintenance and lighting of parks, parkways, streets, roads and open space, flood and storm protection services and maintenance and operation of any real property or other tangible property with an estimated useful life of five or more years that is owned by the City.

Incidental Expenses

The incidental expenses proposed to be incurred include the following:

(a) the cost of planning and designing public facilities to be financed, including the cost of environmental evaluations of those facilities;

(b) the costs associated with the creation of the Community Facilities District, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District; and

(c) any other expenses incidental to the construction, completion, and inspection of the authorized work.

EXHIBIT B

PROPOSED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

EXHIBIT B

CITY OF ONTARIO
COMMUNITY FACILITIES DISTRICT NO. 63
(OLIVE AND OLEANDER FACILITIES)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

Special Taxes shall be levied on all Assessor's Parcels in the City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities) ("CFD No. 63") and collected each Fiscal Year, commencing in Fiscal Year 2022-23, in an amount determined by the City Council of the City of Ontario through the application of the Rate and Method of Apportionment, as described below. All of the real property in CFD No. 63, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or **"Acreage"** means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Subdivision Map, parcel map, condominium plan, or other recorded County map.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 63: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or CFD No. 63 or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City or CFD No. 63 of complying with arbitrage rebate requirements; the costs to the City or CFD No. 63 of complying with City, CFD No. 63, or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City or CFD No. 63 related to the analysis and reduction, if any, of the Special Tax on Single Family Property in accordance with Section C.1 herein; the costs of the City or CFD No. 63 related to an appeal of the Special Tax; the costs associated with the release of funds from any escrow account; the City's administration fees and third party expenses; the costs of City staff time and reasonable overhead relating to CFD No. 63; and amounts estimated or advanced by the City or CFD No. 63 for any other

administrative purposes of the CFD, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"Assessor's Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel Number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means, with respect to an Assessor's Parcel, that number assigned to such Assessor's Parcel by the County for purposes of identification.

"Assigned Special Tax" means the Special Tax for each Land Use Class of Developed Property, as determined in accordance with Section C.1.a.2 below.

"Backup Special Tax" means the Special Tax for each Land Use Class of Developed Property, as determined in accordance with Section C.1.a.3 below.

"Bonds" means any bonds or other debt (as defined in Section 53317(d) of the Act) issued by CFD No. 63 under the Act and payable from Special Taxes.

"Buildable Lot" means an individual lot, within a Final Subdivision Map or an area expected by CFD No. 63 to become Final Mapped Property, such as the area within a Tentative Tract Map, for which a building permit may be issued without further subdivision of such lot.

"CFD Administrator" means an official of the City responsible for determining the Special Tax Requirement, providing for the levy and collection of the Special Taxes, and performing the other duties provided for herein.

"CFD No. 59" means City of Ontario Community Facilities District No. 59 (Gateway Services).

"CFD No. 63" means City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities).

"City" means the City of Ontario, California.

"City Council" means the City Council of the City, acting as the legislative body of CFD No. 63.

"Contractual Impositions" means (a) a voluntary contractual assessment established and levied on an Assessor's Parcel pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (commencing with Section 5898.10 *et seq.*), as amended from time to time, (b) a special tax established and levied on an Assessor's Parcel pursuant to Section 53328.1 of the California Government Code and related provisions of the Act, as amended from time to time, and (c) any other fee, charge, tax, or assessment established and levied on an individual Assessor's Parcel pursuant to a

contractual agreement or other voluntary consent by the owner thereof (e.g., property owner association assessments).

"County" means the County of San Bernardino.

"Designated Buildable Lot" means a Buildable Lot for which a building permit has not been issued by the City as of the date of calculation of the Backup Special Tax.

"Developed Property" means for each Fiscal Year, all Taxable Property, exclusive of Final Mapped Property, Taxable Property Owner Association Property, and Taxable Public Property, for which a building permit or other applicable permit for new construction was issued after January 1, 2021, and before May 1 of the prior Fiscal Year.

"Expected Residential Lot Count" means 224 Buildable Lots of Single Family Property or, as determined by the CFD Administrator, the number of Buildable Lots of Single Family Property based on the most recent Tentative Tract Map(s) or most recently recorded Final Subdivision Map(s) or modified Final Subdivision Map(s).

"Facilities" means the public facilities authorized to be financed, in whole or in part, by CFD No. 63.

"Final Mapped Property" means, for each Fiscal Year, all Taxable Property, exclusive of Developed Property, Taxable Property Owner Association Property, and Taxable Public Property, which as of January 1 of the previous Fiscal Year was located within a Final Subdivision Map. The term Final Mapped Property shall include any parcel map or Final Subdivision Map, or portion thereof, that creates individual lots for which a building permit may be issued, including Parcels that are designated as a remainder Parcel (i.e., one where the size, location, etc., precludes any further subdivision or taxable use).

"Final Subdivision Map" means a final tract map, parcel map, or lot line adjustment approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or a condominium plan recorded in accordance with California Civil Code Section 4285 that, in either case, creates individual lots for which building permits may be issued without further subdivision.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Indenture" means the indenture, fiscal agent agreement, resolution, or other instrument pursuant to which Bonds are issued, as modified, amended, and/or supplemented from time to time.

"Land Use Class" means any of the classes listed in Table 1 below.

"Lower Income Household Welfare Exemption Property" means, for each Fiscal Year, an Assessor's Parcel within the boundaries of CFD No. 63 that is subject to a welfare exemption under subdivision (g) of Section 214 of the California Revenue and

Taxation Code (or any successor statute), as indicated in the most recent County assessor's roll finalized prior to such Fiscal Year.

"Maximum Special Tax" means, with respect to an Assessor's Parcel of Taxable Property, the Maximum Special Tax determined in accordance with Section C.1 below that can be levied in any Fiscal Year on such Assessor's Parcel of Taxable Property.

"Minimum Sale Price" means the minimum price at which Units of a given Land Use Class have sold or are expected to be sold in a normal marketing environment and shall not include prices for such Units that are sold at a discount to expected sales prices for the purpose of stimulating the initial sales activity with respect to such Land Use Class.

"Non-Residential Property" means all Assessor's Parcels of Developed Property for which a building permit was issued by the City permitting the construction of one or more non-residential structures or facilities.

"Other Residential Property" means all Assessor's Parcels of Developed Property for which a building permit was issued by the City for purposes of constructing Units, excluding Single Family Attached Property and Single Family Detached Property.

"Outstanding Bonds" means all Bonds which are outstanding under and in accordance with the provisions of the Indenture.

"Price Point Consultant" means any consultant or firm of such consultants selected by CFD No. 63 that (a) has substantial experience in performing price point studies for residential units within community facilities districts established under the Act or otherwise estimating or confirming pricing for residential units in such community facilities districts, (b) has recognized expertise in analyzing economic and real estate data that relates to the pricing of residential units in such community facilities districts, (c) is in fact independent and not under the control of CFD No. 63 or the City, (d) does not have any substantial interest, direct or indirect, with or in (i) CFD No. 63, (ii) the City, (iii) any owner of real property in CFD No. 63, or (iv) any real property in CFD No. 63, and (e) is not connected with CFD No. 63 or the City as an officer or employee thereof, but who may be regularly retained to make reports to CFD No. 63 or the City.

"Price Point Study" means a price point study or a letter updating a previous price point study prepared by the Price Point Consultant pursuant to Section C herein.

"Property Owner Association Property" means, for each Fiscal Year, any property within the boundaries of CFD No. 63 that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

"Proportionately" means (a) for Developed Property in the first step of Section D below, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Developed Property; however, for Developed Property in the fourth step of Section D below, Proportionately means that the amount of the increase above the Assigned Special Tax, if necessary, is equal for all Assessor's Parcels of Developed Property, except that if the Backup Special Tax limits the increase on any

Assessor's Parcel(s), then the amount of the increase shall be equal for the remaining Assessor's Parcels; (b) for Final Mapped Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Final Mapped Property; (c) for Undeveloped Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Undeveloped Property; (d) for Taxable Property Owner Association Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Taxable Property Owner Association Property; and (e) for Taxable Public Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Taxable Public Property.

"Public Property" means, for each Fiscal Year, property within the boundaries of CFD No. 63 that is (a) owned by, irrevocably offered to, or dedicated to the federal government, the State, the County, the City, or any local government or other public agency or (b) encumbered by an easement for purposes of public or utility right-of-way that makes impractical its use for any purpose other than that set forth in such easement; provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

"Rate and Method of Apportionment" means this Rate and Method of Apportionment of Special Tax.

"Residential Floor Area" means all of the Square Footage of living area within the perimeter of a Unit, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area shall be as set forth in the building permit(s) issued for such Assessor's Parcel, or as set forth in other official records maintained by the City's Building Department or other appropriate means selected by CFD No. 63. The actual Square Footage shall be rounded up to the next whole square foot. Once such determination has been made for an Assessor's Parcel, it shall remain fixed in all future Fiscal Years unless an appeal pursuant to Section F below is approved that results in a change in the actual Square Footage.

"Residential Property" means, for each Fiscal Year, an Assessor's Parcel for which a building permit for new construction of one or more Units was issued after January 1, 2021, and before May 1 of the prior Fiscal Year.

"Services" means the services authorized to be financed, in whole or in part, by CFD No. 63.

"Single Family Attached Property" means all Assessor's Parcels of Developed Property for which a building permit or use permit was issued for construction of a residential structure consisting of two or more Units that share common walls, have separate Assessor's Parcel Numbers assigned to them (except for a duplex unit, which may share an Assessor's Parcel with another duplex unit), and may be purchased by individual homebuyers (which shall still be the case even if the Units are purchased and subsequently offered for rent by the owner of the Unit), including such residential

structures that meet the statutory definition of a condominium contained in California Civil Code Section 4125.

"Single Family Detached Property" means all Assessor's Parcels of Developed Property for which a building permit was issued for construction of a Unit, on one legal lot, that does not share a common wall with another Unit.

"Single Family Property" means all Assessor's Parcels of Single Family Attached Property and Single Family Detached Property.

"Special Tax" means the special tax authorized by the qualified electors of CFD No. 63 to be levied within the boundaries of CFD No. 63 to pay for Facilities and Services.

"Special Tax Requirement" means for any Fiscal Year that amount required, after taking into account available amounts held in the funds and accounts established under the Indenture, for CFD No. 63 to: (i) pay debt service on all Outstanding Bonds which is due in the calendar year that commences in such Fiscal Year; (ii) pay periodic costs on the Bonds, including, but not limited to, credit enhancement and rebate payments on the Bonds; (iii) pay a pro rata share of Administrative Expenses; (iv) provide any amounts required to establish or replenish any reserve fund for the Bonds; (v) pay directly for acquisition or construction of Facilities, or the cost of Services, to the extent that the inclusion of such amounts does not increase the Special Tax levy on Final Mapped Property or Undeveloped Property; and (vi) provide an amount equal to Special Tax delinquencies based on the historical delinquency rate for the Special Tax as determined by the CFD Administrator.

"Square Footage" or **"Sq. Ft."** means the floor area square footage reflected on the original construction building permit, or as set forth in other official records maintained by the City's Building Department or other appropriate means selected by CFD No. 63, issued for construction of Residential Property or Non-Residential Property, plus any square footage subsequently added to a building of Non-Residential Property after issuance of a building permit for expansion or renovation of such building.

"State" means the State of California.

"Taxable Property" means, for each Fiscal Year, all of the Assessor's Parcels within the boundaries of CFD No. 63 that are not exempt from the Special Taxes pursuant to law or Section E below.

"Taxable Property Owner Association Property" means, for each Fiscal Year, all Assessor's Parcels of Property Owner Association Property that are not exempt from the Special Taxes pursuant to Section E below.

"Taxable Public Property" means, for each Fiscal Year, all Assessor's Parcels of Public Property that are not exempt from the Special Taxes pursuant to law or Section E below.

"Tentative Tract Map" means a map: (i) showing a proposed subdivision of an Assessor's Parcel(s) and the conditions pertaining thereto; (ii) that may or may not be based on a detailed survey; and (iii) that is not recorded by the County to create legal lots.

"Total Tax Burden" means, for a Unit within a Land Use Class, for the Fiscal Year in which the Total Tax Burden is being calculated, the sum of (a) the Assigned Special Tax for such Land Use Class for such Fiscal Year, plus (b) the CFD No. 59 special tax for services for such Land Use Class for such Fiscal Year, plus (c) the *ad valorem* property taxes, special assessments, special taxes for any overlapping community facilities districts, and any other governmental fees, charges (other than fees or charges for services such as sewer and trash), taxes, and assessments (which do not include Contractual Impositions) collected by the County on *ad valorem* tax bills and that the CFD Administrator estimates would be levied or imposed on such Unit in such Fiscal Year if the residential dwelling unit thereon or therein had been completed and sold, and was subject to such fees, charges, taxes, and assessments in such Fiscal Year.

"Trustee" means the trustee or fiscal agent under the Indenture.

"TTM 20265" means Tentative Tract Map No. 20265, the area of which is located within CFD No. 63.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Final Mapped Property, Taxable Public Property, or Taxable Property Owner Association Property.

"Unit" means an individual single-family detached or attached home, townhome, condominium, apartment, or other residential dwelling unit, including each separate living area within a half-plex, duplex, triplex, fourplex, or other residential structure.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, beginning with Fiscal Year 2022-23, all Taxable Property within CFD No. 63 shall be classified as Developed Property, Final Mapped Property, Taxable Public Property, Taxable Property Owner Association Property, or Undeveloped Property and shall be subject to Special Taxes in accordance with the Rate and Method of Apportionment as determined pursuant to Sections C and D below. Assessor's Parcels of Developed Property shall be further classified as Single Family Detached Property or Single Family Attached Property, Other Residential Property, or Non-Residential Property. Assessor's Parcels of Single Family Detached Property shall be assigned to Land Use Classes 1 through 5 and Assessor's Parcels of Single Family Attached Property shall be assigned to Land Use Classes 6 through 10, as listed in Table 1 below based on the Residential Floor Area of the Units on such Assessor's Parcels. Other Residential Property shall be assigned to Land Use Class 11, and Non-Residential Property shall be assigned to Land Use Class 12.

C. MAXIMUM SPECIAL TAX

1. Special Tax

At least 30 days prior to the issuance of Bonds, the Assigned Special Tax on Developed Property (set forth in Table 1 below) shall be analyzed in accordance with and subject to the conditions set forth in this Section C. At such time, CFD No. 63 shall select and engage a Price Point Consultant and the CFD Administrator shall request the Price Point Consultant to prepare a Price Point Study setting forth the Minimum Sale Price of Units within each Land Use Class. If based upon such Price Point Study the CFD Administrator calculates that the Total Tax Burden applicable to Units within one or more Land Use Classes of Single Family Property to be constructed within CFD No. 63 exceeds 1.95% of the Minimum Sale Price of such Units, the Assigned Special Tax shall be reduced to the extent necessary to cause the Total Tax Burden that shall apply to Units within such Land Use Class(es) not to exceed 1.95% of the Minimum Sale Price of such Units.

Each Assigned Special Tax reduction for a Land Use Class shall be calculated by the CFD Administrator separately, and it shall not be required that such reduction be proportionate among Land Use Classes. In connection with any reduction in the Assigned Special Tax, the Backup Special Tax shall also be reduced by the CFD Administrator based on the percentage reduction in Maximum Special Tax revenues within the Tentative Tract Map area(s) where the Assigned Special Tax reductions occurred. Upon determining the reductions, if any, in the Assigned Special Tax and Backup Special Tax required pursuant to this Section C, the CFD Administrator shall complete the Certificate of Modification of Special Tax substantially in the form attached hereto as Exhibit 1 (the "Certificate of Modification"), shall execute such completed Certificate of Modification, and shall deliver such executed Certificate of Modification to CFD No. 63. Upon receipt thereof, if in satisfactory form, CFD No. 63 shall execute such Certificate of Modification. The reduced Assigned Special Tax and Backup Special Tax specified in such Certificate of Modification shall become effective upon the execution of such Certificate of Modification by CFD No. 63.

The Special Tax reductions required pursuant to this section shall be reflected in an amended notice of Special Tax lien, which CFD No. 63 shall cause to be recorded with the County Recorder as soon as practicable after execution of the Certificate of Modification by CFD No. 63. The reductions in this section apply to Single Family Property, but not to Other Residential Property or Non-Residential Property.

a. Developed Property

1) *Maximum Special Tax*

The Maximum Special Tax that may be levied in any Fiscal Year for each Assessor's Parcel classified as Developed Property shall

be the greater of (i) the amount derived by application of the Assigned Special Tax or (ii) the amount derived by application of the Backup Special Tax. The Maximum Special Tax shall not increase in future years, other than as calculated pursuant to Section C.1.a.3 below.

2) *Assigned Special Tax*

The Assigned Special Tax that may be levied in any Fiscal Year for each Land Use Class is shown below in Table 1.

TABLE 1
ASSIGNED SPECIAL TAX – DEVELOPED PROPERTY

Land Use Class	Description	Residential Floor Area (Square Footage)	Assigned Special Tax
1	Single Family Detached Property	< 2,001	$3,583 per Unit
2	Single Family Detached Property	2,001 – 2,200	$3,831 per Unit
3	Single Family Detached Property	2,201 – 2,400	$3,986 per Unit
4	Single Family Detached Property	2,401 – 2,600	$4,296 per Unit
5	Single Family Detached Property	> 2,600	$4,400 per Unit
6	Single Family Attached Property	< 1,301	$2,811 per Unit
7	Single Family Attached Property	1,301 – 1,450	$3,060 per Unit
8	Single Family Attached Property	1,451 – 1,600	$3,226 per Unit
9	Single Family Attached Property	1,601 – 1,750	$3,433 per Unit
10	Single Family Attached Property	> 1,750	$3,682 per Unit
11	Other Residential Property		$71,302 per Acre
12	Non-Residential Property		$71,302 per Acre

3) Backup Special Tax

The Backup Special Tax shall be $4,038 per Unit for Single Family Detached Property and $3,249 for Single Family Attached Property. However, if the Expected Residential Lot Count does not equal 87 for Single Family Detached Property or 137 for Single Family Attached Property, and the City has not issued Bonds, then the Backup Special Tax for Designated Buildable Lots of Single Family Property shall be calculated separately for Single Family Detached Property and Single Family Attached Property according to the following formula:

Backup Special Tax = $351,277 ÷ Expected Residential Lot Count for Single Detached Family Property

or $445,092 ÷ Expected Residential Lot Count for Single Attached Family Property

If any portion of a Final Subdivision Map, or any area expected by CFD No. 63 to become Final Mapped Property, such as the area within TTM 20265, or any other Tentative Tract Map, changes any time after the City has issued Bonds, causing an adjustment to the number of Designated Buildable Lots, then the Backup Special Tax for all Designated Buildable Lots of Single Family Detached Property and Single Family Attached Property subject to the change shall be calculated according to the following steps:

Step 1: Determine the total Backup Special Tax that could have been collected from Designated Buildable Lots, separately for Single Family Detached Property and Single Family Attached Property, prior to the Final Subdivision Map or expected Final Mapped Property change.

Step 2: Divide the amount determined in Step 1 by the number of Designated Buildable Lots, separately for Single Family Detached Property and Single Family Attached Property, that exists after the Final Subdivision Map or expected Final Mapped Property change.

Step 3: Apply the amount determined in Step 2 as the Backup Special Tax per Unit for Single Family Detached Property and Single Family Attached Property.

The Backup Special Tax for an Assessor's Parcel shall not change once an Assessor's Parcel is classified as Developed Property.

b. Final Mapped Property, Taxable Public Property, Taxable Property Owner Association Property, and Undeveloped Property

The Maximum Special Tax for Final Mapped Property, Taxable Public Property, Taxable Property Owner Association Property, and Undeveloped Property shall be $71,302 per Acre, and shall not be subject to increase or reduction and, therefore, shall remain the same in every Fiscal Year.

2. Multiple Land Use Classes on an Assessor's Parcel

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax levied on such Assessor's Parcel shall be the sum of the Maximum Special Tax for all Units of Single Family Property and Acres of Other Residential Property and Non-Residential Property (based on the pro rata share of Square Footage between Other Residential Property and Non-Residential Property, according to the applicable building permits, Final Subdivision Map, parcel map, condominium plan, or other recorded County map) located on that Assessor's Parcel.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Each Fiscal Year, beginning with Fiscal Year 2022-23, the CFD Administrator shall determine the Special Tax Requirement for such Fiscal Year. The Special Tax shall then be levied as follows:

First: If needed to satisfy the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property up to 100% of the applicable Assigned Special Tax;

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Final Mapped Property up to 100% of the Maximum Special Tax for Final Mapped Property;

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for Undeveloped Property;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Developed Property whose Maximum Special Tax is determined through the application of the Backup Special Tax shall be increased Proportionately from the Assigned Special Tax up to the Maximum Special Tax for each such Assessor's Parcel;

Fifth: If additional monies are needed to satisfy the Special Tax Requirement after the first four steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Property Owner Association Property up to the Maximum Special Tax for Taxable Property Owner Association Property;

Sixth: If additional monies are needed to satisfy the Special Tax Requirement after the first five steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property up to the Maximum Special Tax for Taxable Public Property.

Notwithstanding the above, under no circumstances shall the Special Tax levied in any Fiscal Year on any Assessor's Parcel of Single Family Property or Other Residential Property for which an occupancy permit for private residential use has been issued be increased as a result of delinquency or default by the owner or owners of any other Assessor's Parcel or Assessor's Parcels within CFD No. 63 by more than ten percent above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

E. EXEMPTIONS

No Special Tax shall be levied on up to 3.23 Acres of Public Property and up to 5.45 Acres of Property Owner Association Property. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property becomes Public Property or Property Owner Association Property.

Property Owner Association Property or Public Property that is not exempt from the Special Tax under this section shall be subject to the levy of the Special Tax and shall be taxed Proportionately as part of the fifth or sixth step, respectively, in Section D above, up to 100% of the applicable Maximum Special Tax for Taxable Property Owner Association Property and Taxable Public Property. No Special Tax shall be levied in any Fiscal Year on Assessor's Parcels that have fully prepaid the Special Tax obligation pursuant to the formula set forth in Section H.

No Special Tax shall be levied on Lower Income Household Welfare Exemption Property; provided, however, that if, in any Fiscal Year, applicable law does not require that Lower Income Household Welfare Exemption Property be exempt from some portion, or all, of the Special Tax, such portion, or all, of the Special Tax shall be levied on such property in accordance with this Rate and Method of Apportionment based on the Land Use Class to which the Assessor's Parcel is assigned.

F. APPEALS

Any property owner may file a written appeal of the Special Tax with CFD No. 63 claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Tax that is disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made.

The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD Administrator's decision relative to the appeal, the owner may then file a written appeal with the City Council whose subsequent decision shall be final and binding on all interested parties. If the decision of the CFD Administrator or subsequent decision by the City Council requires the Special Tax to be modified or changed in favor of the property owner, then the CFD Administrator shall

determine if sufficient Special Tax revenue is available to make a cash refund. If a cash refund cannot be made, then an adjustment shall be made to credit future Special Tax levy(ies).

This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

G. MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that the Special Tax may be collected in such other manner as the City Council shall determine, including direct billing of affected property owners.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

"CFD Public Facilities" means $11,150,000 for each Prepayment Period, or such lower number as determined by the City Council to be sufficient to fund the Facilities and Services to be provided by CFD No. 63.

"Expenditures Fund" means funds or accounts, regardless of their names, that are established to hold moneys that are available to acquire or construct Facilities and to fund Services.

"Future Facilities Costs" means the CFD Public Facilities minus (i) Facilities and Services costs previously paid from the Expenditures Fund during the Prepayment Period in which the prepayment is being made, (ii) moneys currently on deposit in the Expenditures Fund from deposits made during the Prepayment Period in which the prepayment is being made, and (iii) moneys currently on deposit in an escrow fund that are expected to be available to finance Facilities costs. In no event shall the amount of Future Facilities Costs be less than zero.

"Prepayment Period" means one of three periods of time during which a Special Tax prepayment may be made.

"Prepayment Period 1" means July 1, 2022, through June 30, 2056.

"Prepayment Period 2" means July 1, 2056, through June 30, 2089.

"Prepayment Period 3" means July 1, 2089, through June 30, 2123.

1. Prepayment in Full

The obligation of an Assessor's Parcel to pay the Special Tax may be prepaid as described herein, provided that a prepayment may be made only for Assessor's Parcels for which a building permit for new construction was issued after January

1, 2021, and only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the CFD Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD Administrator shall notify such owner of the prepayment amount for such Assessor's Parcel. The CFD Administrator may charge a fee for providing this service. Prepayment in any six month period must be made not less than 45 days prior to the next occurring date that notice of redemption of Bonds from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture.

The Special Tax Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

Bond Redemption Amount	
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance Amount
plus	Administrative Fees and Expenses
less	Reserve Fund Credit
Total	Prepayment Amount

As of the proposed date of prepayment, the Special Tax Prepayment Amount (defined below) shall be calculated by the CFD Administrator as follows:

Paragraph No.

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel, and determine the Prepayment Period for the proposed prepayment.

2. Compute the Assigned Special Tax and Backup Special Tax for the Assessor's Parcel to be prepaid based on the Developed Property Special Tax which is, or could be, charged in the current Fiscal Year. For Assessor's Parcels of Final Mapped Property (for which a building permit has been issued but which is not yet classified as Developed Property) to be prepaid, compute the Assigned Special Tax and Backup Special Tax for that Assessor's Parcel as though it was already designated as Developed Property, based upon the building permit which has already been issued for that Assessor's Parcel.

3. (a) Divide the Assigned Special Tax computed pursuant to Paragraph 2 by the total estimated Assigned Special Tax for CFD No. 63 based on the Developed Property Special Tax which could be charged in the current Fiscal Year on all expected development through buildout of CFD No. 63, excluding any Assessor's Parcels which have been prepaid, and

   (b) Divide the Backup Special Tax computed pursuant to Paragraph 2 by the estimated total Backup Special Tax at buildout of CFD No. 63, excluding any Assessor's Parcels which have been prepaid.

4. Multiply the larger quotient computed pursuant to Paragraph 3(a) or 3(b) by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").

5. Multiply the Bond Redemption Amount computed pursuant to Paragraph 4 by the applicable redemption premium (e.g., the redemption price minus 100%), if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").

6. Compute the Future Facilities Costs for the applicable Prepayment Period.

7. Multiply the larger quotient computed pursuant to Paragraph 3(a) or 3(b) by the amount determined pursuant to Paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Amount").

8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.

9. Determine the Special Tax levied on the Assessor's Parcel in the current Fiscal Year which has not yet been paid.

10. Add the amounts computed pursuant to Paragraphs 8 and 9 to determine the "Defeasance Amount".

11. Verify the administrative fees and expenses of CFD No. 63, including the costs to compute the prepayment, the costs to invest the prepayment proceeds, the costs to redeem Bonds, and the costs to record any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").

12. If reserve funds for the Outstanding Bonds, if any, are at or above 100% of the reserve requirement (as defined in the Indenture) on the prepayment date, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the "Reserve Fund Credit"). No Reserve Fund Credit shall be granted if reserve funds are below 100% of the reserve requirement on the prepayment date or the redemption date.

13. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Paragraphs 4, 5, 7, 10, and 11, less the amount computed pursuant to Paragraph 12 (the "Prepayment Amount").

14. From the Prepayment Amount, the amounts computed pursuant to Paragraphs 4, 5, 10, and 12 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to Paragraph 7 shall be deposited into the Expenditures Fund. The amount computed pursuant to Paragraph 11 shall be retained by CFD No. 63.

The Special Tax Prepayment Amount may be sufficient to redeem other than a $5,000 increment of Bonds. In such cases, the increment above $5,000, or integral multiple thereof, will be retained in the appropriate fund established under the Indenture to be used with the next prepayment of Bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined under Paragraph 9 (above), the CFD Administrator shall remove the current Fiscal Year's Special Tax levy for such Assessor's Parcel from the County tax rolls. With respect to any Assessor's Parcel that is prepaid during Prepayment Period 3, the CFD Administrator shall cause a suitable notice to be recorded in compliance with the Act to indicate that the Special Tax has been prepaid and that the obligation of such Assessor's Parcel to pay the Special Tax shall cease.

With respect to the Special Tax for any Assessor's Parcel that is prepaid during Prepayment Period 1 or Prepayment Period 2, the obligation of such Assessor's Parcel to pay the Special Tax shall be tolled, or suspended, through the end of such Prepayment Period, but shall resume in the first Fiscal Year of the subsequent Prepayment Period. The CFD Administrator shall cause a suitable notice to be recorded in compliance with the Act to indicate that the Special Tax has been satisfied for the remainder of the applicable Prepayment Period but has not been permanently satisfied and the obligation to pay the Special Tax will resume in the first Fiscal Year of the Prepayment Period following the Prepayment Period in which the prepayment was made. Once the obligation of an Assessor's Parcel to pay the Special Tax resumes, the Special Tax for the then applicable Prepayment Period may be prepaid.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the amount of the Maximum Special Tax that may be levied on Taxable Property within CFD No. 63 (after excluding 3.23 Acres of Public Property and 5.45 acres of Property Owner Association Property) both prior to and after the proposed prepayment is at least 1.1 times the maximum annual debt service on all Outstanding Bonds.

2. Prepayment in Part

The Special Tax on an Assessor's Parcel for which a building permit for new construction was issued after January 1, 2021, may be partially prepaid. The amount of the prepayment shall be calculated as in Section H.1, except that a partial prepayment shall be calculated by the CFD Administrator according to the following formula:

$$PP = (PF - AE) \times \% + AE.$$

The terms above have the following meaning:

PP = the partial prepayment
PF = the Prepayment Amount (full prepayment) for the Special Tax calculated according to Section H.1
AE = the Administrative Fees and Expenses determined pursuant to paragraph 11 above
% = the percentage by which the owner of the Assessor's Parcel(s) is partially prepaying the Special Tax

The Special Tax partial prepayment amount must be sufficient to redeem at least a $5,000 increment of Bonds.

The owner of any Assessor's Parcel who desires such prepayment shall notify the CFD Administrator of such owner's intent to partially prepay the Special Tax and the percentage by which the Special Tax shall be prepaid. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Special Tax for an Assessor's Parcel within thirty (30) days of the request and may charge a fee for providing this service. With respect to any Assessor's Parcel that is partially prepaid, the CFD Administrator shall (i) distribute the remitted prepayment funds according to Section H.1, and (ii) indicate in the records of CFD No. 63 that there has been a partial prepayment of the Special Tax and that a portion of the Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage (100% - "%", as defined above) of the Maximum Special Tax, shall continue to be levied on such Assessor's Parcel pursuant to Section D during the Prepayment Period in which the partial prepayment is made.

For partial prepayments made during Prepayment Period 1 or Prepayment Period 2, the full amount of the Special Tax shall resume in the first Fiscal Year of the Prepayment Period following the Prepayment Period in which the partial prepayment was made. Once the obligation of an Assessor's Parcel to pay the Special Tax resumes, the Special Tax for the then applicable Prepayment Period may be prepaid.

I. TERM OF SPECIAL TAX

The Fiscal Year after which no further Special Tax shall be levied or collected is Fiscal Year 2122-2123, except that the Special Tax that was lawfully levied in or before such Fiscal Year and that remains delinquent may be collected in subsequent years.

EXHIBIT 1

CERTIFICATE OF MODIFICATION OF SPECIAL TAX
(PAGE 1 OF 2)

CITY OF ONTARIO AND CFD NO. 63 CERTIFICATE

1. Pursuant to Section C.1 of the Rate and Method of Apportionment of Special Tax (the "Rate and Method") for City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities) ("CFD No. 63"), the Assigned Special Tax and the Backup Special Tax for Developed Property within CFD No. 63 has been modified.

    a. The information in Table 1 relating to the Assigned Special Tax for Developed Property within CFD No. 63, as stated in Section C.1.a.2 of the Rate and Method of Apportionment, has been modified as follows:

TABLE 1
ASSIGNED SPECIAL TAX – DEVELOPED PROPERTY

Land Use Class	Description	Residential Floor Area (Square Footage)	Assigned Special Tax
1	Single Family Detached Property	< 2,001	$[ ] per Unit
2	Single Family Detached Property	2,001 – 2,200	$[ ] per Unit
3	Single Family Detached Property	2,201 – 2,400	$[ ] per Unit
4	Single Family Detached Property	2,401 – 2,600	$[ ] per Unit
5	Single Family Detached Property	> 2,600	$[ ] per Unit
6	Single Family Attached Property	< 1,301	$[ ] per Unit
7	Single Family Attached Property	1,301 – 1,450	$[ ] per Unit
8	Single Family Attached Property	1,451 – 1,600	$[ ] per Unit
9	Single Family Attached Property	1,601 – 1,750	$[ ] per Unit
10	Single Family Attached Property	> 1,750	$[ ] per Unit
11	Other Residential Property		$[ ] per Acre
12	Non-Residential Property		$[ ] per Acre

    b. The Backup Special Tax for Developed Property, as stated in Section C.1.a.3, shall be modified as follows:

EXHIBIT 1

CERTIFICATE OF MODIFICATION OF SPECIAL TAX
(PAGE 2 OF 2)

The Backup Special Tax shall be $[____] per Unit for Single Family Detached Property and $[____] per Unit for Single Family Attached Property. However, if the Expected Residential Lot Count does not equal 87 for Single Family Detached Property or 137 for Single Family Attached Property, and the City has not issued Bonds, then the Backup Special Tax for Designated Buildable Lots of Single Family Property shall be calculated separately for Single Family Detached Property and Single Family Attached Property according to the following formula:

Backup Special Tax = $[_____] ÷ Expected Residential Lot Count for Single Family Detached Property

or $[_____] ÷ Expected Residential Lot Count for Single Family Attached Property

2. The Special Tax for Developed Property may only be modified prior to the first issuance of CFD No. 63 Bonds.

3. Upon execution of this certificate by CFD No. 63, CFD No. 63 shall cause an amended notice of Special Tax lien for CFD No. 63 to be recorded reflecting the modifications set forth herein.

Capitalized undefined terms used herein have the meanings ascribed thereto in the Rate and Method. The modifications set forth in this Certificate have been calculated by the CFD Administrator in accordance with the Rate and Method.

GOODWIN CONSULTING GROUP, INC.
CFD ADMINISTRATOR

By:_____ Date:_____

The undersigned acknowledges receipt of this Certificate and of the modification of the Assigned Special Tax and Backup Special Tax for Developed Property as set forth in this Certificate.

CITY OF ONTARIO
COMMUNITY FACILITIES DISTRICT NO. 63
(OLIVE AND OLEANDER FACILITIES)

By:_____ Date:_____

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, DEEMING IT NECESSARY TO INCUR BONDED INDEBTEDNESS WITHIN THE CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 63 (OLIVE AND OLEANDER FACILITIES).

WHEREAS, on March 15, 2022, the City Council (the "City Council") of the City of Ontario (the "City"), pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act"), adopted a resolution entitled "A Resolution of the City Council of the City of Ontario, California, of Intention to Establish a Community Facilities District, Proposed to be Named City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities), and to Authorize the Levy of Special Taxes" stating its intention to establish City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities) (the "Community Facilities District") and to authorize the levy of special taxes within the Community Facilities District to finance certain public facilities and services; and

WHEREAS, on March 15, 2022, the City Council also adopted a resolution entitled "A Resolution of the City Council of the City of Ontario, California, to Incur Bonded Indebtedness of the Proposed City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities)" (the "Resolution to Incur Bonded Indebtedness") declaring the necessity for incurring bonded indebtedness and setting the date for a public hearing to be held on the proposed debt issue; and

WHEREAS, pursuant to the Resolution to Incur Bonded Indebtedness, notice of said public hearing was published in the *Inland Valley Daily Bulletin*, a newspaper of general circulation published in the area of the Community Facilities District, in accordance with the Act; and

WHEREAS, on this date, the City Council opened, conducted and closed said public hearing; and

WHEREAS, at said public hearing, any person interested, including persons owning property within the area and desiring to appear and present any matters material to the questions set forth in the Resolution to Incur Bonded Indebtedness appeared and presented such matters; and

WHEREAS, oral or written protests against the proposed debt issue were not made or filed at or before said public hearing by 50% or more of the registered voters, or six registered voters, whichever is more, residing within the territory proposed to be included in the Community Facilities District, or the owners of one-half or more of the area of land in the territory proposed to be included in the Community Facilities District and not exempt from the special tax; and

WHEREAS, on this date, the City Council adopted a resolution entitled "A Resolution of the City Council of the City of Ontario, California, of Formation of the City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities),

Authorizing the Levy of a Special Tax within the Community Facilities District and Establishing an Appropriations Limit for the Community Facilities District" (the "Resolution of Formation"); and

WHEREAS, the City Clerk of the City (the "City Clerk") is the election official that will conduct the special election on the proposition to incur bonded indebtedness for the Community Facilities District; and

WHEREAS, there has been filed with the City Clerk a letter from the Registrar of Voters of the County of San Bernardino indicating that no persons were registered to vote within the territory of the proposed Community Facilities District as of March 17, 2022, and, accordingly, that 12 or more persons have not been registered to vote within the territory of the Community Facilities District for each of the 90 days preceding the close of said public hearing; and

WHEREAS, there has been filed with the City Clerk consents and waivers of all of the landowners of record in the Community Facilities District waiving any time limit specified by Section 53326 of the Act and any requirement pertaining to the conduct of said special election, including any time limit or requirement applicable to an election pursuant to Article 5 of the Act (commencing with Section 53345 of the Act), consenting to the holding of said special election on May 3, 2022, and waiving any impartial analysis, arguments or rebuttals, as set forth in Sections 53326 and 53327 of the Act; and

WHEREAS, the City Clerk has concurred in said waivers and has concurred in holding said special election on May 3, 2022.

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

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. The City Council deems it necessary to incur the bonded indebtedness.

SECTION 3. The bonded indebtedness will be incurred for the purpose of financing the costs of the Facilities (as defined in the Resolution of Formation), including all costs and estimated costs incidental to, or connected with, the accomplishment of such purpose.

SECTION 4. In accordance with the previous determination of the City Council, the whole of the Community Facilities District will pay for the bonded indebtedness.

SECTION 5. The maximum aggregate amount of debt to be incurred is $38,000,000.

SECTION 6. The maximum term the bonds to be issued shall run before maturity is 40 years.

SECTION 7. The maximum annual rate of interest to be paid shall not exceed the maximum interest rate permitted by applicable law at the time of sale of the bonds, payable semiannually or at such times as the City Council or its designee shall determine, the actual rate or rates and times of payment of such interest to be determined by the City Council or its designee at the time or times of sale of the bonds.

SECTION 8. The proposition to incur the bonded indebtedness will be submitted to the voters.

SECTION 9. The City Council hereby finds and determines that no persons were registered to vote within the territory of the proposed Community Facilities District as of March 17, 2022, and that 12 or more persons have not been registered to vote within the territory of the Community Facilities District for each of the 90 days preceding the close of the public hearings held by the City Council on the proposed debt issue for the Community Facilities District. Accordingly, pursuant to Section 53326 of the Act, the vote shall be by the landowners of the Community Facilities District and each person who is the owner of land as of the close of said public hearings, or the authorized representative thereof, shall have one vote for each acre or portion of an acre that he or she owns within the Community Facilities District not exempt from the special tax.

SECTION 10. The City Council hereby finds and determines that the qualified electors of the Community Facilities District have unanimously consented (a) to the waiver of any time limit specified by Section 53326 of the Act and any requirement pertaining to the conduct of said election, including any time limit or requirement applicable to an election pursuant to Article 5 of the Act (commencing with Section 53345 of the Act), and (b) to the holding of said election on May 3, 2022. The City Council hereby finds and determines that the City Clerk has concurred in said waivers and has concurred in holding said election on May 3, 2022.

SECTION 11. The date of the special community facilities district election (which shall be consolidated with the special district election to levy a special tax within the Community Facilities District) at which time the proposition shall be submitted to the voters is May 3, 2022.

SECTION 12. The election is to be conducted by mail ballot. The mailed ballots are required to be received in the office of the City Clerk no later than 7:30 p.m. on May 3, 2022; provided, however, that if all of the qualified electors have voted prior to such time, the election may be closed with the concurrence of the City Clerk.

SECTION 13. All actions heretofore taken by the officers, employees and agents of the City with respect to the incurrence of bonded indebtedness, or in connection with or related to any of the matters referred to herein, are hereby approved, confirmed and ratified.

SECTION 14. The officers, employees and agents of the City are hereby authorized and directed to take all actions and do all things which they, or any of them, may deem necessary or desirable to accomplish the purposes of this Resolution and not inconsistent with the provisions hereof.

SECTION 15. This Resolution shall take effect immediately upon its adoption.

The City Clerk of the City of Ontario shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 3rd day of May 2022.

_____
PAUL S. LEON, MAYOR

ATTEST:

_____
SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

_____
BEST BEST & KRIEGER, LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2022- was duly passed and adopted by the City Council of the City of Ontario at their regular meeting held May 3, 2022 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2022- duly passed and adopted by the Ontario City Council at their regular meeting held May 3, 2022.

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, CALLING SPECIAL ELECTION FOR CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 63 (OLIVE AND OLEANDER FACILITIES).

WHEREAS, on this date, the City Council (the "City Council") of the City of Ontario (the "City"), pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act"), adopted a resolution entitled "A Resolution of the City Council of the City of Ontario, California, of Formation of the City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities), Authorizing the Levy of a Special Tax within the Community Facilities District and Establishing an Appropriations Limit for the Community Facilities District" (the "Resolution of Formation"), establishing City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities) (the "Community Facilities District"), authorizing the levy of a special tax within the Community Facilities District and establishing an appropriations limit for the Community Facilities District; and

WHEREAS, on this date, the City Council also adopted a resolution entitled "A Resolution of the City Council of the City of Ontario, California, Deeming it Necessary to Incur Bonded Indebtedness within the City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities)" (the "Resolution Deeming it Necessary to Incur"), deeming it necessary to incur bonded indebtedness in the maximum amount of $38,000,000; and

WHEREAS, pursuant to the provisions of said resolutions, the propositions to incur bonded indebtedness, to levy a special tax within the Community Facilities District and to establish an appropriations limit for the Community Facilities District are to be submitted to the qualified electors of the Community Facilities District as required by the Act; and

WHEREAS, the City Council desires to designate the City Clerk of the City (the "City Clerk") as the election official for the special election provided for herein; and

WHEREAS, there has been filed with the City Clerk a letter from the Registrar of Voters of the County of San Bernardino indicating that no persons were registered to vote within the territory of the proposed Community Facilities District as of March 17, 2022, and, accordingly, that 12 or more persons have not been registered to vote within the territory of the Community Facilities District for each of the 90 days preceding the close of the public hearings on the establishment of the Community Facilities District and the proposed debt issue for the Community Facilities District; and

WHEREAS, there has been filed with the City Clerk consents and waivers of all of the landowners of record in the Community Facilities District waiving any time limit specified by Section 53326 of the Act and any requirement pertaining to the conduct of said special election, including any time limit or requirement applicable to an election pursuant to Article 5 of the Act (commencing with Section 53345 of the Act), consenting to the holding of said special election on May 3, 2022 and waiving any impartial analysis, arguments or rebuttals, as set forth in Sections 53326 and 53327 of the Act; and

WHEREAS, the City Clerk has concurred in said waivers and has concurred in holding said special election on May 3, 2022.

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

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. Pursuant to Sections 53351, 53326 and 53325.7 of the Act, the propositions to incur bonded indebtedness, to levy a special tax within the Community Facilities District and to establish an appropriations limit for the Community Facilities District shall be submitted to the qualified electors of the Community Facilities District at an election called therefor as provided below.

SECTION 3. The City Clerk is hereby designated as the official to conduct said election.

SECTION 4. As authorized by Section 53353.5 of the Act, the propositions to incur bonded indebtedness, to levy a special tax within the Community Facilities District and to establish an appropriations limit for the Community Facilities District shall be combined into one ballot proposition.

SECTION 5. The City Council hereby finds and determines that no persons were registered to vote within the territory of the proposed Community Facilities District as of March 17, 2022, and that 12 or more persons have not been registered to vote within the territory of the Community Facilities District for each of the 90 days preceding the close of the public hearings heretofore held by the City Council on the establishment of the Community Facilities District and the proposed debt issue for the Community Facilities District. Accordingly, pursuant to Section 53326 of the Act, the vote shall be by the landowners of the Community Facilities District and each person who is the owner of land as of the close of said public hearings, or the authorized representative thereof, shall have one vote for each acre or portion of an acre that he or she owns within the Community Facilities District not exempt from the special tax.

SECTION 6. The City Council hereby finds and determines that the qualified electors of the Community Facilities District have unanimously consented (a) to the waiver of any time limit specified by Section 53326 of the Act and any requirement pertaining to the conduct of said election, including any time limit or requirement applicable to an election pursuant to Article 5 of the Act (commencing with Section 53345 of the Act), (b) to the holding of said election on May 3, 2022, and (c) to the waiver of any impartial analysis, arguments or rebuttals, as set forth in Sections 53326 and 53327 of the Act. The City Council herby finds and determines that the City Clerk has concurred in said waivers and has concurred in holding said election on May 3, 2022.

SECTION 7. The City Council hereby calls a special election to submit to the qualified electors of the Community Facilities District the combined proposition to incur bonded indebtedness, to levy a special tax within the Community Facilities District and to

establish an appropriations limit for the Community Facilities District, which election shall be held at 303 East B Street, Ontario, California, on May 3, 2022. The City Council has caused to be provided to the City Clerk, as the official to conduct said election, the Resolution of Formation, the Resolution of Deeming it Necessary to Incur, a certified map of sufficient scale and clarity to show the boundaries of the Community Facilities District, and a sufficient description to allow the City Clerk to determine the boundaries of the Community Facilities District.

The voted ballots shall be returned to the City Clerk not later than 7:30 p.m. on May 3, 2022; provided, however, that if all of the qualified electors have voted prior to such time, the election may be closed with the concurrence of the City Clerk.

SECTION 8. Pursuant to Section 53326 of the Act, the election shall be conducted by mail or hand-delivered ballot pursuant to Section 4000 *et. seq.* of the California Elections Code. Except as otherwise provided in the Act, the provisions of law regulating elections of the City, insofar as they may be applicable, will govern the election.

SECTION 9. The form of the ballot for said election is attached hereto as Exhibit A and by this reference incorporated herein, and such form of ballot is hereby approved. The City Clerk shall cause to be delivered to each of the qualified electors of the Community Facilities District a ballot in said form. Each ballot shall indicate the number of votes to be voted by the respective landowner to which it pertains.

Each ballot shall be accompanied by all supplies and written instructions necessary for the use and return of the ballot. The identification envelope for return of the ballot shall be enclosed with the ballot, shall have the return postage prepaid, and shall contain: (a) the name and address of the landowner, (b) a declaration, under penalty of perjury, stating that the voter is the owner of record or the authorized representative of the landowner entitled to vote and is the person whose name appears on the identification envelope, (c) the printed name, signature and address of the voter, (d) the date of signing and place of execution of the declaration described in clause (b) above, and (e) a notice that the envelope contains an official ballot and is to be opened only by the canvassing board.

Analysis and arguments with respect to the ballot proposition are hereby waived, as provided in Section 53327 of the Act.

SECTION 10. The City Clerk shall accept the ballots of the qualified electors in the office of the City Clerk at 303 East B Street, Ontario, California, to and including 7:30 p.m. on May 3, 2022, whether said ballots be personally delivered or received by mail. The City Clerk shall have available ballots which may be marked at said location on the election day by said qualified electors.

SECTION 11. The City Council hereby determines that the facilities and services financed by the Community Facilities District are necessary to meet increased demands placed upon local agencies as a result of development occurring in the Community Facilities District.

SECTION 12. The specific purposes of the bonded indebtedness proposed to be incurred is the financing of the Facilities (as defined in the Resolution of Formation), including all costs and estimated costs incidental to, or connected with, the accomplishment of such purpose, and the proceeds of such bonded indebtedness shall be applied only to such specific purposes.

Upon approval of the proposition to incur bonded indebtedness, and the sale of any bonds evidencing such indebtedness, the City Council shall take such action as may be necessary to cause to be established an account for deposit of the proceeds of sale of the bonds. For so long as any proceeds of the bonds remain unexpended, the Management Analyst, Financial Services of the City shall cause to be filed with the City Council, no later than January 1 of each year, a report stating (a) the amount of bond proceeds received and expended during the preceding year, and (b) the status of any project funded or to be funded from bond proceeds. Said report may relate to the calendar year, fiscal year, or other appropriate annual period, as the Management Analyst, Financial Services of the City shall determine, and may be incorporated into the annual budget, audit, or other appropriate routine report to the City Council.

SECTION 13. All actions heretofore taken by the officers, employees and agents of the City with respect to the special election called for herein, or in connection with or related to any of the matters referred to herein, are hereby approved, confirmed and ratified.

SECTION 14. The officers, employees and agents of the City are hereby authorized and directed to take all actions and do all things which they, or any of them, may deem necessary or desirable to accomplish the purposes of this Resolution and not inconsistent with the provisions hereof.

SECTION 15. This Resolution shall take effect immediately upon its adoption.

The City Clerk of the City of Ontario shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 3rd day of May 2022.

_____
PAUL S. LEON, MAYOR

ATTEST:

_____
SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

_____

BEST BEST & KRIEGER, LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2022- was duly passed and adopted by the City Council of the City of Ontario at their regular meeting held May 3, 2022 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2022- duly passed and adopted by the Ontario City Council at their regular meeting held May 3, 2022.

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

EXHIBIT A

OFFICIAL BALLOT

CITY OF ONTARIO
May 3, 2022

SPECIAL ELECTION

This ballot is for a special, landowner election. The number of votes to be voted pursuant to this ballot is ____.

INSTRUCTIONS TO VOTERS:

To vote on the measure, mark a cross (+ or X) in the voting square after the word "YES" or after the word "NO". All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Ontario and obtain another.

CITY OF ONTARIO
COMMUNITY FACILITIES DISTRICT NO. 63
(OLIVE AND OLEANDER FACILITIES)

MEASURE SUBMITTED TO VOTE OF VOTERS: Shall the City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities) (the "Community Facilities District") be authorized to incur bonded indebtedness in a maximum aggregate amount of not to exceed $38,000,000 and levy a special tax in order to finance certain facilities and services and shall the annual appropriations limit of the Community Facilities District be established in the amount of $38,000,000, all as specified in the Resolution entitled "A Resolution of the City Council of the City of Ontario, California, of Formation of the City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities), Authorizing the Levy of a Special Tax within the Community Facilities District and Establishing an Appropriations Limit for the Community Facilities District" and the Resolution entitled "A Resolution of the City Council of the City of Ontario, California, Deeming it Necessary to Incur Bonded Indebtedness within the City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities)," each adopted by the City Council of the City of Ontario on May 3, 2022?

Yes: ☐

No: ☐

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, DECLARING RESULTS OF SPECIAL ELECTION AND DIRECTING RECORDING OF NOTICE OF SPECIAL TAX LIEN.

WHEREAS, on May 3, 2022, the City Council (the "City Council") of the City of Ontario (the "City"), pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act"), adopted a resolution entitled "A Resolution of the City Council of the City of Ontario, California, Calling Special Election for City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities)" (the "Resolution Calling Election"), calling for a special election of the qualified electors within City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities) (the "Community Facilities District"); and

WHEREAS, pursuant to the terms of the Resolution Calling Election and the provisions of the Act, the special election was held on May 3, 2022; and

WHEREAS, the City Clerk of the City (the "City Clerk") has certified the canvass of the returns of the election and has filed a Canvass and Statement of Results of Election (the "Canvass"), a copy of which is attached hereto as Exhibit A.

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

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. The City Council has received, reviewed and hereby accepts the Canvass.

SECTION 3. The City Council hereby finds and declares that the ballot proposition submitted to the qualified electors of the Community Facilities District pursuant to the Resolution Calling Election has been passed and approved by such electors in accordance with Section 53328, Section 53355 and Section 53325.7 of the Act.

SECTION 4. The City Clerk is hereby directed to execute and cause to be recorded in the office of the County Recorder of the County of San Bernardino a notice of special tax lien in the form required by the Act, said recording to occur no later than fifteen days following adoption by the City Council of this Resolution.

SECTION 5. All actions heretofore taken by the officers, employees and agents of the City with respect to the special election, or in connection with or related to any of the matters referred to herein, are hereby approved, confirmed and ratified.

SECTION 6. The officers, employees and agents of the City are hereby authorized and directed to take all actions and do all things which they, or any of them, may deem necessary or desirable to accomplish the purposes of this Resolution and not inconsistent with the provisions hereof.

SECTION 7. This Resolution shall take effect immediately upon its adoption. The City Clerk of the City of Ontario shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 3rd day of May 2022.

_____
PAUL S. LEON, MAYOR

ATTEST:

_____
SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

_____
BEST BEST & KRIEGER, LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2022- was duly passed and adopted by the City Council of the City of Ontario at their regular meeting held May 3, 2022 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2022- duly passed and adopted by the Ontario City Council at their regular meeting held May 3, 2022.

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

EXHIBIT A

CITY OF ONTARIO
COMMUNITY FACILITIES DISTRICT NO. 63
(OLIVE AND OLEANDER FACILITIES)

CANVASS AND STATEMENT OF RESULTS OF ELECTION

I hereby certify that on May 3, 2022, I canvassed the returns of the special election held on May 3, 2022, for the City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities), that the total number of ballots cast in said Community Facilities District and the total number of votes cast for and against the proposition are as follows and that the totals as shown for and against the proposition are true and correct:

	Qualified Landowner Votes	Votes Cast	YES	NO
City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities) Special Election, May 3, 2022	22	___	___	___

MEASURE SUBMITTED TO VOTE OF VOTERS: Shall the City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities) (the "Community Facilities District") be authorized to incur bonded indebtedness in a maximum aggregate amount of not to exceed $38,000,000 and levy a special tax in order to finance certain facilities and services and shall the annual appropriations limit of the Community Facilities District be established in the amount of $38,000,000, all as specified in the Resolution entitled "A Resolution of the City Council of the City of Ontario, California, of Formation of the City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities), Authorizing the Levy of a Special Tax within the Community Facilities District and Establishing an Appropriations Limit for the Community Facilities District" and the Resolution entitled "A Resolution of the City Council of the City of Ontario, California, Deeming it Necessary to Incur Bonded Indebtedness within the City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities)," each adopted by the City Council of the City of Ontario on May 3, 2022?

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND this 3rd day of May 2022.

BY: _____
SHEILA MAUTZ, CITY CLERK

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, LEVYING SPECIAL TAXES WITHIN THE CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 63 (OLIVE AND OLEANDER FACILITIES).

WHEREAS, on March 15, 2022, the City Council (the "City Council") of the City of Ontario (the "City"), pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act"), adopted a resolution entitled "A Resolution of the City Council of the City of Ontario, California, of Intention to Establish a Community Facilities District, Proposed to be Named City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities), and to Authorize the Levy of Special Taxes" stating its intention to establish City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities) (the "Community Facilities District") and to finance certain public facilities (the "Facilities") and services (the "Services"); and

WHEREAS, on April 19, 2022, the City Council opened a noticed public hearing on the establishment of the Community Facilities District, as required by the Act, and continued the public hearing to May 3, 2022; and

WHEREAS, subsequent to the close of said hearing, the City Council adopted resolutions entitled "A Resolution of the City Council of the City of Ontario, California, of Formation of the City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities), Authorizing the Levy of a Special Tax within the Community Facilities District and Establishing an Appropriations Limit for the Community Facilities District" (the "Resolution of Formation"), "A Resolution of the City Council of the City of Ontario, California, Deeming it Necessary to Incur Bonded Indebtedness within the City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities)" and "A Resolution of the City Council of the City of Ontario, California, Calling Special Election for City of Ontario Community Facilities District No. 63 (Olive and Oleander Facilities)", which resolutions established the Community Facilities District, authorized the levy of a special tax within the Community Facilities District and called an election within the Community Facilities District on the proposition of incurring indebtedness, levying a special tax within the Community Facilities District and establishing an appropriations limit for the Community Facilities District, respectively; and

WHEREAS, on May 3, 2022, an election was held in which the qualified electors of the Community Facilities District approved said proposition by more than the two-thirds vote required by the Act.

THE CITY COUNCIL OF THE CITY OF ONTARIO DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Council hereby authorizes and levies special taxes within the Community Facilities District pursuant to Sections 53328 and 53340 of the Act, at the rate and in accordance with the method of apportionment set forth in Exhibit B to

the Resolution of Formation (the "Rate and Method of Apportionment"). The special taxes are hereby levied commencing in fiscal year 2022-23 and in each fiscal year thereafter until the last fiscal year in which such special taxes are authorized to be levied pursuant to the Rate and Method of Apportionment.

SECTION 2. The City Council may, in accordance with subdivision (b) of Section 53340 of the Act, provide, by resolution, for the levy of the special tax in future tax years at the same rate or at a lower rate than the rate provided by this Ordinance. In no event shall the special tax be levied on any parcel within the Community Facilities District in excess of the maximum tax specified therefor in the Rate and Method of Apportionment.

SECTION 3. The special tax shall be levied on all of the parcels in the Community Facilities District, unless exempted by law or by the Rate and Method of Apportionment.

SECTION 4. The proceeds of the special tax shall only be used to pay, in whole or in part, the cost of providing the Facilities and Services and incidental expenses pursuant to the Act.

SECTION 5. The special tax shall be collected in the same manner as ordinary *ad valorem* property taxes are collected and shall be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for *ad valorem* taxes, unless another procedure is adopted by the City Council.

SECTION 6. If for any reason any portion of this Ordinance is found to be invalid, or if the special tax is found inapplicable to any particular parcel within the Community Facilities District, by a court of competent jurisdiction, the balance of this Ordinance and the application of the special tax to the remaining parcels within the Community Facilities District shall not be affected.

SECTION 7. The Mayor shall sign this Ordinance and the City Clerk shall certify as to the adoption and shall cause a summary thereof to be published at least once, in a newspaper of general circulation in the City of Ontario, California within fifteen (15) days of the adoption. The City Clerk shall post a certified copy of this ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with Government Code Section 36933.

PASSED, APPROVED, AND ADOPTED this _____ day of _____ 2022.

_____
PAUL S. LEON, MAYOR

ATTEST:

_____
SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

_____
BEST BEST & KRIEGER LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Ordinance No. _____ was duly introduced at a regular meeting of the City Council of the City of Ontario held _____ and adopted at the regular meeting held _____, 2022 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

I hereby certify that the foregoing is the original of Ordinance No. _____ duly passed and adopted by the Ontario City Council at their regular meeting held _____ and that Summaries of the Ordinance were published on _____ and _____, in the Inland Valley Daily Bulletin newspaper.

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)