

City of Isleton

Special City Council Staff Report

DATE: November 12 , 2024

ITEM#: 1D

CATEGORY: Accounts Payables

SUBJECT

Accounts Payables –

- City continue to pay outstanding bills
- Continue finding unresolved issues with several vendors.
- Developing a Profit and Loss statement
- City has now hired a CPA firm to assist with closing the books for 2021,2022 & 2023
- Continue working on the 2022,2023 and 2024 audits
-

RECOMMENDATION

ATTACHMENTS

- Long Term Debt
- Current Debt
- A/P Paid Invoices for October 2024

Reviewed by: Uyiosa Oviawe, City Manager _____

Submitted : Yvonne Zepeda, Deputy City Clerk _____

Prepared: Cristina Garcia 

Vendor Name	Dates	Original Amount	Balance Due	30 Days	60 Days	90+ Days	Current Amt Owed
1 Employment Development Dept	Interest & Penalties Accruing	June 2007-Current \$175,975.83	\$ 178,116.43			\$ 178,116.43	\$ 178,116.43
2 KS State Bank/First Capital Equipment Lease	Fire Truck / Dec 2020	Yearly/Dec 10th \$ 394,394.11	\$ 287,983.99	\$ 46,190.07			\$ 46,190.07
3 Kubota Credit Corp - LEASE	Kubota for the Sewer -Tractor ACH EVERY 27TH OF MONTH	11/27/23-10/27/28 \$ 26,983.05	\$ 21,402.20	\$ 507.35			\$ 507.35
4 Sacramento Sheriff Contract	Can be Semi-Annual of \$21875.00	Yearly X 8yrs/January \$ 2,407,500.00	\$ 427,534.05	\$ 427,534.05			\$ 427,534.05
5 Reclamation District 407	Past Due*** (Dec 1st we will owe \$11,413.80)	Yearly/June \$ 99,545.85	\$ 21,965.66	\$ 11,413.80			\$ 11,413.80
6 2012 Wastewater Revenue Bond/US Bank	Every Sept & March (Matures 3/1/2048)	Semi- Annual \$ 2,005,000.00	\$ 1,760,000.00			\$ 143,896.75	\$ 143,896.75
7 Red Tower Capital/Bridge Loan	Every 1st of Month/ 1yr term- Jan 1, 2025-Amortize \$525,000.00	Auto ACH Dec 2024 \$ 500,000.00	\$ 500,000.00	\$ 5,000.00			\$ 5,000.00
8 *Redevelopment	Suspended payments	\$ 1,366,205.00	\$ 1,366,205.00			\$ 1,366,205.00	\$ 1,366,205.00
* RDUSD	Part of the Redevelopment Amt. *\$	Due every Jan 1st \$ 198,034.00	\$ 217,928.12			\$ 217,928.12	\$ 217,928.12
9 Office of Emergency Serv/OES	ADVANCE - Which will be paid from FEMA Funds	One Time Fee \$ 506,517.30	\$ 506,517.30	\$ 506,517.30			\$ 506,517.30
10 Consolidated Engineering - Wilson Park	Should pay something monthly	\$ 329,170.00	\$ 22,233.17	\$		\$	\$ 22,233.17
	TOTALS	\$8,009,325.14	\$5,309,885.92	\$997,162.57	\$0.00	\$1,928,379.47	\$2,925,542.04

Current Outstanding Invoices
As of November 8, 2024

Vendor Name	Dates	Current	30 Days	60 Days	90+ Days	Total Amount
*Danger of being sent to collections and them no longer doing business with us, perhaps cash basis only!						
1 BSN SPORTS	6/15/2024				\$ 28,895.23	\$ 28,895.23
2 CALIFORNIA AMERICAN WATER	10/16/2024		\$ 1,879.39			\$ 1,879.39
3 CAL-WASTE RECOVERY	10/4/2024		\$ 874.07			\$ 874.07
4 CSG CONSULTANTS	AUG - SEP 2024				\$ 12,262.50	\$ 12,262.50
5 DP&S	10/9/2024		\$ 195.51			\$ 195.51
6 FRONTIER	10/28/2024	\$ 1,800.00				\$ 1,800.00
7 HOME DEPOT	10/13/2024	\$ 232.98				\$ 232.98
8 IWORQ	11/1/2024	\$ 2,500.00				\$ 2,500.00
9 KAISER	10/1/2024		\$ 5,867.00			\$ 5,867.00
10 KENT, DAVID	7/31/2024				\$ 328.59	\$ 328.59
11 KRONICK	8/15/2024				\$ 3,585.75	\$ 3,585.75
12 NDWA (NORTH DELTA WATER AGENCY)	10/29/2024	\$ 464.00				\$ 464.00
13 PG&E	AUG-OCT 2024		\$ 4,987.53	\$ 6,018.58		\$ 11,006.11
14 PRICE CONSULTING SERVICES	11/1/2024	\$ 6,220.70				\$ 6,220.70
15 RAMOS OIL	AUG - OCT 2024	\$ 506.38	\$ 568.47	\$ 542.45	\$ 125.62	\$ 1,742.92
16 STATE COMPENSATION FUND	11/1/2024	\$ 2,194.76				\$ 2,194.76
17 VERIZON CONNECT	9/30/2024				\$ 319.50	\$ 319.50
18 VESTIS UNIFORMS	11/1/2024	\$ 507.53				\$ 507.53
19 US BANK CREDIT CARDS	10/15/2024		\$ 1,261.20			\$ 1,261.20
	TOTALS	\$ 14,426.35	\$ 15,633.17	\$ 6,561.03	\$ 45,517.19	\$ 82,137.74

General Fund - City of Isleton

Register: BRV - Checking GF Combined

From 10/01/2024 through 10/31/2024

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment
10/01/2024	19586	State Compensation L...	2100000 - Accounts Pa...	1873119-23	2,756.50
10/01/2024	19593	Brookcrest by Cullig...	2100000 - Accounts Pa...	100427	17.95
10/01/2024	19594	Frontier Communicat...	2100000 - Accounts Pa...	916-777-7770	924.91
10/01/2024	19595	Home Depot Credit S...	2100000 - Accounts Pa...	Supplies - SS ...	208.05
10/01/2024	19596	Kaiser Foundation H...	2100000 - Accounts Pa...	9239795776	6,305.00
10/01/2024	19597	Kroniek Moskovitz T...	2100000 - Accounts Pa...	A Law Corpora...	2,488.50
10/01/2024	19598	PG&E- WILSON B...	2100000 - Accounts Pa...	3930362190-3	24.21
10/01/2024	19599	Price Consulting Ser...	2100000 - Accounts Pa...	Planning Servi...	3,140.00
10/01/2024	19600-V...	STANDARD INSUR...	2100000 - Accounts Pa...	VOID: S10000...	
10/01/2024	19601	Verizon Wireless	2100000 - Accounts Pa...	542235223-00...	459.82
10/01/2024	19602	Voipia Networks, Inc.	2100000 - Accounts Pa...	CITIS-12381	519.50
10/01/2024	19603	Premier Access Insur...	2100000 - Accounts Pa...	GROUP ID: 1...	693.68
10/01/2024	19604	Preferred Flooring	2100000 - Accounts Pa...	Repairing Entr...	1,124.75
10/01/2024	19605	Voipia Networks, Inc.	2100000 - Accounts Pa...	CITIS-12381	430.21
10/01/2024	19608	Price Consulting Ser...	2100000 - Accounts Pa...	Services - Sept ...	3,840.00
10/02/2024			-split-	Deposit	
10/04/2024	19587	Home Depot Credit S...	2100000 - Accounts Pa...	Inv 1210621 - ...	1,026.66
10/04/2024	19588	Open Gov, Inc.	2100000 - Accounts Pa...	INV15182 - S...	661.50
10/04/2024	19589	Premier Access Insur...	2100000 - Accounts Pa...	#17042 - Augu...	86.71
10/04/2024	19590	Richardson & Comp...	2100000 - Accounts Pa...	California FTR...	1,100.00
10/04/2024	19591	Underground Svc. Al...	2100000 - Accounts Pa...	118029	300.00
10/04/2024	19592	Verizon Connect	2100000 - Accounts Pa...	100000188264	227.40
10/09/2024	19606	Ramos Oil Company	2100000 - Accounts Pa...	3930	220.60
10/09/2024	19627	Scott Lanphier	2100000 - Accounts Pa...	Services Sept 2...	6,150.00
10/10/2024			Grant Income:4008911...	Deposit	
10/15/2024	19607	Visual Edge It	2100000 - Accounts Pa...	IMS-C72	70.59
10/21/2024		Isleton Fire Departm...	1310012 - Accounts re...	Public Risk, In...	65.00
10/21/2024			-split-	Deposit	
10/21/2024	9905399...	Core Equipment	BRV - Checking GF C...		1,248.05
10/23/2024	19609	Sacramento County ...	2100000 - Accounts Pa...	CUP 01-24, D...	50.00
10/28/2024	19610	California American ...	2100000 - Accounts Pa...	1015-2100441...	4,324.76
10/28/2024	19611	Delta Computer Con...	2100000 - Accounts Pa...	VOID: 916777...	
10/28/2024	19612	Frontier Communicat...	2100000 - Accounts Pa...	916-777-7770	891.81
10/28/2024	19613	Kaiser Foundation H...	2100000 - Accounts Pa...	9239795776	7,817.00
10/28/2024	19614	PG&E- City of Isleton	2100000 - Accounts Pa...	7762177950-1	7,380.39
10/28/2024	19615	Premier Access Insur...	2100000 - Accounts Pa...	Oct 2024 dent...	346.84
10/28/2024	19616	Ramos Oil Co. #8049	2100000 - Accounts Pa...	8049	1,044.61
10/28/2024	19617	Reclamation Dist No ...	2100000 - Accounts Pa...	Installment on ...	10,551.86
10/28/2024	19618	RIO VISTA BEACON	2100000 - Accounts Pa...		580.00
10/28/2024	19619	S.C.O.R.E.	2100000 - Accounts Pa...	FY24-25 OCT ...	15,000.00

General Fund - City of Isleton

Register: BRV - Checking GF Combined

From 10/01/2024 through 10/31/2024

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C
10/28/2024	19620	SACRAMENTO CO...	2100000 - Accounts Pa...	FIRST INSTA...	3,829.33	
10/28/2024	19621	State Compensation L...	2100000 - Accounts Pa...	1873119-23	2,858.28	
10/28/2024	19622	Verizon Connect	2100000 - Accounts Pa...	100000188264	192.84	
10/28/2024	19623	Verizon Wireless	2100000 - Accounts Pa...	542235223-00...	459.97	
10/28/2024	19624	Voipia Networks, Inc.	2100000 - Accounts Pa...	CITIS-12381	356.47	
10/30/2024	19628	CSG Consultants	2100000 - Accounts Pa...		4,950.00	
10/31/2024	19629	Ace Hardware	2100000 - Accounts Pa...	270548	87.06	
10/31/2024	19630	CASCADE FIRE EQ...	2100000 - Accounts Pa...	0003439	6,284.50	
10/31/2024	19631	FAILSAFE TESTING	2100000 - Accounts Pa...	Testing & Mai...	1,351.14	

City of Isleton

City Council
Staff Report

DATE: November 12, 2024

ITEM#: 4.A

CATEGORY: Communications

RESOURCES FOR INDEPENDENT LIVING

FISCAL IMPACT

This is information for the community and the resources available to them.

RECOMMENDATION

City Council receive communication.

ATTACHMENT:

- Flyers from Resources for Independent Living.

Prepared and Submitted by: Yvonne Zepeda ____

Reviewed by: City Manager, Uyiosa F. Oviawe ____





Together with our partners,
we want you to be ready and
we're here to help!

ARE YOU PREPARED FOR THE NEXT PUBLIC SAFETY POWER SHUTOFF?

RIL is partnering with PG&E along with other community organizations to help older adults and people with disabilities be prepared by:



Receiving **RIL support** in the event of a Public Safety Power Shutoff (PSPS) or disaster.



Signing up for the **Medical Baseline Program** to lower the rate on your monthly energy bill, if you require the use of a medical or life support device.



Accessing **backup portable batteries** for those who require power for medical reasons. Individuals who use life-sustaining electrical support will be the highest priority.



Learning more to improve the energy efficiency, health, and safety in your own home.



Providing tools to help you create a **disaster plan**, including a **personalized disaster kit**.

Visit us online to apply and learn more:
WWW.RIL-SACRAMENTO.ORG/PSPS

Email or call us with questions:

Angie Guerrero, Disaster Preparedness Coordinator
angieg@ril-sacramento.org or (916) 446-3074

¡Se habla español!





RESOURCES FOR INDEPENDENT LIVING



Juntos con nuestros socios,
queremos que estés listo.
¡Estamos aquí para ayudarte!



¿ESTÁ PREPARADO PARA EL PRÓXIMO CORTE DE ENERGÍA?

RIL está trabajando con PG&E y otras organizaciones locales para ayudar que las personas con discapacidades estén más preparadas con las siguientes oportunidades:



Recibir el **apoyo de RIL** durante un desastre, un corte de energía inesperado o un corte planeado (PSPS).



Si requiere el uso de un **aparato médico o de soporte vital**, le podemos ayudar a inscribirse en la tarifa básica por razones médicas (Medical Baseline), que reduce su factura eléctrica mensual.



Recibir una pila portátil con **electricidad de reserva** para sus usos médicos. Individuos con aparatos de soporte vital recibirán prioridad.



Aprender más sobre como mejorar la eficiencia energética, la salud y la seguridad de su hogar.



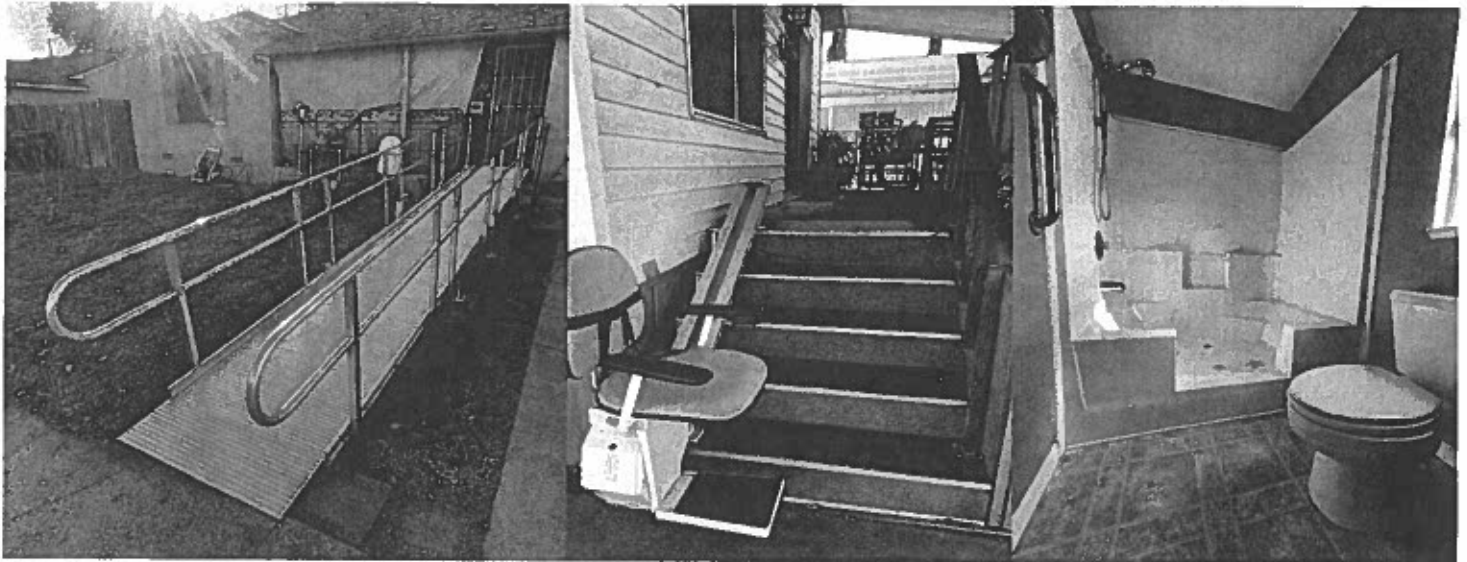
Obtener herramientas para ayudarle a crear un **plan de desastre**, incluyendo un **kit de desastre personalizado**.

Para solicitar o aprender más:
WWW.RIL-SACRAMENTO.ORG/PSPS

Mándanos sus preguntas:

Angie Guerrero, Coordinador de preparación para desastres
angieg@ril-sacramento.org or (916) 446-3074

Community Living Fund Grant



Funding Need Types:

Diversions:

ramps, stairlifts,
handrails, bathroom
modifications, carlifts,
etc.

Transitions:

transitioning from
hospital, skilled nursing,
care homes to living
independently in
house/apartment who
need help with 1st month
rent, transportation
home, medical
supplies/equipment,
caregiver, furniture
basics, food, etc.

Eligibility Requirement:

-Within
Sacramento,
Yolo, Placer,
& El Dorado
Counties

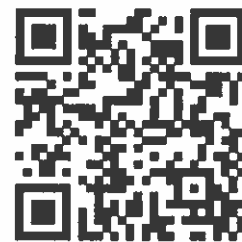
-Under 300%
Poverty Level

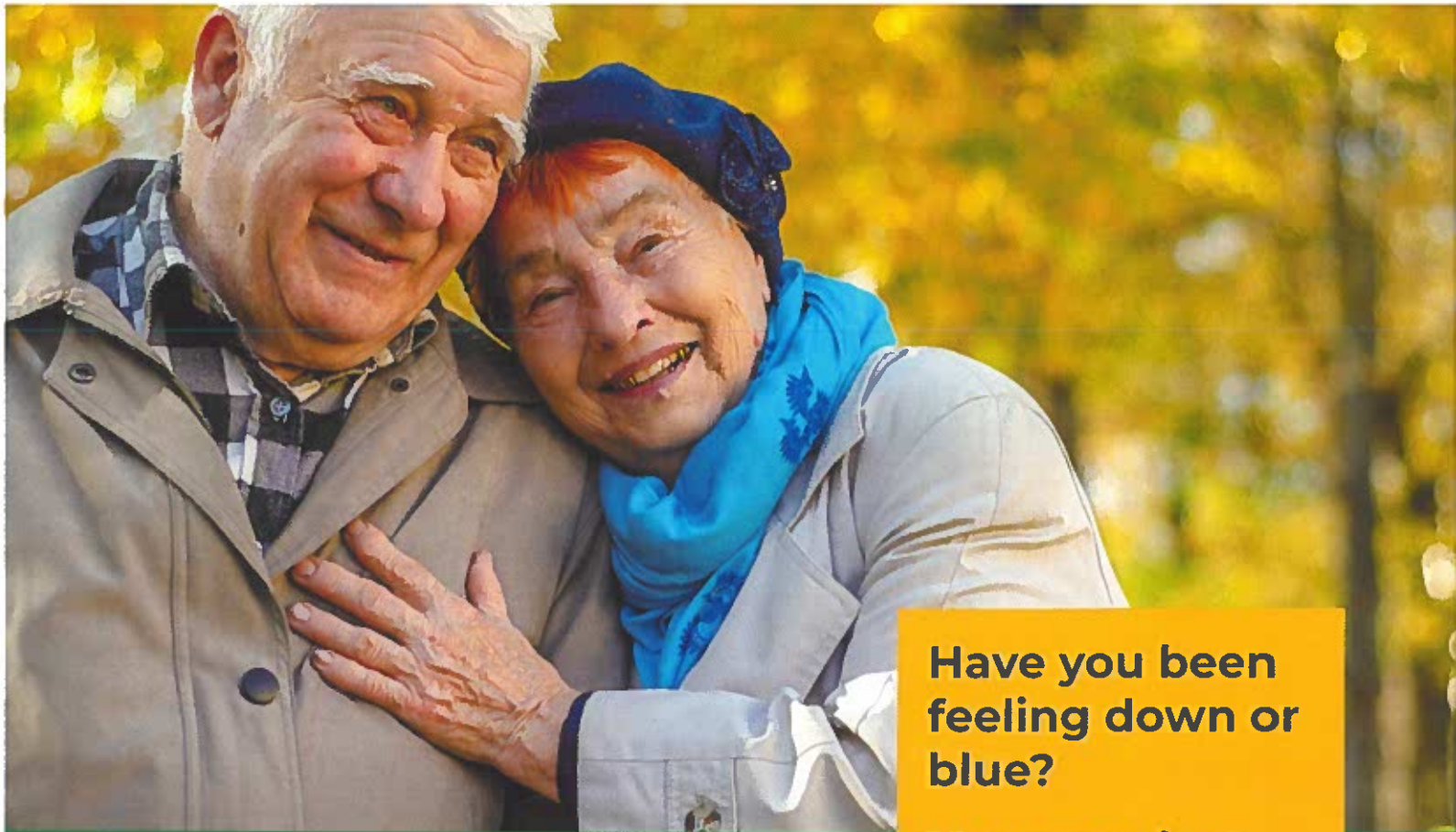
-Last Funding
Resort

Max amount **\$5,000**

*(If more than the \$5000, consumer is
responsible for the difference.)*

**For more information, contact
James Crum at
(916) 446-3074 ext. 107
jamesc@ril-sacramento.org





**Improve your mood
Improve your life!**

**Have you been
feeling down or
blue?**

**Have you lost
interest in doing
things?**

PEARLS

**Program to Encourage
Active Rewarding Lives**

FOR MORE INFO



CALL

1 (916) 446-3074 x 108



EMAIL

MichelleC@RIL-Sacramento.org

Oftentimes, the losses we endure as we age (for example, loss of loved ones, loss of independence, physical health, or social isolation) can lead to feelings of loneliness, sadness, frustration, anxiousness, or restlessness. Gone unattended, these feelings can lead to depression.

The PEARLS program can teach you valuable skills to help manage these unpleasant feelings and improve your quality of life. You will receive 6 - 8 sessions over four to five months. These no-cost sessions take place in your home or at an agreed upon location in your community.

City of Isleton

City Council Staff Report

DATE: November 12, 2024

ITEM#: 5.A

CATEGORY: Consent Calendar

MINUTES OF THE REGULAR CITY COUNCIL MEETING OF OCTOBER 22, 2024

SUMMARY

A. Review and approval of the Regular City Council Meeting minutes of October 22, 2024.

FISCAL IMPACT

There is no fiscal impact associated with this action.

RECOMMENDATION

A. City Council review and approve the draft minutes of the Regular City Council Meeting of October 22, 2024.

ATTACHMENTS

- Minutes of the Regular City Council Meeting of October 22, 2024.

Reviewed by: Uyiosa Oviawe, City Manager__

Prepared and Submitted by: Yvonne Zepeda, Deputy City Clerk __



CITY OF ISLETON

City Council Meeting Agenda Minutes

Tuesday, October 22, 2024 at 6:30pm
208 Jackson Boulevard
Isleton, California 95641

The public may participate and provide public comments in person. Please be advised that teleconferencing option is provided as a courtesy to the public. If, for any reason, there are technical difficulties, the City Council meeting will continue in person.

How to Listen to the City Council Meeting

<https://us02web.zoom.us/j/3379037904?pwd=cWdVNkN5aHUxcjVwRGR1M1BpajcwZz09&omn=85933387418>

Meeting ID: 337 903 7904

Passcode: 123456

1. OPENING CEREMONIES

- A. Welcome & Call to Order – Mayor Pamela Bulahan called to order at 6:31pm.
- B. Pledge of Allegiance
- C. Roll Call: Councilmember’s Kelly Hutson, David Kent, Iva Walton, Vice Mayor Paul Steele, Mayor Pamela Bulahan.
- D. Staff Reports: Nate Anderson CSO gave a summary of his report regarding public safety, General Code Enforcement/Parking Enforcement and on-going/open complaints/cases. Future projects working with Sacramento County sheriff’s Office and Board of Supervisor Pat Hume’s office to schedule a town hall meeting. Tentative date Wednesday, November 13, 2024. Fire Chief Dean Dockery gave his report on how many incidents which equal 14. City Manager Uyiosa gave his report on City Attorney email on how they can pass past budgets. FEMA obligated project funding status General Plan workshop Nov. 2, 2024 from 12-4. Status of the 3-year audits and 3 Construction permits have been pulled for Village on the Delta. IHPRB Lori Kent and Paul Cantelli said two months ago asked to speak with city attorney regarding Brown Act. Lori Kent also said Main Street is looking terrible and painting is blotchy and neglect. Our board is effectively shut down. City Manager Uyiosa Oviawe said he reached out to the City Attorney regarding the IHPRB and City Attorney will get back to us and be patient.
- E. Council Reports-Councilmember Kelly Hutson – None. Councilmember David Kent- Cal Trans Rep. presentation from Sacramento Transportation Authority and SACOG Representative it’s important to represent those agencies. I had meeting with SACOG and made it clear Isleton as an entity. I’ve been working with the conservancy of Sacramento and agenda item coming up and if City Council like to have Isleton as the first municipality in this chapter. We are recognized for our history. Iva Walton – As a council we are allowed to comment on anything that comes before us. There may be a time we have to recuse ourselves.

AMERICANS WITH DISABILITIES ACT NOTICE: In compliance with the Americans with Disabilities Act, persons needing a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, may contact Deputy City Clerk Yvonne Zepeda, at (916) 777-7770, by fax at (916) 777-7775 or by email to Yvonne.zepeda@cityofisleton.com at least 48 hours prior to the meeting.

GOV. CODE § 54957.5 NOTICE: Public records related to an agenda item that are distributed less than 72 hours before this meeting are available for public inspection during normal business hours at Isleton City Hall located at 101 Second Street, Isleton, California 95641.

GHAD meeting on November 20, 2024. There's been a lot of enthusiasm around it and a press release about it, KCRA last week. Then on ABC10 interview. I passed on your phone number Pam as you are the one who lived through the flood. On November 6, 2024 LAFCo meeting. Paul Steele- Christmas tree lighting in December. Thank you, Councilmember Kent, for donation and tree and the Santa is growing his beard. We are giving out free Hot Cocoa and we look for everybody to come out on that. This year is the last year I will be doing the SPAM Festival. We need raffle prizes this year and how it is funded. We gave gifts to the school. I will have the actual date when we have all that. Ms. Walton recommend doing a flyer for the event. Pamela Bulahan – Met with Delta Highway Coalition District they met with public information office district 3 and 4. SACOG proposed 6th street to be the walking trail. I am not sure about that.

2. AGENDA CHANGES OR DELETIONS

ACTION: None.

3. PUBLIC COMMENT

This is an opportunity for the public to speak to the Council on any item other than those listed for public hearing on this Agenda. Speakers are requested to use the podium in front of the Council and to begin by stating their name, whether they reside in Isleton and the name of the organization they represent if any. The Mayor may impose a time limit on any speaker depending on the number of people wanting to speak and the time available for the rest of the Agenda. In the event comments are related to an item scheduled on the Agenda, speakers will be asked to wait to make their comments until that item is being considered.

ACTION: Michelle Burke on the 6th Street trail there was a Grant and money got spent on Wilson Park. Bike trail on 6th St. is ideal for it. IHPRB just because it's not done right, doing something illegal is illegal, read the Brown Act. They can write their own agenda and do their own minutes. You cannot deliberate behind closed doors. That's why the attorney said you can't do that. The policy is on city website. Only City Council can write ordinances. The Policy is not the ordinance. Dean Dockery a ball park that serves our youth is still not open. I know staff is working on it, but we need to get the park open for the youth. Be open minded to projects coming up and look around and Council needs to act as a body. We have an awesome City Manager that has worked diligently and the Bridge loan and you all voted on it. Council work together and help the community. Sebastian M. we paid 4500 of the crawdad festivals. Iva Walton said is Isleton Foundation doing it again. We gave direction for a 5-year renewal. Sebastian said no we never received anything in writing for the renewal. We would like to do it again maybe an RFP. I want to do it legal and be fair. Whatever you guys want to do we need to figure it out soon. Iva Walton we should get this on the agenda.

4. COMMUNICATION

- A. Save the date for City Council and Staff – AB1825 (Sexual Harassment) & AB 1234 (Ethics).

ACTION: Calendar reminder and asked Council and staff to register for classes.

5. CONSENT CALENDAR

- A. **SUBJECT:** Approval of the Regular City Council Meeting Minutes of October 8 2024.

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GOV. CODE § 54957.5 NOTICE: Public records related to an agenda item that are distributed less than 72 hours before this meeting are available for public inspection during normal business hours at Isleton City Hall located at 101 Second Street, Isleton, California 95641.

RECOMMENDATION: City Council review and approve the draft minutes of the Regular City Council Meeting of October 8, 2024.

ACTION: Councilmember Kelly Hutson motion to approve the minutes of the Regular City Council Meeting of October 8, 2024 with the verbiage that Council gave direction that the finance committee will oversee the bill pay, check writing and give copies to council. Vice Mayor Pamela Bulahan second the motion. **AYES:** Councilmember's Kelly Hutson, David Kent, Iva Walton, Vice Mayor Paul Steele, Mayor Pamela Bulahan. **NOES:** None. **ABSTAIN:** None. **ABSENT:** None. **PASSED** 5-0.

Comment – Lori Kent said council gave direction that the finance committee will oversee the bill pay, check writing. Iva Walton will provide what other boards do. Ms. Garcia I am very transparent and they all see the checks. I show them and I refuse to be accused of anything and I have only been here about two months. I do show them once a week.

6. PUBLIC HEARING

A. SUBJECT: Measure A Development Impact Fees Update.

RECOMMENDATION: Conduct public hearing and consider public comments and adopt Resolution No. 27-24.

ACTION: Vice Mayor Paul Steele motion to conduct public hearing and consider public comments and adopt Resolution No. 27-24. Councilmember Kelly Hutson second the motion. **AYES:** Councilmember's Kelly Hutson, David Kent, Iva Walton, Vice Mayor Paul Steele, Mayor Pamela Bulahan. **NOES:** None. **ABSTAIN:** None. **ABSENT:** None. **PASSED** 5-0.

COMMENTS: Gary Price introduces Kevin Buskey STA, Measure A voter initiatives. California Impact Mitigation Fee Act. We are having you look at the Nexus study and will become effect on Jan. 1, 2025 if passed. Kevin said we had Measure A requirement for a development group act, nexus study in 2009 and updated in 2024. We asking you to approve the updated Nexus study fees. We are asking for a 2% administrative fee because the city takes the fees and 6 months remit fees to STA. David Kent I had no idea we did not participate in this. Paul Steele I was not aware only of the agreement we had with Galt for the seat share. The funds Galt was getting compared to what we were getting was astronomically different. David Kent - SACOG and STA allow us to have representation on the boards. Scott Baroni Isleton did not miss out on anything we just didn't have new development. **Public Comments –** None.

B. SUBJECT: Conditional Use Permit Application CUP 01-24, Development Agreement DA 2024-01, Design Review DR 24-01, Proposed Commercial Cannabis Cultivation, Processing and Distribution, at 402 Jackson Blvd., Yuanqiang Feng, applicant.

RECOMMENDATION:

1. Adopt findings that the project is exempt from California Environmental Quality Act (CEQA) review pursuant to section 15301 of the CEQA Guidelines; and

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GOV. CODE § 54957.5 NOTICE: Public records related to an agenda item that are distributed less than 72 hours before this meeting are available for public inspection during normal business hours at Isleton City Hall located at 101 Second Street, Isleton, California 95641.

2. Adopt Resolution 23-24 approving Conditional Use Permit Application CUP 01-24 (Attachment A);
3. Conduct First Reading in title only of Ordinance 2024-08 approving Development Agreement DA 2024-01(Attachment B); and
4. Direct Staff to agendaize second reading of Ordinance 2024-08 for the next regular meeting of the City Council.

ACTION: Councilmember Iva Walton motion to adopt with the stipulation staff is going to formalize the issues around taxes.

1. Adopt findings that the project is exempt from California Environmental Quality Act (CEQA) review pursuant to section 15301 of the CEQA Guidelines; and
2. Adopt Resolution 23-24 approving Conditional Use Permit Application CUP 01-24 (Attachment A);
3. Conduct First Reading in title only of Ordinance 2024-08 approving Development Agreement DA 2024-01(Attachment B); and
4. Direct Staff to agendaize second reading of Ordinance 2024-08 for the next regular meeting of the City Council. Councilmember David Kent second the motion. **AYES:** Councilmember's Kelly Hutson, David Kent, Iva Walton, Vice Mayor Paul Steele, Mayor Pamela Bulahan. **NOES:** None. **ABSTAIN:** None. **ABSENT:** None. **PASSED 5-0.**

Comments: Sebastian M. and applicant. We have had this agreement 5 years ago. Julie Feng came in and has repaired the building. The county will assess the property value on it and increase the taxes. We do about 400k in sales a year. These types of projects are good and low impact and low square footage. Gary Price said this project needs a conditional use permit and development agreement and cultivation and product distribution. Manufacturing on one side and larger part of building for growing. You should have reviewed the staff report. David Kent – The ability to make revenue projection. Odor mitigation, how your odor methods are going to be superior to main street. Security, cameras are great but we've had regular attacks, crime with assault weapons. I would like to know more on how security is going to be met. Julie Ye we have 10 years cannabis experience so this is not new to us. We use the equipment to help with odor. I believe people have a wrong perception of security. They have standards to follow. Scott Baroni my concern is collecting money owed to the city. We have 3 businesses that left town, closed. Once they leave we have no recourse. We need to put something in place in these DA's and add verbiage so city can bill/tax the property. Gary Price we need to review the DA's and create an ordinance so city can recoup. **Public Comment:** Ruby Fowler when you're looking at the cannabis that the business owners drastically alter the buildings and taken over the bathrooms on main street. Citizen said the property looks good and I am excited about it.

C. SUBJECT: Isleton Planning Fees update.

AMERICANS WITH DISABILITIES ACT NOTICE: In compliance with the Americans with Disabilities Act, persons needing a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, may contact Deputy City Clerk Yvonne Zepeda, at (916) 777-7770, by fax at (916) 777-7775 or by email to Yvonne.zepeda@cityofisleton.com at least 48 hours prior to the meeting.

GOV. CODE § 54957.5 NOTICE: Public records related to an agenda item that are distributed less than 72 hours before this meeting are available for public inspection during normal business hours at Isleton City Hall located at 101 Second Street, Isleton, California 95641.

RECOMMENDATION: Conduct public hearing and consider public comments and adopt Resolution No. 28-24.

ACTION: Councilmember Kelly Hutson motion and consider public comments and adopt Resolution No. 28-24. Vice Mayor Paul Steele second the motion. **AYES:** Councilmember's Kelly Hutson, David Kent, Iva Walton, Vice Mayor Paul Steele, Mayor Pamela Bulahan. **NOES:** None. **ABSTAIN:** None. **ABSENT:** None. **PASSED** 5-0.

Public Comments: Dean Dockery we want it to come to staff and we welcome all businesses and the city is not here to make profit. We need to make changes and correct cost. Michelle Burke- Its negotiable going up not down? The way this was being expressed and to keep the fees lower. Were does it say we get to negotiate I want it in writing. I've never heard of anyone receiving a refund. That is why I want it in writing. David Kent what you're talking about is scope of work. Kelly Hutson if it's complicated it could go up. Gary Price it depends on the project, no project is the same.

7. OLD BUSINESS

A. SUBJECT: City of Isleton Draft Budget 2021/2022.

RECOMMENDATION: It is recommended that the City Council adopt Fiscal Year 2021-2022 budget.

ACTION: Councilmember Iva Walton motion to adopt Fiscal Year 2021-2022 budget. Vice Mayor Paul Steele second the motion. **AYES:** Councilmember's Iva Walton, Vice Mayor Paul Steele, Mayor Pamela Bulahan. **NOES:** None. **ABSTAIN:** Councilmember Kelly Hutson and David Kent. **ABSENT:** None. **PASSED** 3-2.

COMMENTS: David Kent I have no complaint toward City of Isleton. I have a complaint you are asking us to do something impossible. I want to look at P&L's of that fiscal year at the point of which where the budget is current and actual expenses. If a budget has already expired I want to see the P&L's and expenses or fiscal year that budget projected. I don't want to approve 24/25 until I see our performance. I want the City of Isleton to succeed, I have a complaint with the policy that impose other agencies that impact or eligibility and put us in this position and don't want to put the city at risk. Paul Steele on the same line we can't get a grant if we don't pass it, it something we have to do. With out this we can't get grants. The audit will be the tale tale. You have to have it. **Public Comments:** Lori Kent handed out pages to council and not clerk. It's your job to have a higher level of view. CC contingency I don't even know what that is. It should be explained to you council. Did the city really spend 20k on computers, community center really spend that much. How do you go from 30k to 70k you need to have that explained to you. That is on page 9. These budgets are crazy and there are no actuals no real numbers. Where is the audits. They are not explicable and they are not right. The Budgets you are presented with does not give council what they need. You're not there to see every check written. You do not have any income statements. Uyiosa we have statements for anyone to review. Iva Walton I understand water under the bridge. Don't we have until July to pass in January bring back. We have more information coming for the 2024/2025.

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Scott Baroni that was done by Charles Bergson and told we were 800k. It is still in production. 24/25 my recommendation is pass as read and come back for mid-year audit.

B. SUBJECT: City of Isleton Draft Budget 2023/2024.

RECOMMENDATION: It is recommended that the City Council adopt Fiscal Year 2023-2024 Budget.

ACTION: Councilmember Kelly Hutson motion to adopt Fiscal Year 2023-2024 Budget.

AYES: Councilmember's Kelly Hutson, Iva Walton, Vice Mayor Paul Steele, Mayor Pamela Bulahan. **NOES:** Councilmember David Kent. **ABSTAIN:** None. **ABSENT:** None. **PASSED** 4-1.

C. SUBJECT: City of Isleton Draft Budget 2024/2025.

RECOMMENDATION: It is recommended that the City Council adopt the Fiscal Year 2024-2025 Budget.

ACTION: Council passed it as read with conditions to bring it back in January 2025.

8. NEW BUSINESS

A. SUBJECT: City Council to approve Monthly Delta Pharmacy Mobile Vaccine Program for Residents at the Isleton Community Center.

RECOMMENDATION: City will receive rental fee of \$80.00 monthly for rental of the Isleton Community Center.

ACTION: Councilmember Kelly Hutson motion to approve rental fee of \$80.00 monthly for rental of the Isleton Community Center for Delta Pharmacy Mobile Vaccine Program for residents with a nurse/doctor on site and hazardous containers. Vice Mayor Paul Steele second the motion. **AYES:** Councilmember's Kelly Hutson, David Kent, Vice Mayor Paul Steele, Mayor Pamela Bulahan. **NOES:** Councilmember's Iva Walton. **ABSTAIN:** None. **ABSENT:** None. **PASSED** 4-0.

9. FUTURE AGENDA ITEMS

A. Future Agenda Items – Censor of Councilmember David Kent.

10. CLOSED SESSION

10.1 Public Employee Performance Evaluation Pursuant to Government Section §54957, position: City Manager.

ACTION: No reportable action.

11. ADJOURNMENT

AYES:

NOES:

ABSTAIN:

AMERICANS WITH DISABILITIES ACT NOTICE: In compliance with the Americans with Disabilities Act, persons needing a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, may contact Deputy City Clerk Yvonne Zepeda, at (916) 777-7770, by fax at (916) 777-7775 or by email to Yvonne.zepeda@cityofisleton.com at least 48 hours prior to the meeting.

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ABSENT:

MAYOR, Pamela Bulahan

ATTEST: _____
DEPUTY CITY CLERK, Yvonne Zepeda

AMERICANS WITH DISABILITIES ACT NOTICE: In compliance with the Americans with Disabilities Act, persons needing a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, may contact Deputy City Clerk Yvonne Zepeda, at (916) 777-7770, by fax at (916) 777-7775 or by email to Yvonne.zepeda@cityofisleton.com at least 48 hours prior to the meeting.

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City of Isleton

DATE: November 12, 2024

City Council
Staff Report

ITEM#: 7.A

CATEGORY: Old Business

**ORDINANCE 2024-08 FOR DEVELOPMENT AGREEMENT DA 2024-01
COMMERCIAL CANNABIS CULTIVATION, PROCESSING AND DISTRIBUTION,
AT 402 JACKSON BLVD., YUANQIANG FENG, APPLICANT**

SUMMARY

Yuanqiang Feng, (applicant/developer), applied for a conditional use permit (“CUP”) to occupy the commercial building located at 402 Jackson Boulevard to operate a cannabis cultivation, processing and distribution operation within a portion of the existing warehouse building at 402 Jackson Blvd. The City Council approved Conditional Use Permit 01-24 and conducted first reading of Ordinance 2024-08 for the related Development Agreement DA 2024-01 for this project on October 22, 2024. To make this use permit and development agreement operational, the City Council will need to hold the second reading of the ordinance. Additional information regarding this project, including the original staff report for the Planning Commission and/or City Council is available upon request of staff.

FISCAL IMPACT

There is no fiscal impact associated with this review and action.

RECOMMENDATION

Hold the second reading of Ordinance No. 2024-08 by title only, waive further reading and adopt ordinance.

ATTACHMENTS

Ordinance 2024-08 Approving Development Agreement DA 2024-01

Attachment A
Resolution No. 23-24, Approving Conditional Use Permit CUP
01-24 and Design Review DR 01-24

RESOLUTION 23-24

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ISLETON
APPROVING CONDITIONAL USE PERMIT CUP 01-24 AND DESIGN REVIEW DR 01-24**

The City Council of the City of Isleton hereby finds as follows:

WHEREAS, in June of 2018, the City Council adopted Ordinances 2018-02, 03, and 08 which provide standards to regulate the use of land for commercial cannabis activities within the City of Isleton; and

WHEREAS, Yuanqiang Feng, submitted an application for Conditional Use Permit CUP 01-24 and Design Review DR 01-24 (Yuan Qiang Feng, Application”) and proposed Development Agreement DA 2024-01 for cannabis cultivation, processing and distribution. within a portion of an existing 6,800 square foot industrial building (occupying Unit B, 4,000 square feet) at 402 Jackson Boulevard, Isleton, California (“Project”); and

WHEREAS, Yuan Qiang Feng Application was submitted, in accordance with the municipal code, for cannabis manufacturing at 402 Jackson Street, Isleton, California primarily in the PDI – Planned Industrial Zoning District, with a small portion of the property located in the lower section, within the RM3- Multi-family Residential Zoning District, APN 157-0073-031; and

WHEREAS, in accordance with Section 2307 of Ordinance 2018-08, the Project location, size, and other development standards of the Project are consistent with state law and Appendix A, Zoning Regulations, of the Municipal Code; and

WHEREAS, the conditions set forth in Ordinance 2018-08, Section 407 have been satisfied; and

WHEREAS, property improvements, including building renovations and common site improvements, such as parking, are in compliance with Section 503 of the Zoning Code, Design Review; and

WHEREAS, Yuanqiang Feng Application includes the required information to demonstrate that the Project is consistent with state law and City ordinances; and

WHEREAS, the City’s General Plan designates the Project site as PDI, Industrial with a small portion designated R-M-3, Medium Density Residential and as conditioned below, the proposed use would be consistent with the General Plan; and

WHEREAS, as conditioned below, the Project complies with the City’s Zoning Code; and

WHEREAS, in accordance with Section 502 of the Zoning Code, the Project’s proposed land use as conditioned under Conditional Use Permit CUP 01-24 can be established and maintained without jeopardy to persons or property within or adjacent to the proposed site and without damage to the resources of the site and its surroundings

WHEREAS, adequate public noticing was made for the Project in accordance with the Municipal Code; and

WHEREAS, Yuanqiang Feng Application satisfies all public safety information requirements in accordance with Ordinances 2306 and 2307, subject to specific conditions of approval; and

WHEREAS, the Project is exempt from California Environmental Quality Act (CEQA) review pursuant to section 15301 of the CEQA Guidelines, as the Project would be located on an existing developed property with minor tenant improvements proposed; and

WHEREAS, a development agreement has been prepared and will be executed upon final approval by the City Council; and

NOW, THEREFORE, BE IT RESOLVED that the City of Isleton City Council that:

Section 1. The City Council adopts the above Recitals as its findings with respect to the Project; and

Section 2. The City Council finds that the Project is exempt from CEQA review pursuant to Section 15301 of the CEQA Guidelines, as the Project would be located in an existing developed property with minor tenant improvements proposed.

Section 3. The City Council hereby approves Conditional Use Permit CUP 01-24 and Design Review DR 01-24 for cannabis cultivation, processing and distribution. within a portion of an existing 6,800 square foot industrial building (occupying Unit B, 4,000 square feet) including related site improvements at 402 Jackson Boulevard, Isleton, California in PDI – Planned Industrial Zoning District, with a small portion of the property located in the lower section, within the RM3- Multi-family Residential Zoning District, APN 157-0073-031, subject to the following conditions

1. This application for Conditional Use Permit CUP 01-24 and Design Review DR 01-24 were submitted, in accordance with the Municipal Code, for a cannabis cultivation, processing, and distribution operations at 402 Jackson Boulevard, in the PDI-Planned Industrial District and the R-M-3 Multi-Family Residential Zoning District, APN 157-0073-031.
2. The applicant/developer/operator shall agree to indemnify, defend, and hold harmless the City or its agents, officers and employees from and against any and all claims, actions, demands or proceeding (including damage, attorney fees, and court cost awards) against the City or its agents, officers, or employees to attach, set aside, void, or annul an approval of the City, advisory agency, appeal board, or legislative body arising from the applicant/developer/operator's operations. In providing any defense under this Paragraph, the applicant, business operator, property owner, developer shall use counsel reasonably acceptable to the City. The City shall promptly notify the applicant, business operator, property owner, developer of any claim, action, demands or proceeding and the City shall cooperate fully in the defense. The City may require that the developer/operator to post a bond, in an amount determined to be sufficient, to satisfy the above indemnification and defense obligation. Developer/operator understands and acknowledges that City is under no obligation to defend any claim, action, demand or proceeding challenging the City's actions with respect to the permit or entitlement.
3. The applicant/developer/operator shall be responsible to pay all sales, use, business and other applicable taxes, and all license, registration, and other fees and permits required under federal, state and local law and pursuant to the Development Agreement for the project.

4. The applicant/developer/operator shall cooperate with the City with respect to any reasonable request to audit the business' books and records for the purpose of verifying compliance with the Municipal Code and this Use Permit and related Development Agreement, including but not limited to a verification of the amount of taxes required to be paid during any period.
5. This Conditional Use Permit CUP 01-24 and Design Review DR 01-24 shall not be operational unless or until a Development Agreement is fully executed by the City and the Development Agreement remains valid.
6. Conditional Use Permit CUP 01-24 and Design Review DR 01-24 shall expire and be of no further force and effect if the developer/operator does not obtain a valid cannabis business regulatory permit for this location within 12 months from issuance of this use (refer to City Ordinance 2018-07, Section 2307).
7. Secure any required permits from the City Building Department, Fire Department, Police Department, Sacramento County Air Quality Management District, and/or Sacramento County Health Department (as applicable) prior to building occupancy or operation.
8. All improvements referenced on the project site and building plans, including completion of all parking (in compliance with City Design Standards-See Section 5 of the City's Public Improvement Standards) shall be implemented prior to building occupancy or operation. All on-going operation plans shall be maintained in accordance with the approved plans for the life of the operation.
9. An exterior lighting plan shall be submitted for review and approval by the Planning Department. All exterior lighting shall be designed to minimize lighting glare onto adjacent residents, and lighting standards shall incorporate light shielding and the use of low lighting level components. All exterior lighting shall be installed in accordance with the approved exterior lighting plan prior to building occupancy.
10. A plan for providing and maintaining a free and clear fire lane around the building shall be submitted for review and approval by the Fire Chief. The fire lane shall be installed in accordance with the approved plan subject to Fire Chief inspection prior to building occupancy. The fire lane shall be maintained free and clear at all time.
11. Conditional Use Permit CUP 01-24 shall be reviewed by the City after 5-years at which point a determination of extension will be made (refer to City Ordinance 2018-08, Section 2307).
12. Conditional Use Permit CUP01-24 may be evaluated for an annual planning review to ensure that the business practices have stayed within the bounds of the Conditional Use Permit or other Permitted Uses use (refer to City Ordinance 2018-07, Section 2307).
13. No consumption or use of cannabis or marijuana, beyond manufacturing, as allowed by this Conditional Use Permit may occur on the premises use (refer to City Ordinance 2018-07, Section 2307).
14. Conditional Use Permit CUP 01-24 shall be subject to termination, notwithstanding any other provision in the City's Municipal Code, if (refer to City Ordinance 2018-07, Section 2307):
 - a. The owner of the commercial cannabis facility transfers the commercial cannabis facility to another individual not named in the conditional use permit application as

- an owner or person in charge unless prior approval is authorized by the City Manager or his/her designee;
- b. The commercial cannabis facility ceases to operate at the premises described in the conditional use permit application; or
 - c. The commercial cannabis facility ceases to operate for sixty (60) consecutive calendar days.

15. Any amendments to this use permit application, or changes in to the business plan, will require the applicant to submit an amended use permit application for approval by the City.

16. All conditions of Conditional Use Permit CUP 01-24 and Design Review DR 01-24 are necessary to protect the general health, safety and welfare of the public. If any condition of this entitlement is held to be invalid by a court, then the whole entitlement shall be invalid. The City Council specifically declares that it would not have approved this entitlement unless all of the conditions herein are held as valid. of approval:

PASSED AND ADOPTED by the City Council of the City of Isleton this 22nd day of October, 2024, by the following vote:

AYES: Councilmember's Kelly Hutson, David Kent, Iva Walton, Vice Mayor Paul Steele, Mayor Pamela Bulahan.

NOES: None.

ABSTAIN: None.

ABSENT: None.

Pamela Bulahan, Mayor

ATTEST:

Yvonne Zepeda, Deputy City Clerk

Attachment A
Ordinance 2024-08, Approving Development Agreement DA
2024-01

ORDINANCE NO. 2024-08

**AN UNCODIFIED ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ISLETON APPROVING
DEVELOPMENT AGREEMENT DA 2024-01 WITH
YUANQIANG FENG, 402 JACKSON BLVD, ISLETON, CA 95641**

WHEREAS, the State of California enacted California Government Code section 65864, et seq. to authorize municipalities to enter into development agreements with those having an interest in real property to strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development in connection with the development of real property within its jurisdiction; and

WHEREAS, Yuan Qiang Feng. ("Developer") leases the real property located at 402 Jackson, City of Isleton, County of Sacramento ("Subject Property"); and

WHEREAS, Developer intends to develop commercial cannabis operations on the Subject Property in a manner consistent with the California cannabis laws, the City's municipal code, and Project Approvals ("Project"); and

WHEREAS, this Ordinance shall be effective upon the City Council's approval of the Conditional Use Permit CUP 01-24, which was considered during a public hearing at the City Council's regular meeting on October 22, 2024.

NOW, THEREFORE, the City Council of the City of Isleton does hereby ordain as follows:

Section 1. Purpose. The purpose of this ordinance is to approve execution of the Development Agreement between the City and Developer following the City Council's independent review and consideration.

Section 2. Authority. This ordinance is authorized pursuant to Government Code section 65864, et seq.

Section 3. Findings. In adopting this ordinance, the City Council makes the following findings:

- (a) The proposed Development Agreement will not be detrimental to the health, safety, and general welfare of persons residing in the immediate area or detrimental to the general welfare of the residents of the City as a whole; and
- (b) The proposed Development Agreement will not adversely affect the orderly development of property or preservation of property values; and
- (c) The proposed Development Agreement is consistent with the provisions of Government Code section 65864, et seq

Section 4. Enactment. The City Council hereby approves the Development Agreement between the City and the Developer which is attached hereto as Attachment 1, and authorizes the Mayor to execute the Development Agreement on behalf of the City.

Section 5. Severability. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

Section 6. Execution. The Mayor shall sign and the City Clerk shall attest to the passage of this ordinance.

Section 7. Effective Date and Publication. This ordinance shall take effect thirty (30) days after its adoption. The City Clerk is hereby directed to publish this ordinance within fifteen (15) days after its passage in a newspaper of general circulation published in the City of Isleton or to post it in at least three (3) public locations in the City of Isleton.

PASSED AND ADOPTED by the City Council of the City of Isleton this 22nd day of October, 2024, by the following vote:

AYES: Councilmember’s Kelly Hutson, David Kent, Iva Walton, Vice Mayor Paul Steele, Mayor Pamela Bulahan.

NOES: None.

ABSTAIN: None.

ABSENT: None.

Pamela Bulahan, Mayor

ATTEST:

APPROVED AS TO FORM:

Yvonne Zepeda, Deputy City Clerk

_____, City Attorney

Second reading conducted and ordinance adopted at a meeting held on November 12, 2024, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Pamela Bulahan, Mayor

ATTEST:

Yvonne Zepeda, Deputy City Clerk

Attachment 1 – Proposed Development Agreement

Attachment 1 – Development Agreement

**ATTACHMENT 5
YUANQIANG FENG Use Permit Application
DEVELOPMENT AGREEMENT**

Development Agreement DA 2024-01

OFFICIAL BUSINESS
Document entitled to free recording
Government Code Section 6103

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Isleton
101 2nd St.
Isleton, CA 95641
Attn: City Clerk

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY OF ISLETON
AND YUANQIANG FENG

DEVELOPMENT AGREEMENT

This Development Agreement (“Agreement”) is made and entered into between the CITY OF ISLETON, a municipal corporation (“City”), and Yuanqiang Feng, a sole proprietor (“Developer”). City and Developer are hereinafter collectively referred to as the “Parties” and singularly as “Party.”

RECITALS

- A. **Authorization.** To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Government Code section 65864 et seq. (the “Development Agreement Law”), which authorizes the City and any person having a legal or equitable interest in the real property to enter into a development agreement, establishing certain development rights in the Property, which is the subject of the development project application.
- B. **Public Hearing.** On October 22, 2024, the City Council, serving as the City’s planning agency for purposes of development agreement review pursuant to Government Code section 65867, considered this Agreement and recommended approval of this Agreement.
- C. **Environmental Review.** On October 22, 2024, the City Council determined that the Project (as defined herein) is exempt from environmental review in accordance with Section 15301 for Existing Facilities of the California Environmental Quality Act, Guidelines.
- D. **Need for Services and Facilities.** Development and operation of the Project will result in a need for municipal services and facilities, including police and fire protection services.
- E. **Contribution to Costs of Facilities and Services.** Developer agrees to make the quarterly payments set forth herein, which payment may be used by the City for any legal purpose. City and Developer recognize and agree that but for Developer’s quarterly payments City would not and could not approve use of the Property for the Project as provided by this Agreement. City’s approval of this Agreement is in reliance upon and in consideration of Developer’s agreement to make the payments required hereunder.
- F. **Public Benefits.** Development of the Project will result in significant public benefits, as more fully described hereinafter, including, without limitation:
 - 1. The provision of opportunities for employment;
 - 2. Implementation of Crime Prevention Through Environmental Design (“CPTED”) development principles during the operation and maintenance of the Property; and
 - 3. The furtherance of the economic development goals and objectives of the City.
- G. **Developer Assurances.** In exchange for the benefits to the City in the preceding Recitals, together with the other public benefits that will result from the development of the Property, Developer will receive by this Agreement assurance that it may proceed with the Project in accordance with the items set forth herein.

- H. **Consistency with General Plan.** Having duly examined and considered this Agreement and having held properly noticed public hearings hereon, in City Ordinance No. 2018-02, the City found that this Agreement satisfies the Government Code Section 65867.5 requirement of general plan consistency.

NOW, THEREFORE, in consideration of the above Recitals and mutual promises, conditions and covenants of the Parties contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. **Definitions.** In this Agreement, unless the context otherwise requires, terms have the following meaning. Capitalized terms within the Exhibits not defined below have the meaning set out in the Exhibits.
- 1.1. "Adopting Ordinance" means Ordinance No. 19-05, adopted by the City Council March 12, 2019, which approves this Development Agreement as required by the Development Agreement Law.
 - 1.2. "Agreement" means this Development Agreement, inclusive of all Exhibits attached hereto.
 - 1.3. "Authorized Operator" means a fully-licensed operator engaged by the Developer and approved by the City to operate portions of the Project on behalf of the Developer.
 - 1.4. "CEQA" means the California Environmental Quality Act, as set forth at California Public Resources Code, Division 13, commencing at Section 21000 and the CEQA Guidelines as set forth in Title 14 of the California Code of Regulations commencing at Section 15000.
 - 1.5. "City" means the City of Isleton, including its agents, officers, employees, representatives and elected and appointed officials.
 - 1.6. "City Manager" means the City Manager of the City of Isleton, or his or her designee.
 - 1.7. "Conditional Use Permit" means the Conditional Use Permit for the Project approved by the City Council on October 22, 2024, as that Conditional Use Permit may be modified or amended from time-to-time.
 - 1.8. "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of an entity's management or policies, whether through the ownership of voting securities, by contract, or otherwise.
 - 1.9. "Development Agreement Law" means Government Code section 65864 et seq. and the procedures and requirements for the consideration of development agreements contained in Ordinance No. 2018-02. In the event of a conflict, the requirements of Government Code Section 65864 et seq. shall control.
 - 1.10. "Developer" means Delta Agricultural Holdings, LLC, together with any Successor duly approved by the City in accordance with the terms of this Agreement.

- 1.11.** "Effective Date" means that day on which the Adopting Ordinance shall be effective. The Adopting Ordinance shall be effective thirty (30) days after its adoption by the City Council, unless the Adopting Ordinance becomes subject to a qualified referendum, in which case, the Effective Date shall be the day after the referendum election, if the Adopting Ordinance is approved by a majority of the voters. Litigation filed to challenge the Adopting Ordinance or this Agreement shall not affect the Effective Date, absent a court order or judgment overturning or setting aside the Adopting Ordinance, or staying the Effective Date, or remanding the Adopting Ordinance to the City. Notwithstanding the foregoing, this Agreement shall not become effective until fully executed.
- 1.12.** "Facility" has the meaning of the term "commercial cannabis facility" set forth in Section 2301, Subsection G of the Municipal Code and includes the physical improvements to the Property used by Developer to conduct its operations.
- 1.13.** "Fees" means all charges, expenses, costs, monetary exactions and any other monetary obligations imposed on Developer by the City, other than assessments or regular or special taxes and shall not be limited to fees paid pursuant to this Agreement.
- 1.14.** "General Plan" means the General Plan of the City including the text and maps, as approved and updated by the City in 2014, plus any other General Plan amendments approved by the City on or before the Effective Date.
- 1.15.** "Gross Receipts from Operations" means total revenue derived, directly or indirectly, or actually received or receivable from operation of the Facility, including: all sales; the total amount of compensation actually received or receivable for the performance of any act or service, of whatever nature it may be, or the fair market value thereof, for which a charge is made or credit allowed, whether or not such act or service is done as part of or in connection with the sale of materials, goods, wares or merchandise; and gains realized from trading in stocks or bonds, interest discounts, rents, royalties, fees, commissions, dividends, or other remunerations, however designated. Included in "gross receipts" shall be all receipts, cash, credits and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever, except that the following shall be excluded therefrom:
- 1.15.1.** Cash discounts allowed and taken on sales;
- 1.15.2.** Credit allowed on property accepted as part of the purchase price and which property may later be sold, at which time the sales price shall be included as "gross receipts";
- 1.15.3.** Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;
- 1.15.4.** Such part of the sale price of property returned by purchasers upon rescission of a contract of sale as is refunded either in cash or by credit; and
- 1.15.5.** Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded. Interorganizational sales

or transfers between or among the units of a parent-subsidary controlled group of corporations or other related legal entities as defined by 26 U.S.C. 1563(a)(1) or otherwise, or between or among the units of a brother-sister controlled group of corporations or other related legal entities as defined by 26 U.S.C. 1563(a)(2) or otherwise, whereby no Gross Receipts are generated or exchanged, directly or indirectly, pursuant to the interorganizational sales or transfers, discounted or otherwise.

The intent of this definition is to ensure that in calculating the payment required under Section 10.1, all sales of cannabis products shipped through or from the Facility are captured, regardless of whether the product is sold and/or shipped directly from the Facility to a consumer, retailer, or wholesaler within or outside the City limits of Isleton, or to another cannabis facility that then distributes the product to the consumer, retailer, or wholesaler within or outside the City of Isleton. This definition shall therefore be given the broadest possible interpretation consistent with this intent, as it does not pertain to a definition of "gross receipts" for purposes of a tax, subject to rules of apportionment under the Constitution of United States, Art. I, § 8, cl. 3, or the California Constitution. It is hereby recognized that the fee herein required to be paid by the Developer to the City of Isleton is in exchange for and pursuant to this Development Agreement, and not for the privilege of doing business within the City of Isleton or legally incident on those engaged in such business within the City of Isleton.

- 1.16.** "Commercial Property" means that certain real property located at 402 Jackson Boulevard, in the City of Isleton, County of Sacramento. A legal description of the Commercial Property is contained in **Exhibit B**.
- 1.17.** "Law" means the case law, ordinances, statutes, rules, regulations, or any order, decree or directive of any court or any local, regional, state or federal government agency, unless the context suggests a different meaning.
- 1.18.** "Municipal Code" means the Municipal Code of the City of Isleton. As of May 1, 2018, the Isleton Municipal Code is in the process of being codified. Until such time as the City Council adopts the codified version of the Municipal Code, the draft Municipal Code, which is a compilation of the City's adopted ordinances shall be used as reference to the City's laws.
- 1.19.** "Planning Commission" means the City of Isleton Planning Commission.
- 1.20.** "Project" means the physical improvement and use of the Property as a cannabis manufacturing facility . The "Project" is further defined in **Exhibit A** to this Agreement, and supplemented by the provisions of this Agreement and the Public Safety and Security Plan.
- 1.21.** "Project Approvals" means the entitlements that are the subject of this Agreement, consisting of the following land use approvals:
 - 1.21.1.** A Conditional Use Permit; and

- 1.21.2.** This Development Agreement, as adopted on October 22, 2024, by City Ordinance No. 2024-08 (the "Adopting Ordinance").
- 1.22.** "Property" means 402 Jackson Boulevard of the Commercial Property consisting of 6,800 square feet. A site plan showing the Property occupied by the Facility is contained in **Exhibit C**.
- 1.23.** "Public Safety and Security Plan" has the meaning set forth in Section 10.2.1.
- 1.24.** "Successor" or "Successor in Interest" means any subsequent entity or individual that acquires all or any portion of Developer's interest in the Property; provided, however, that no Successor shall acquire any rights pursuant to this Agreement unless and until that Successor is approved by the City and complies with all applicable requirements of Section 15 of this Agreement.
- 2.** **Incorporation of Recitals.** The Recitals and all defined terms set forth above are hereby incorporated into this Agreement as if set forth herein in full.
- 3.** **Description of the Project.** The Project consists of occupying Unit B, 4,000 square feet of an existing 6,800 square foot industrial building to operate a cannabis cultivation, processing and distribution. Developer's operations are more fully described in **Exhibit A**. Developer shall ensure that the Project is operated in accordance with Exhibit A at all times. In the course of operating the Project, Developer may enter into an agreement with an Authorized Operator to operate the Project. The engagement of any Authorized Operator shall be reviewed by the City and require the prior written consent of the City. Any such agreement between the Developer and any Authorized Operator shall provide that:
- 3.1.** The Authorized Operator shall make payments in accordance with Section 10.1.1 of this Agreement; and
- 3.2.** The Authorized Operator shall be subject to the record keeping, reporting, and audit requirements described in Section 10.1.2 of this Agreement; and
- 3.3.** The Authorized Operator shall maintain all licensing necessary to operate those portions of the Project that the Authorized Operator has been engaged to operate.
- 4.** **Description of Property.** The Property, which is the subject of this Agreement, is defined in Section 1.21.
- 5.** **Relationship of City and Developer.** This Agreement is a contract that has been negotiated and voluntarily entered into by City and Developer. It is agreed among the parties that the Project is a private development and that the relationship of the Developer and City is and at all times shall remain solely that of the City as a regulatory body and the Developer as the property owner. The City and Developer hereby renounce the existence of any form of joint venture or partnership between them and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making the City and Developer undertaking a joint venture or partnership.
- 6.** **Representations, Warranties and Acknowledgments.**

- 6.1. **Interest in Property.** Developer represents and warrants that as of the Effective Date, Developer is the lessee of the Property under the Property Lease, and as such holds a leasehold interest in and to the Property. Developer further represents that all persons holding legal or equitable interest in the Property have consented to the Agreement.
- 6.2. **Authority.** The Parties represent and warrant that the persons signing this Agreement are duly authorized to enter into and execute this Agreement on behalf of their respective principals.
- 6.3. **Brokers.** The Parties agree that the City has had no dealings with any real estate broker or agent in connection with the negotiation of this Agreement, and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Agreement. In the event any real estate broker or agent shall come forward and claim the right to a commission or other form of compensation in connection with this Agreement, Developer shall indemnify, defend and hold harmless the City in accordance with Section 14.1.
- 6.4. **Procedures and Requirements.** The Parties acknowledge that this Agreement is subject to the procedures for approval, amendment and administration set forth in the Development Agreement Law.

7. **Effective Date and Term.**

- 7.1. **Effective Date.** The Effective Date of this Agreement means the date defined at Section 1.10 of this Agreement.
- 7.2. **Term.** The term of this Agreement shall commence on the Effective Date and shall continue in force until the first to occur of the following events: 1) this Agreement is terminated in accordance with terms set forth herein; or 2) Developer no longer has a legal interest in the Property or has ceased all operations on the Property.
- 7.3. **Termination by Mutual Consent.** This Agreement may be terminated in whole or in part by the mutual written consent of all the Parties.
- 7.4. **Termination for Failure to Obtain or Maintain Required State or Local Licenses.** If Developer fails to obtain or maintain in effect all state and local licenses required for the Project in accordance with Section 9.3.1, City may terminate this Agreement.
- 7.5. **Termination Resulting from Governmental Action.** In the event legal action is initiated or threatened by any governmental jurisdiction other than the City on the grounds that approval or implementation of this Agreement (or any part) constitutes a violation of state or federal law, and the parties are unable to reach agreement between themselves and the governmental jurisdiction on amendments to this Agreement that will resolve the dispute and still preserve the material terms of this Agreement, then either party may terminate this Agreement without compliance with the Default Procedures set forth in Section 13. If this Agreement is terminated pursuant to this section, Developer shall immediately cease operations at the Facility, the Conditional Use Permit shall be

automatically terminated, and the Parties shall have no further rights or obligations under this Agreement (other than the rights under Section 14, which survive termination).

- 7.6. Termination Upon Surrender or Revocation of Conditional Use Permit.** If the Developer voluntarily surrenders the Conditional Use Permit, or if the Conditional Use Permit is revoked by the City, then Developer shall immediately cease operations at the Property and this Development Agreement shall terminate automatically, without further action required by either party. In such an event, Developer waives the default procedures set forth in Section 13 of this Agreement, including the notice and cure rights contained therein, and the Parties shall have no further rights or obligations under this Agreement (other than the rights under Section 14, which survive termination).
- 7.7. Termination for Failure to Cure Default.** If Developer fails to cure any defect in accordance with Section 13.3 of this Agreement, this Agreement shall terminate automatically one hundred twenty (120) days after receipt of the first notice of default, without any further action by either party.
- 7.8. Effect of Termination.** This Agreement was entered into by the Parties for the limited purpose of setting forth certain terms and conditions concerning the proposed development and operation of the Project in a manner that is consistent with the Project Approvals. Accordingly, nothing contained herein is intended or shall be construed to grant to Developer any rights in connection with the future development or operations of the Property, except for those rights set forth in this Agreement.

8. Development of the Project.

- 8.1. Development Rights.** This Agreement was entered into by the Parties for the limited purpose of setting forth certain terms concerning the development and use of the Property by Developer. Accordingly:
- 8.1.1.** Developer acknowledges that it has no existing "vested rights" (as that term is used in California land use law) concerning the Property or the Project.
- 8.1.2.** Nothing contained herein is intended or shall be construed to grant to Developer any rights in connection with the future development or use of the Property, and the Parties agree that development and use of the Property shall be governed by the land use and other regulations in effect at the time of development and operation.
- 8.1.3.** Except as expressly provided herein, nothing contained in this Agreement is intended or shall be construed to affect in any way the permitted uses of the Property, the density and intensity of use, the maximum height and size of buildings, or the reservation or dedication of land for public purposes which shall continue to be governed by the City's General Plan, the City's zoning code, and all other entitlements and ordinances now existing or which may be amended or enacted in the future.
- 8.1.4.** The City expressly reserves the right to adopt and apply regulations to protect the City and its citizens from immediate risks to health and safety. The Developer

hereby agrees that any regulation imposed by the City with respect to flood protection adopted in response to federal, state, or local guidelines, regulations, or directives, including without limitation the implementation of a moratorium on development activities, shall be deemed necessary to protect the public health and safety.

- 8.2. **Referendum.** Developer acknowledges that the Adopting Ordinance, which is a legislative land use approval, is potentially subject to referendum. Notwithstanding anything in this Agreement to the contrary, Developer shall not acquire a vested right to any legislative land use approval (or to any amendment thereto): (1) while such approval or amendment is still potentially subject to referendum or (2) in the event that such approval or amendment is reversed by referendum.

9. **Applicable Rules, Regulations, Fees and Official Policies.**

- 9.1. **Rules Regarding Design and Construction.** Unless otherwise expressly provided in this Agreement, all other ordinances, resolutions, rules, regulations and official policies governing design, improvement and construction standards and specifications, applicable to the Project and to public improvements to be constructed by the Developer shall be those in force and effect at the time the applicable permit approval is granted.

- 9.2. **Uniform Codes Applicable.** Unless otherwise expressly provided in this Agreement, any improvements to the Property undertaken by Developer shall comply with the California Building Standards Codes, Title 24 of the California Code of Regulations, as adopted and amended by the City, as the same shall be in effect as of the time of approval of the permit in question. Such improvements shall also comply with the provisions of the California Mechanical, Plumbing, Electrical and Fire Codes, and City construction specifications, in effect at the time of approval of the appropriate permits for the improvements. If no permit is required for a given improvement, such improvement will be constructed in accordance with said Codes in effect in the City as of the commencement of construction of such improvement.

9.3. **Laws and Regulations Applicable to Cannabis Activities; Obtaining and Maintaining Required Licenses.**

- 9.3.1. **General.** Developer shall at all times comply fully with all existing and future state and local rules applicable to Developer's activities on the Property and shall ensure such compliance by all of Developer's employees, contractors, vendors, customers, and members of the public invited or allowed access to the Property.

- 9.3.2. **Licensure of Operations.** Developer shall promptly apply for and obtain all State licenses required for the operations described in **Exhibit A**, as well as any local licenses required in the future by the City. Failure to obtain required state licenses within twelve (12) months following the date when the relevant state agencies begin accepting applications for such licenses, and failure to maintain required state or city licenses during the term of this Agreement, shall constitute a default under this Agreement and shall be grounds for termination.

9.4. **Fees, Dedications, Assessments and Taxes.**

- 9.4.1. **Payment of Development Impact and Other City Fees, Taxes, and Assessments.** Developer shall pay all impact and other City fees, taxes and assessments when due.
- 9.4.2. **Other Public Agencies.** Nothing in this Agreement is intended to govern the authority of other public agencies to impose fees.
- 9.4.3. **Public Works and Community Development.** Any public improvements and work performed by Developer in connection with the Project shall be to the satisfaction of the City Engineer and acceptance by the City Council (or by the City Engineer, if the City Council delegates authority to accept public improvements to the City Engineer).

10. Additional Developer Obligations.

10.1. Payments to City.

10.1.1. Required Payment. Developer and any Authorized Operator shall make quarterly payments to the City equal to two percent (2%) of Developer's and any Authorized Operator's Gross Receipts from Operations. Payments shall be made by the last day of the month following the end of each quarter (i.e., April 30th for the quarter running from January 1 through March 31). Payments shall be accompanied by such documentation as may be reasonably required by the City. The 2% fee on Developer's and any Authorized Operator's Gross Receipts is not a tax and is particularly not an indirect tax on any consumer such as a sales and use tax, but is rather a direct fee levied on the Gross Receipts of the Developer and any Authorized Operator as a condition of this Development Agreement that is not to be passed along to the ultimate consumer. If the Developer or any Authorized Operator chooses to pass the 2% fee along to any consumer, it shall be required to include such amounts collected from any consumer as Gross Receipts. This documentation will include (but may not be limited to) the transportation manifests for cannabis products received at or transported from the Facility, and an accounting of Gross Receipts from Operations during the previous quarter. Late payments shall include interest at a rate of ten percent (10%) per annum. Failure to make any payment required by this Agreement when due shall be a material breach of the Agreement subject to Cure under the provisions of Section 13.3. Payments to the City shall be made by check, direct deposit, wire transfer or other electronic form of payment that originates from a legal financial channel that has been agreed to in advance by both parties. Upon request and with a minimum of ten (10) business days' notice prior to payment due date, alternative forms of payment, including cash, may be authorized at the City's discretion.

10.1.2. Reporting of Gross Receipts from Operations.

- (a) **Quarterly Receipts.** No later than the last day of the month following the end of each quarter, Developer shall deliver to City a report (the "Quarterly Report") showing (i) Gross Receipts from Operations for the immediate prior quarter received by Developer, and a cumulative total of

all amounts of Gross Receipts from Operations received by Developer for the calendar year, (ii) a calculation of the quarterly payment due to City for the prior quarter, and (iii) a calculation of the cumulative total of all quarterly payments for the calendar year.

- (b) Statements of Receipts. Developer shall keep complete, accurate and appropriate books and records of all receipts from operations in accordance with generally accepted accounting principles. For purposes herein "books and records" shall mean all bookkeeping or accounting documents Developer utilizes in managing its business operations relating to the Project. Such books and records, as well as all other relevant documents as City shall reasonably require, shall, upon reasonable written notice, be open for inspection by City, its auditors or other authorized representatives. If, at any time during the Term, such books and records prove inadequate in the reasonable judgment of City to record the Gross Receipts from Operations as herein required, Developer shall, upon the written request of City, procure and maintain such books and records as shall be of a character and form adequate for such purpose. City shall have the right to audit and examine such books, records and documents and other relevant items in the possession of Developer, but only to the extent necessary for a proper determination of Gross Receipts from Operations, and all such books, records, documents and other items shall be held available for such audit and examination. Upon request by the City, Developer shall make all such books, records and documents available to the City, and provide removable copies thereof, within thirty (30) days of the date of the City's request. The cost for any audit shall be paid fully Developer. Developer shall preserve such books, records, documents, and other items in West Sacramento for a period of not less than seven (7) years for the purpose of auditing or re-auditing these accounts upon reasonable notice; except that, if an audit is made within the seven-year period and Developer claims that errors or omissions have occurred, the books and records shall be retained and made available until those matters are resolved. City shall keep strictly confidential all statements of revenue furnished by Developer and all other information concerning Developer's operation of the Premises obtained by City as a result of the inspection, audit and examination privileges of City hereunder, except as otherwise required by law. If City receives a request for such information pursuant to the Public Records Act (California Government Code §§7920.000 et seq.), City shall provide Developer notice of any such request prior to disclosing any such information.
- (c) Copies of Tax Filings. Developer shall provide City with copies of any reports Developer is required to provide to the County of Sacramento or the State of California for sales, use or other tax purposes.

10.1.3. Applicability of Future Revenue Mechanisms. During the term of this Agreement, if the City imposes an alternative revenue mechanism specifically

related to cannabis operations (e.g. a cannabis tax), developer agrees to pay to City the greater of the payment required under such alternative revenue mechanism or the payment required by this Section. As used in this Section, "alternative revenue mechanisms" do not include taxes, fees, or assessments levied on or collected from both cannabis and non-cannabis operations. Payments required by revenue mechanisms that are not limited to cannabis operations shall be in addition to, and not in lieu of, payments under this Section.

10.2. Public Safety and Security.

10.2.1. Public Safety and Security Plan. Prior to acceptance of any cannabis product at the Facility, and prior to any manufacturing activities at the Facility, Developer shall have prepared and submitted to City a Public Safety and Security Plan ("Plan") acceptable to the City in the reasonable exercise of City's discretion. The Plan shall include and address all aspects of public safety and security, including but not limited to the following interior and exterior security and fire/life safety issues:

- (a) Physical security measures, including perimeter fencing, security cameras and other monitoring equipment, and internal security controls.
- (b) Implementation of CPTED (Crime Prevention Through Environmental Design) measures.
- (c) Protocols for loading and unloading, storage, and transportation of cannabis products.

At least annually, and at other times upon request by either party, Developer and City staff shall meet to review the Plan and operations of the Facility. Developer shall promptly revise the Plan to address deficiencies identified by Developer or the City (e.g. major incidents, high volume of calls for service, etc.) so that the Facility is always operated in a manner that ensures the safety and security of the public and Developer's employees, and the physical security of the Facility and products stored therein.

10.2.2. Signage. Signage for the Project and Facility shall conform to the requirements of the City's Sign Ordinance (Article 12, Section 1204 of the Municipal Code).

10.2.3. Reporting of Incidents. Developer shall promptly report to the police department breaches of security and criminal activities occurring at the Facility.

10.3. Notification to City of Intent to Relocate. Developer shall provide City with ninety (90) days written notice prior to relocating operations within or outside of the City. For relocations within the City, delays in notice may result in delays in issuing a new conditional use permit for the proposed new location.

11. **Amendment.** This Agreement may be amended in writing from time to time by mutual consent of the Parties hereto and in accordance with the procedures required by the Development Agreement Law.

12. **Annual Review of Agreement.**

- 12.1. **Review Date.** The annual review date of this Agreement (the "Review Date") as required by Development Agreement Law shall be approximately twelve (12) months from the Effective Date and every twelve (12) months thereafter.
- 12.2. **Procedures.** The procedures for annual review shall be as set forth in the Development Agreement Law.
- 12.3. **Fee for Annual Review.** The reasonable cost for the City's annual review of this Agreement shall be paid by Developer, not to exceed the actual costs incurred by the City in connection with the review.

13. **Default.**

- 13.1. **Default.** The failure of either party to perform any obligation or duty under this Agreement within the time required by this Agreement shall constitute an event of default. For purposes of this Agreement, a Party asserting that the other Party is in default shall be referred to as the "Complaining Party" and the other Party shall be referred to as the "Defaulting Party."
- 13.2. **Notice.** The Complaining Party may not place the Defaulting Party in default unless it has first given written notice to the Defaulting Party, specifying the nature of the default and the manner in which the default may be cured, if known to the Complaining Party. Any failure or delay by the Complaining Party in giving such notice shall not waive such default or waive any of the Complaining Party's remedies.
- 13.3. **Cure.** The Defaulting Party shall have thirty (30) days from the receipt of notice to cure the default. In the case of monetary defaults (e.g. failure to make the payments required by Section 9.1.1), any default must be cured completely within this thirty (30) day period. In the case of non-monetary defaults, if the default cannot be reasonably cured within such time, the default shall be deemed cured if: (1) the cure is commenced at the earliest practicable date following receipt of notice; (2) the cure is diligently prosecuted to completion at all times thereafter; (3) at the earliest practicable date (but in no event later than thirty (30) days after receiving the notice of default), the Defaulting Party provides written notice to the Complaining Party that the cure cannot be reasonably completed within such thirty (30) day period; and (4) the default is cured at the earliest practicable date, but in no event later than one hundred twenty (120) days after receipt of the first notice of default.
- 13.4. **Remedies.** If the Defaulting Party fails to cure a default in accordance with the foregoing, the Complaining Party shall have the right to terminate this Agreement upon notice to the Defaulting Party and the Complaining Party may pursue all remedies available by law or in equity, including specific performance and injunctive relief.
- 13.5. **Additional Procedures and Remedies.** The Parties acknowledge that the foregoing default procedures and remedies are in addition to, and not in lieu of, the procedures and remedies set forth in Article 14, Section 1414 of the Municipal Code, and Developer

waives the argument that any default taken against Developer is not valid for failing to comply with the procedures and remedies set forth in Article 14, Section 1414.

- 13.6. **Waiver of Damages.** Notwithstanding anything in this Agreement to the contrary, the Parties acknowledge that the City would not have entered into this Agreement had it been exposed to liability for damages from Developer, and that therefore, Developer hereby waives all claims for damages against the City for breach of this Agreement. Developer further acknowledges that under the Development Agreement Law, land use approvals (including development agreements) must be approved by the City Council and that under law, the City Council's discretion to vote in any particular way may not be constrained by contract. Developer therefore waives all claims for damages against the City in the event that this Agreement or any Project Approval is: (1) not approved by the City Council or (2) is approved by the City Council, but with new changes, amendments, conditions or deletions to which Developer is opposed. Developer further acknowledges that as an instrument which must be approved by ordinance, a development agreement is subject to referendum; and that under law, the City Council's discretion to avoid a referendum by rescinding its approval of the underlying ordinance may not be constrained by contract, and Developer waives all claims for damages against the City in this regard.
- 13.7. **Effect of Termination of Agreement on Conditional Use Permit.** Developer agrees that termination of this Agreement in accordance with this Section 12 shall also result in the automatic termination of the Conditional Use Permit.

14. **Insurance and Indemnity.**

- 14.1. **Indemnification, Defense and Hold Harmless.** Developer shall indemnify, defend, and hold harmless to the fullest extent permitted by law, the City and its officer, officials, consultants and employees ("Indemnitees") from and against any and all claims, liability, loss, damage, expense, costs (including without limitation costs and fees of litigation) of every nature arising out of or in connection with the Project, the Project Approvals or the Property (including any challenge to the validity of any provision of this Agreement or the Project Approvals, or Developer's failure to comply with any of its obligations in this Agreement, or Developer's failure to comply with any current or prospective Law); provided, however, that Developer shall have no obligations under this section for such loss or damage which was caused by the sole negligence or willful misconduct of the City. This indemnification obligation shall survive this Agreement and shall not be limited by any insurance policy, whether required by this Agreement or otherwise.

14.2. **Insurance.**

- 14.2.1. **Public Liability and Property Damage Insurance.** At all times that Developer is constructing any improvements to the Property, Developer shall maintain in effect a policy of comprehensive general liability insurance with a per-occurrence combined single limit of five million dollars (\$5,000,000) and a deductible of not more than fifty thousand dollars (\$50,000) per claim. The policy so maintained by Developer shall name the City as an additional insured and shall include either a severability of interest clause or cross-liability endorsement.

14.2.2. **Workers' Compensation Insurance.** At all times that Developer is constructing any improvements, Developer shall maintain workers' compensation insurance for all persons employed by Developer for work at the Project site. Developer shall require each contractor and subcontractor similarly to provide workers' compensation insurance for its respective employees. Developer agrees to indemnify the City for any damage resulting from Developer's failure to maintain any such insurance.

14.2.3. **Evidence of Insurance.** Prior to commencement of construction of any improvements, Developer shall furnish City satisfactory evidence of the insurance required by this Sections 14 and evidence that the carrier is required to give the City at least fifteen (15) days prior written notice of the cancellation or reduction in coverage of a policy. The insurance shall extend to the City, its elective and appointive boards, commissions, officers, agents, employees and representatives and to Developer performing work on the Project. Developer shall additionally furnish City satisfactory evidence of the insurance coverage required under this Section whenever a policy is renewed, changed without impact to coverage, or at City's request.

15. **Assignment and Transfers of Rights and Interest; Binding Effect on Successors.**

15.1. **Assignment.**

15.1.1. **Assignment of Rights Under Agreement.** Developer may not transfer or assign its interests under this Agreement, in whole or in part, without the prior written consent of the City, which may be withheld for any reason. No such assignment shall be effective until execution and delivery by Developer and the assignee of an assignment substantially in the form attached hereto as **Exhibit D**.

15.1.2. **Subsequent Assignments.** Any Successor may assign its rights under this Agreement by complying with the procedures set forth in this Agreement.

15.2. **Transfer of Control.** No change in Developer's leasehold interest or in the composition of Developer's leasehold interest shall be made, and no transfer of the Property Lease or any sublease of the Property shall be made, without providing the City with prior written notice. If the change, transfer or sublease changes Control over the use of the Property, the operations of Developer, or the actions or activities of Developer, then the prior written consent of the City must be obtained before the change, transfer or sublease, which consent may be withheld for any reason.

15.3. **Transferability to New Location.** In the event Developer moves operations from the Property to another location within the City, Developer agrees that the City may require that the rights and obligations set forth in this Agreement transfer to the new location. Developer and City agree to work cooperatively and collaboratively on any amendments to this Agreement that may be necessary in view of the transfer of Developer's operations to the new location.

15.4. **Runs with the Land.** Except as otherwise provided in this Agreement, and for so long as this Agreement remains in effect, all of the provisions, rights, terms, covenants, and

obligations contained in this Agreement shall be binding upon the Parties and their respective heirs, successors and assignees, representatives, sub-lessees, and all other persons acquiring the Developer's interest in the Property, whether by operation of law or in any manner whatsoever; provided that no successor or assignee of Developer may obtain the benefits hereunder unless the City has consented to assignment of those rights as set forth in Section 14.1. All of the provisions of this Agreement shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to applicable laws, including, but not limited to, Section 1466 of the Civil Code of the State of California. Each covenant to do, or refrain from doing, some act on the Property hereunder, or with respect to any leasehold interest in the Property: (a) is for the benefit of such properties and is a burden upon such properties; (b) runs with such properties; and (c) is binding upon each Party and each successive owner during its ownership of such leasehold interest in the Property or any portion thereof, and shall be a benefit to and a burden upon each Party and its property hereunder and each other person succeeding to an interest in such properties.

16. **Miscellaneous.**

- 16.1. **Estoppel Certificate.** Either Party may at any time request the other Party to certify in writing that: (1) this Agreement is in full force and effect; (2) this Agreement has not been amended except as identified by the other Party; and (3) to the best knowledge of the other Party, the requesting Party is not in default, or if in default, the other Party shall describe the nature and any amount of any such default. The other Party shall use its best efforts to execute and return the estoppel certificate to the requesting Party within thirty (30) days of the request. The City Manager shall have authority to execute such certificates on behalf of the City.
- 16.2. **Recordation.** This Agreement shall not be operative until recorded with the Sacramento County Recorder's office. Developer shall record this Agreement against the Property at its expense with the County Recorder's office within ten (10) days of the Effective Date and shall cause any amendment to this Agreement or any instrument affecting the term of this Agreement to be recorded within ten (10) days from date on which the same become effective. Any amendment to this Agreement or any instrument affecting the term of this Agreement which affect less than all of the Property shall contain a legal description of the portion thereof that is the subject of such amendment or instrument. Alternatively, Developer and City may execute the instrument entitled "Memorandum of Development Agreement" attached hereto as **Exhibit E**, which shall be recorded against the Property, in lieu of recording the entire Agreement.
- 16.3. **Notices.** All notices required by this Agreement or the Development Agreement Law shall be in writing and personally delivered or sent by certified mail, postage prepaid, return receipt requested.

Notice required to be given to the City shall be addressed as follows:

CITY OF ISLETON
101 2nd St.
Isleton, CA 95641

Attn: City Manager
(916) 777-7770

with copies to:

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD
1331 Garden Highway, 2nd Floor
Sacramento, CA 95833
Attn: Jeff Mitchell, City Attorney
(916) 321-4500

Notice required to be given to the Developer shall be addressed as follows:

Yuanqiang Feng
Attn: Julie He
10183 Patti Way, Elk Grove CA 95757
Phone: (916) 230-6060

Either Party may change the address stated herein by giving notice in writing to the other Party, and thereafter notices shall be addressed and transmitted to the new address. All notices shall be deemed received on the earlier of the date of personal delivery or the date shown on the return receipt.

- 16.4. **References to Municipal Code.** This Agreement contains references to articles and sections of the City's Municipal Code. If, after the Effective Date, the City amends or renumbers its Municipal Code, then the references in this Agreement shall be understood to apply to the amended or renumbered Municipal Code.
- 16.5. **Construction of Agreement.** The provisions of this Agreement and the Exhibits hereto shall be construed as a whole according to their common meaning and not strictly for or against any party and consistent with the provisions hereof, in order to achieve the objectives and purpose of the parties hereunder. The captions preceding the text of each Article, Section, and subsection hereof are included only for convenience of reference and shall be disregarded in the construction and interpretation of this Agreement. Wherever required by the context, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine or neuter genders and vice versa.
- 16.6. **Third Party Beneficiaries.** This Agreement is entered into for the sole benefit of the Parties and any Successors. No other party shall have any cause of action or the standing to assert any rights under this Agreement.
- 16.7. **Attorneys' Fees and Costs in Legal Actions by Parties to the Agreement.** Should any legal action be brought by either Party for breach of this Agreement or to enforce any provisions herein, each Party shall bear its own costs (including attorneys' fees) and neither Party shall be entitled to recover such costs from the other Party.
- 16.8. **Liability of City Officials.** No City official or employee shall be personally liable under this Agreement.

- 16.9. **Delegation.** Any reference to any City body, official or employee in this Agreement shall include the designee of that body, official or employee, except where delegation is prohibited by law.
- 16.10. **Severability.** Should any provision of this Agreement be found invalid or unenforceable by a court of law, the decision shall affect only the provision interpreted, and all remaining provisions shall remain enforceable.
- 16.11. **Integration.** This Agreement constitutes the entire understanding and agreement of the Parties with respect to the subject matter hereof and supersedes any previous oral or written agreement. This Agreement may be modified or amended only by a subsequent written instrument executed by all of the Parties.
- 16.12. **Counterparts.** This Agreement may be signed in one (1) or more counterparts, and will be effective when the Parties have affixed their signatures to counterparts, at which time the counterparts together shall be deemed one (1) original document; provided, however, that all executed counterparts are provided to the City Clerk.
- 16.13. **Interpretation.** The Parties acknowledge that this Agreement has been negotiated by both Parties and their legal counsel and agree that this Agreement shall be interpreted as if drafted by both Parties.
- 16.14. **Inconsistency.** In the event of any conflict or inconsistency between the provisions of this Agreement and the Project Approvals or Exhibits, this Agreement shall prevail.
- 16.15. **Incorporation.** The Recitals, Exhibits, and all defined terms in this Agreement are part of this Agreement.
- 16.16. **Applicable Law and Venue.** This Agreement shall be construed and enforced in accordance with the laws of the State of California without regard to principles of conflicts of law. In the event of litigation arising under this Agreement, venue shall reside exclusively in the Superior Court of the County of Sacramento or, in the event of federal litigation, the Eastern District of California.
- 16.17. **Time of the Essence.** Time is of the essence of this Agreement.

(Signatures on Next Page)

IN WITNESS WHEREOF, the Parties hereto are executing this Agreement on the dates set forth below, to be effective as of the Effective Date.

"CITY"

CITY OF ISLETON,
Municipal corporation

By: _____
Pamela Bulahan, Mayor

Dated: _____ Fill In

"DEVELOPER"

Yuanqiang Feng,
Sole Proprietor

By: _____

Name: _____

Developer

Dated: _____ Fill In

ATTEST:

Yvonne Zepeda, City Clerk

APPROVED AS TO FORM:

Jeff Mitchell, City Attorney

List of Exhibits:

- Exhibit A: Project Description
- Exhibit B: Legal Description of the Property
- Exhibit C: Site Plan Showing Location of the Facility on the Property
- Exhibit D: Form of Assignment and Assumption Agreement
- Exhibit E: Memorandum of Development Agreement

Exhibit A

Project Description

Yuanqiang Feng ("Developer") proposes to develop and operate a legal cannabis cultivation, processing, and distribution facility within Unit B, a 4,000 square foot portion of an existing 6,800 square foot industrial/commercial building at 402 Jackson Boulevard, in Isleton, California (APN 157-0073-031 pursuant to a City-issued Conditional Use Permit 01-24.

Exhibit B

Legal Description of the Property

Real property in the City of Isleton, County of Sacramento, State of California, described as follows:

LOT:17 BLK:30 CITY OF ISLETON, LOT 17, BLOCK: 30

APN: (157-0073-031)

Exhibit C

Site Plan Showing Location of the Facility and the Property

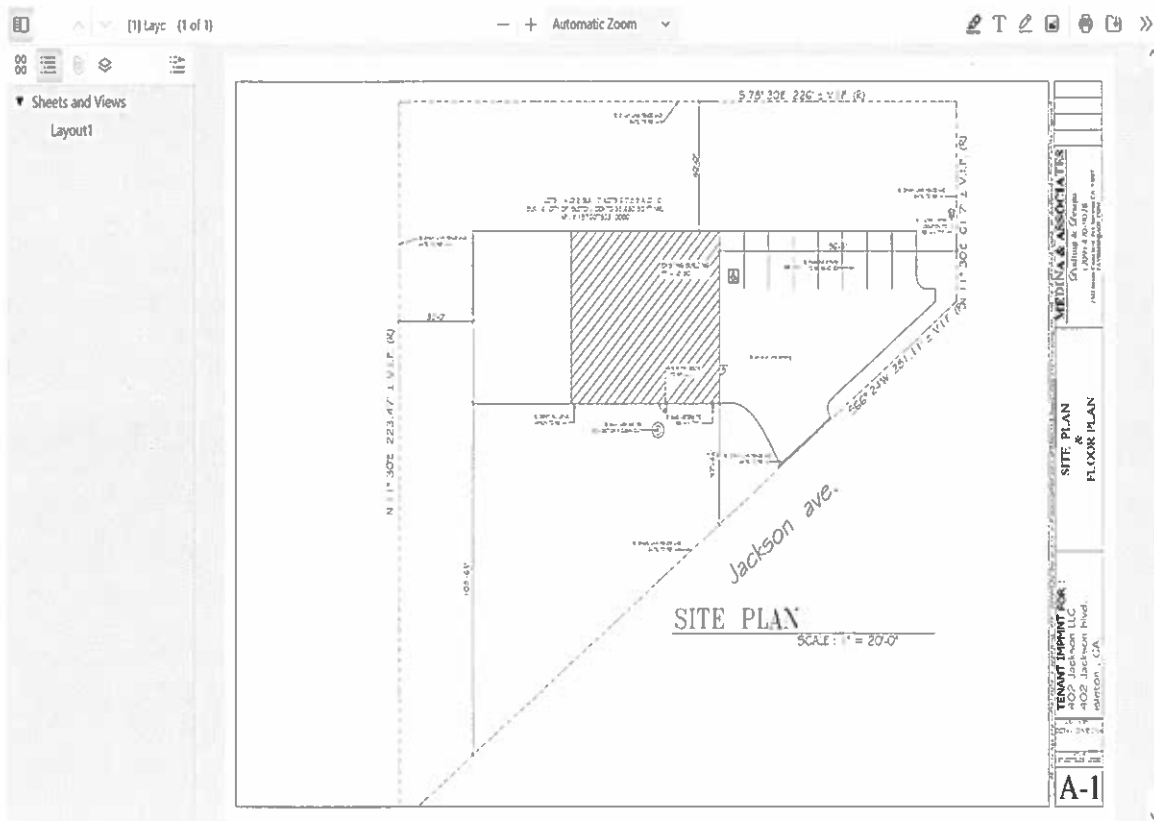


Exhibit D

Form of Assignment and Assumption Agreement

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Yuanqiang Feng
10183 Patti Way, Elk Grove CA 95757
Attn:Yuanqiang Feng

(SPACE ABOVE THIS LINE RESERVED
FOR RECORDER'S USE)

**ASSIGNMENT AND ASSUMPTION AGREEMENT
(Yuanqiang Feng Development Agreement)**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Agreement") is entered into this ____ day of _____, 20__, by and between Yuanqiang Feng (the "Developer"), and _____, a _____ (the "Assignee").

RECITALS

A. The City of Isleton and Developer entered into that certain Development Agreement recorded in the Official Records of Sacramento County, California, on _____, 20__, as Instrument No. 20__-_____ (the "Development Agreement"). Pursuant to the Development Agreement, Developer agreed to develop 402 Jackson Blvd Isleton, CA 95641 which real property is more particularly described in the Development Agreement and legally described in **Exhibit A**, attached hereto and incorporated herein (the "Industrial Property"), subject to certain conditions and obligations as set forth in the Development Agreement.

B. Developer intends to convey its interest in the Subject Property to Assignee along with Developer's rights, title, interest, burdens and obligations under the Development Agreement.

C. Developer desires to assign and Assignee desires to assume all of Developer's rights, title, interest, burdens and obligations under the Development Agreement.

ASSIGNMENT AND ASSUMPTION

NOW, THEREFORE, Developer and Assignee hereby agree as follows:

1. Developer hereby assigns to Assignee all of the rights, title, interest, burdens and obligations of Developer under the Development Agreement.
2. Assignee hereby assumes all of the rights, title, interest, burdens and obligations of Developer under the Development Agreement, and agrees to observe and fully perform all of the duties and obligations of Developer under the Development Agreement. The parties intend hereby that, upon the execution of this Agreement, Assignee shall become the "Successor" (as defined in the Development Agreement) to Developer under the Development Agreement solely with respect to the Subject Property.

3. All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

4. The Notice Address described in Section 15.3 of the Development Agreement for Assignee, as the Successor solely with respect to the Subject Property shall be:

Yuanqiang Feng
10183 Patti Way
Elk Grove CA 95757

5. As provided in Section 14.1, this Assignment shall not be effective unless and until written consent of the City has been obtained.

6. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The parties authorize each other to detach and combine, or cause to be detached and combined, original signature pages and consolidate them into a single identical original for recordation of this Agreement in the Official Records of Sacramento County, California.

IN WITNESS HEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

“CITY” “DEVELOPER”

“ASSIGNEE”

By: _____
Name: Pamela Bulahan, Mayor
Dated: _____

By: _____
Name: Yuanqiang Feng
Dated: _____

Exhibits:

A - Legal Description of the Property

RECORDATION OF THIS CERTIFICATE IS THE RESPONSIBILITY OF THE REQUESTING PARTY.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Acknowledgment

State of California)
County of Sacramento)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

_____, Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Acknowledgment

State of California)
County of Sacramento)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

_____, Notary Public

Exhibit A to Assignment and Assumption Agreement

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the City of Isleton, County of Sacramento, State of California, described as follows:

LOT:17 BLK:30 CITY OF ISLETON, LOT 17, BLOCK: 30

APN: [157-0073-031]

Exhibit A to Assignment and Assumption Agreement (continued)

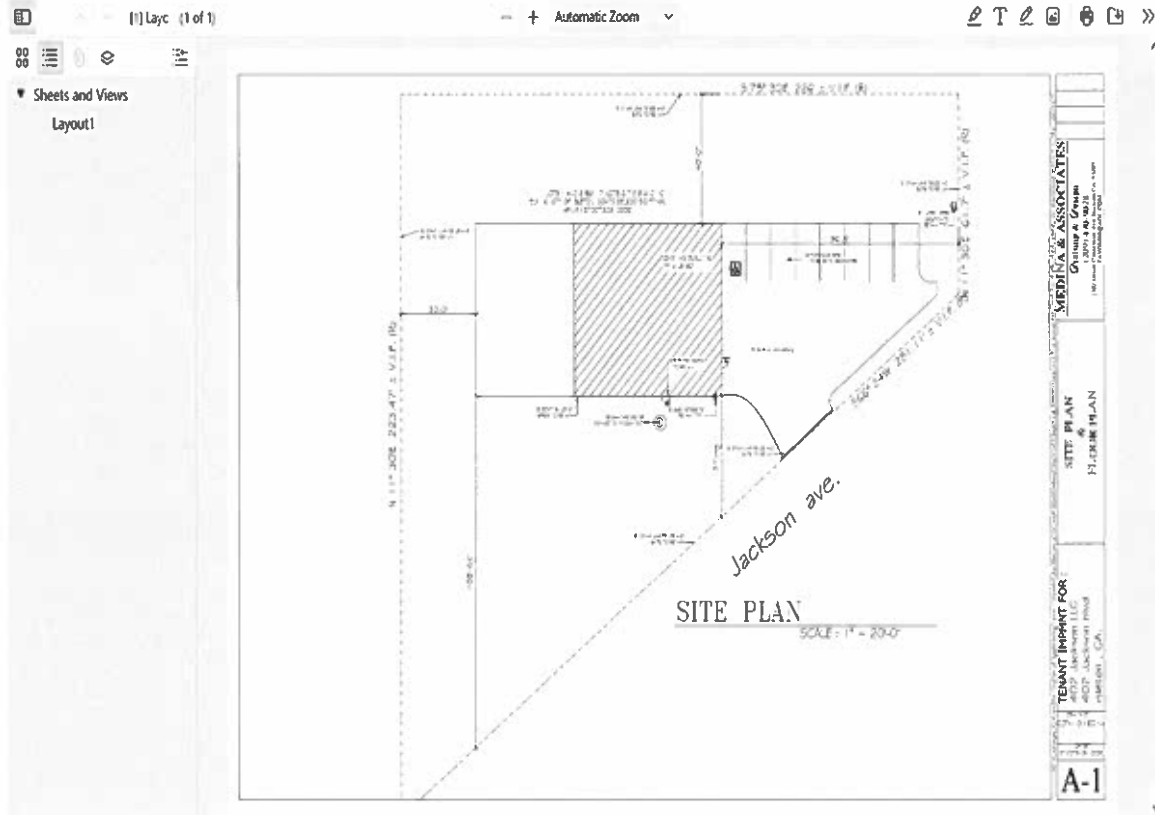


Exhibit E

Memorandum of Development Agreement

Recording Requested by and

When Recorded Return to:

City of Isleton
101 2nd St.
Isleton, CA 95641

No recording fee required pursuant to
Government Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

MEMORANDUM OF DEVELOPMENT AGREEMENT
Yuanqiang Feng

THIS MEMORANDUM OF DEVELOPMENT AGREEMENT ("Memorandum") is made this ___ day of _____, 2024, by and between the CITY OF ISLETON, a municipal corporation ("City"), Yuanqiang Feng ("Developer"), and Delta Boys Enterprise LLC ("Owner"), collectively referred to as the "Parties." Developer is the lessee under the terms of that certain unrecorded lease dated May 30th, 2024, be and between Developer and Owner.

City and Developer are Parties to that certain "Development Agreement" approved by Ordinance 2024-08 (the "Development Agreement"), the terms and conditions of which are hereby incorporated by this reference as if set forth in full herein. The Development Agreement applies to the development and operation of a "Facility" (as defined in the Development Agreement) that is located on certain real property situated in the County of Sacramento, State of California, and legally described as follows (the "Property"):

[See Exhibit A]

"CITY"

"DEVELOPER"

CITY OF ISLETON,
a municipal corporation

Yuanqiang Feng
Sole Proprietor

By: _____
Name: []
Its: Mayor
Dated: [date]

By: _____
Name: _____
Its: Developer
Dated: (date)

"OWNER"

By: _____
Name: _____
Its: _____
Dated: _____

RECORDATION OF THIS CERTIFICATE IS THE RESPONSIBILITY OF THE REQUESTING PARTY.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Acknowledgment

State of California }
County of Sacramento }

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

_____, Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Acknowledgment

State of California }
County of Sacramento }

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

_____, Notary Public

Exhibit A to Memorandum of Agreement

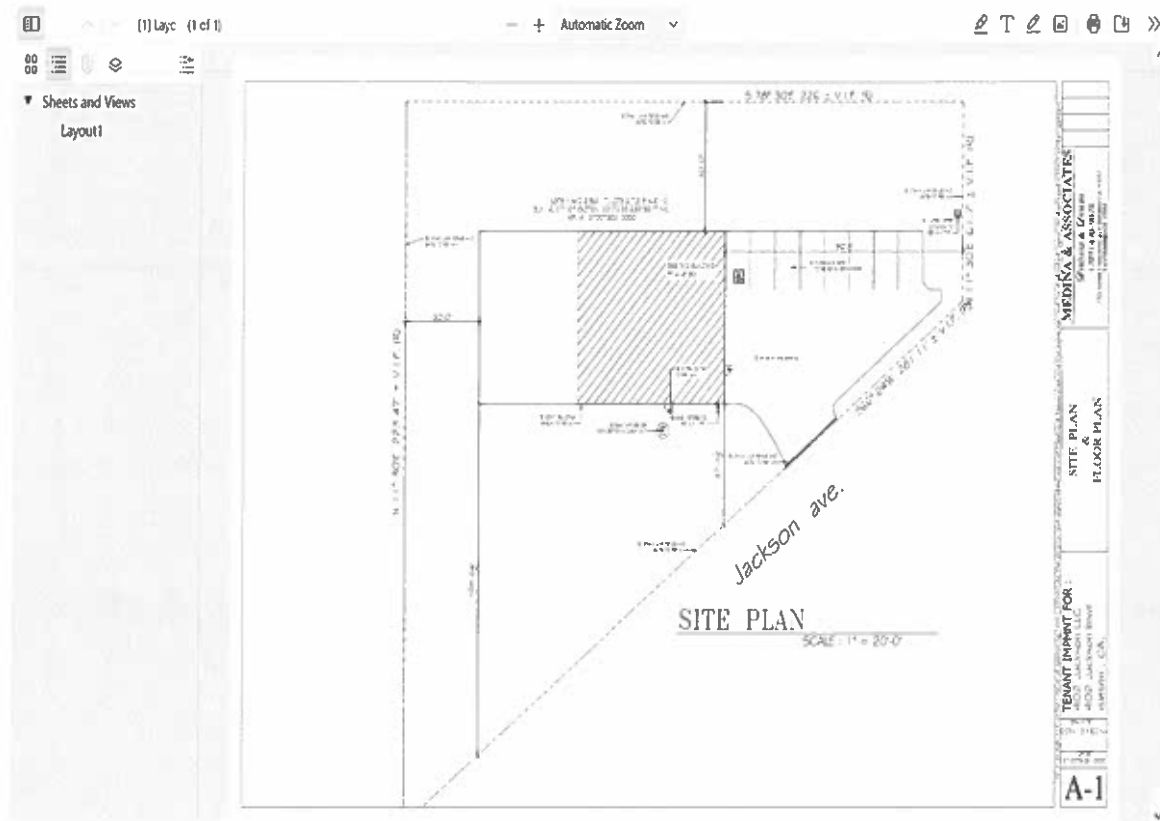
Legal Description

Real property in the City of Isleton, County of Sacramento, State of California, described as follows:

LOT:17 BLK:30 CITY OF ISLETON, LOT 17, BLOCK: 30

APN: [157-0073-031]

Exhibit A to Memorandum of Agreement (continued)



City of Isleton

DATE: November 12, 2024

City Council
Staff Report

ITEM#: 7.B

CATEGORY: Old Business

STATE REVIEW OF ZONING CODE/HOUSING ELEMENT COMPLIANCE

BACKGROUND

The California Department of Housing and Community Development (HCD) reviewed the City's recently updated Zoning Code for compliance with related statutes and found that some parts don't comply with housing law. HCD is requesting Council adoption of an interim policy for addressing allocation of the Regional Housing Needs Allocation*.

This item was reviewed at September 24, 2024, City Council and tabled. Due to the potential penalties the City faces for not following HCD's request, staff is bringing this item back to the Council for reconsideration (see attached September 24 Staff Report). Attached is a revised Resolution that refers to the Housing Element for RHNA allocations (no map) which provides the City a wider range of options for addressing RHNA.

FISCAL IMPACT

No anticipated fiscal impacts.

RECOMMENDATION

Adopt Resolution 26-24

ATTACHMENTS

- A. Resolution 26-24
- B. September 24, 2024, City Council Staff Report

*RHNA-Since 1969, California has required that all local governments (cities and counties) adequately plan to meet the housing needs of everyone in the community. This process starts with HCD determining how much housing at a variety of affordability levels is needed for each region in the state. Then SACOG develops a methodology to allocate that housing need to local governments. California's local governments then adopt housing plans (called housing elements) as part of their "general plan" (also required by the state) to show how the jurisdiction will meet local housing needs. The RHNA for Isleton for the 2021 to 2029 projection period is 28 new housing units (5 very low-income units, 3 low-income units, 6 moderate-income units, and 14 above moderate-income units).

RESOLUTION 26-24

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ISLETON
ESTABLISHING A POLICY FOR THE PROCESSING OF SPECIFIC
RESIDENTIAL DEVELOPMENT PROJECTS CONSISTENT WITH
GOVERNMENT CODE SECTION 65583.2, SUBDIVISIONS (C), (H), AND (I).**

The City Council of the City of Isleton hereby finds as follows:

WHEREAS, on September 27, 2022, the City Council adopted Resolution No. 29-22 approving General Plan Amendment GPA 2022-01 identifying specific parcels to meet the City’s Regional Housing Needs Allocation (RHNA), and adopting and implementing the City of adopting the 2021-29 Housing Element; and

WHEREAS, Housing Element Action-H-2.2 Zoning Code Amendments indicates that the City will amend the zoning code to, among other things, rezone to and in the interim allow development by right, pursuant to Cal. Gov. Code § 65583.2(ci), when 20 percent or more of the units are affordable to lower income housing on sites identified in Appendix A of the Housing Element Background Report to accommodate the lower income RHNA that was previously identified in past housing element. This allowance may also be an overlay on the specific sites identified in the Housing Element Site Inventory; and

WHEREAS, after reviewing the recently updated Zoning Code, the California Department of Housing and Community Development (HCD) informed the City on August 26, 2024, that City staff incorrectly interpreted the Code to comply with Cal. Gov. Code § 65583.2(ci), of the Zoning Code and requested that the City adopt an interim policy to address this requirement until the Zoning Code is updated within the next 12 months; and

WHEREAS, Government Code Section 65583.2 requires that specific residential development projects shall be allowed through a by-right process on properties identified to accommodate the City’s lower income RHNA.

NOW, THEREFORE, BE IT RESOLVED that the City of Isleton City Council that:

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

Section 2. The City Council hereby directs City staff to allow projects with at least 20 percent or more units affordable to lower income individuals through a by-right process per, Government Code Section 65583.2, Subdivisions (c), (h), and (i), as referenced in the City of Isleton 2021-2029 Housing Element which identifies sites to accommodate the lower income RHNA. For this purpose, “by-right” means that the City shall not require a Conditional Use Permit, Planned Unit Development Permit, or other discretionary review or approval that would constitute a “project” for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code.

~~**Section 3.** The City Council hereby approved Interim Housing Policy 2024 01; Exhibit B.~~

PASSED AND ADOPTED by the City Council of the City of Isleton this 12th day of November 2024, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Pamela Bulahan, Mayor

ATTEST:

Yvonne Zepeda, City Clerk

City of Isleton

TO: City Council
FROM: Uyiosa Felix, City Manager
Gary Price, Contract Planner
SUBJECT: State Review of Zoning Code
MEETING DATE: September 24, 2024

BACKGROUND: The California Department of Housing and Community Development (HCD) reviewed the City's recently updated Zoning Code for compliance with related statutes and found that some parts don't comply with housing law. The City Council is requested to adopt an interim policy for addressing their concerns regarding reserving two properties identified in the Housing Element for lower income housing. The Council is requested to adopt the interim policy recognizing this and that the Zoning Code, Phase II, will need to be completed and adopted within the next 12 months to address the related housing statutes. Attached is the resolution for adoption by the Council. In addition, the Council should adopt Policy 2024-01.

ANALYSIS: The Planning Commission and City Council approved/adopted the 6th Cycle, 2021-29 Housing Element and on December 5, 2022, HCD certified the Housing Element (see Attachment 1). The Housing Element documents (Policy and Background Reports) are available for review at:

<https://cityofisleton.com/departments/planning-department/>

The HCD letter identifies several programs important to the State to timely implement. In accordance with Program H-2.2, the City secured a grant and prepared an update of the Zoning Code to address most of the related housing statutes. That program states:

Zoning Code Amendments. Make the following zoning code amendments to maintain internal consistency and comply with State law requirements for housing:

- * Replace references to the R-1-6 zone in the zoning code with the R-1-7 zone and corresponding standards.
- * Include a statement in the purpose of the zoning ordinance (§ 102) that discusses furthering fair housing and California fair housing law.
- * Remove the requirement for a Conditional Use Permit for second units in order to allow them as a permitted use in all residential districts that allow single-family units (i.e., the UR, R, and RM).
- * Remove the requirement for two additional parking spaces for second units; reduce to one with the option to remove the condition if state-outlined conditions are present as outlined in Cal. Gov't. Code § 658252.2(e)(1-5).
- * Rezone to and in the interim shall allow development by right, pursuant to Cal. Gov. Code § 65583.2(c), when 20 percent or more of the units are affordable to lower income housing on sites identified in Appendix A of the Housing Element Background Report to accommodate the lower income RHNA that was previously identified in past housing element. This allowance may also be an overlay on the specific sites identified in the Housing Element Site Inventory. (Edited as mandated by HCD review 12/5/2022)
- * Remove the Conditional Use Permit requirement for group homes of more than six persons and replace with procedures to promote objectivity and approval certainty in all zones allowing residential uses.
- * Adopt definition for transitional and supportive housing that clearly states that transitional and permanent supportive housing are by-right residential uses subject to the same standards that apply to residential uses of the same type in the same zone.

- * Develop a ministerial review option or permitted use for proposed developments where at least 50% of the units are affordable to households making below 80 percent of the area median income, in compliance requirements in Cal. Gov't. Code § 65913.4(e)(1).
- * Explicitly allow single room occupancy in conformance with Cal. Gov't Code § 65583 (c)(1) and § 65583.2 (c); this may include modifying the definition of "dwelling unit" to include single room occupancy by eliminating the requirement for a kitchen in each unit.
- * Allow farmworker housing consistent with Cal. Health & Safety Code § 17021.6 which states that any employee housing consisting of no more than 36 beds in a group quarters or 12 units or spaces designed for use by a single family or household shall be deemed an agricultural land use and no conditional use permit, zoning variance, or other zoning clearance shall be required of this employee housing that is not required of any other agricultural activity in the same zone.
- * Modify the definition of "family" consistent with state law to remove the limit of five unrelated persons living together in a dwelling unit.
- * Modify the definition of "dwelling, one-family" to include employee housing for six or fewer persons, in accordance with Cal. Health & Safety Code § 17021.5.
- * Modify the 2014 emergency shelter ordinance to comply with parking requirements under Cal. Gov't Code, § 65583 (a)(4)(A)). Adopt a formal procedure for reasonable accommodation for housing for persons with disabilities in accordance with fair housing and disability laws.
- * Allow for Low Barrier Navigation Centers to be a use by right in areas zoned for mixed use and nonresidential zones permitting multi-family uses if they meet requirements in Cal. Gov't Code § 65662(a-d), which include:
 - a. "It offers services to connect people to permanent housing through a services plan that identifies services staffing.
 - b. It is linked to a coordinated entry system, so that staff in the interim facility or staff who co-locate in the facility may conduct assessments and provide services to connect people to permanent housing. . .
 - c. It complies with Chapter 6.5 (commencing with Section 8255) of Division 8 of the Welfare and Institutions Code.
 - d. It has a system for entering information regarding client stays, client demographics, client income, and exit destination . . ."
- * Allow for permanent supportive housing to be a use-by-right in all zones where multifamily and mixed uses are permitted, in compliance with Cal. Gov't Code 65583(c)(3), and consistent with requirements specified in Cal. Gov't Code 65651(a)(1-7).
- * Provide for streamlined development approval for supportive housing and low-barrier navigation centers that includes completeness review within 30 days and full review in 60 - 120 days, depending on the size of the project. (Source: Existing Action 5.1, modified with new updates)
- * Provide for streamlined development approval for supportive housing and low-barrier navigation centers that includes completeness review within 30 days and full review in 60 - 120 days, depending on the size of the project. (Source: Existing Action 5.1, modified with new updates)
- * Revise manufactured housing regulations to allow this type of housing to be treated the same as other single-family housing.
- * Amend Zoning Code to reduce residential development processing time by allowing the Planning Commission to approve use permits for residential developments without City Council approval

Responsibility: Planning, Planning Commission, Council

Time Frame: GP update adopted 2022, zoning code amendments to follow (estimated 2023 adoption)

Funding: General Fund; grant assistance

Quantified Objective: 8 accessory dwelling units during the planning period; updated zoning code

The City adopted the Zoning Code Update on June 11, 2024. As part of their new housing enforcement program HCD reached out to the City to review the Zoning Code update and determined that the Code update was not in complete compliance with housing statutes and is

requiring the City adopt an interim policy to address affordable housing until Phase II of the Zoning Code Update is completed.

Interwest, who prepared the Zoning Code update indicated in Attachment 3 (email) that they had made some errors in the document, but also noted some interpretations to housing law that differed from HCD. It is also noted that the document was reviewed by staff, including the City Attorney.

City Manager, Uyiosa Felix, and City Planner, Gary Price, met with HCD on August 26, 2024, and proposed to adjust the Zoning Code as part of the Phase II Zoning Code update program. As Council may recall, when the Zoning Code was updated, it was determined that the City will need to update the Zoning Code as Phase II, after the new General Plan is adopted in 2025. This will allow the changes to the Code that reflect any land use policy changes that come out of the General Plan Update. Phase II would also provide the opportunity for additional adjustments that need to be made, such as new regulations concerning cargo containers and the keeping of animals, such as chickens. It is noted that the changes to the Zoning Code requested by HCD would be rather minor and staff recommends that these amendments simply be folded into the Phase II update that will be conducted next year. Staff also recommends that these changes be conducted by staff or a separate consultant team once funding becomes available for this task.

In addition to adopting the recommended Resolution, a new policy should also be established as Policy 2024-01; also included as part of Resolution 19-12. This provides more direction to staff in interpreting the Zoning Code for compliance with current housing statutes.

Target Affordable Housing Sites: Exhibit A of Resolution No. 19-24 identifies the two target housing sites in the Housing Element. These sites were selected by the City for affordable housing to comply with state housing law to meet the City's Regional Housing Needs Allocation (RHNA) when the Housing Element was adopted. The City's state assigned RHNA requires the City show capacity to develop at least 8 affordable housing units. These low-income/affordable housing units need to meet state criteria where at least 20% of the dwelling units in a development on these sites are reserved for lower income households. Lower income households in Isleton are defined as those that earn 80 percent or less of the area's median income. For the 2024 year, that equates to households earning less than approximately \$94,300 annually. This does not mean the City has to develop these units; it just means the City needs to reserve vacant land to accommodate the projection of at least 8 lower income housing units in the City.

Attachments:

1. December 5, 2022, Letter from HCD Certifying Housing Element
2. Email Trail with HCD regarding housing law compliance
3. Email from Interwest referencing errors made in the Zoning Code Update

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



December 5, 2022

Charles Bergson, City Manager
City of Isleton
P.O. Box 716
Isleton, CA, 95641

Dear Charles Bergson:

RE: City of Isleton's 6th Cycle (2021-2029) Adopted Housing Element

Thank you for submitting the City of Isleton (City) housing element that was adopted September 27, 2022, along with technical modifications authorized by Resolution No. 29-22 and received for review on October 6, 2022. Pursuant to Government Code section 65585, subdivision (h), the California Department of Housing and Community Development (HCD) is reporting the results of its review.

HCD is pleased to find the adopted housing element in full compliance with State Housing Element Law (Article 10.6 of the Gov. Code). The adopted element addresses the statutory requirements described in HCD's December 7, 2021 review.

Additionally, the City must continue timely and effective implementation of all programs including but not limited to the following:

- *Program H-2.2 (Zoning Code Amendments)*: This program commits the City, by 2023, to make revisions to the City's zoning code including, but not limited to, to allow previously identified sites by-right when 20 percent or more of the units are affordable, remove the conditional use permit for group homes with seven or more residents, and revise definitions of transitional and supportive housing.
- *Program H-2.6 (Update Fee Schedule)*: This program commits to study and create a new fee schedule by 2025.
- *Program H-3.8 (Adopt ADU Ordinance)*: This program commits the City to adopt an accessory dwelling unit ordinance to comply with state law by 2023.
- *Program H-3.3 (Regional Fair Housing, Mobility Enhancement, and Place-Based Access)*: This program commits the City to taking actions to affirmatively further fair housing including, among other actions, distributing educational materials, encourage multifamily development, and invest in infrastructure improvements throughout the City, beginning in 2023.

Charles Bergson, City Manager
Page 2

The City must monitor and report on the results of this and other programs through the annual progress report, required pursuant to Government Code section 65400. Please be aware, Government Code section 65585, subdivision (i) grants HCD authority to review any action or failure to act by a local government that it determines is inconsistent with an adopted housing element or housing element law. This includes failure to implement program actions included in the housing element. HCD may revoke housing element compliance if the local government's actions do not comply with state law.

In addition, HCD notes the technical modifications authorized by Resolution No. 29-22. HCD reminds the City that a copy of the updated adopted housing element including these modifications should be posted wherever the housing element is available to the public. HCD requests notification upon posting.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City now meets housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: <https://www.opr.ca.gov/planning/general-plan/guidelines.html>.

HCD appreciates the dedication of the housing element team provided throughout the course of the housing element review. HCD wishes the City success in implementing its housing element and looks forward to following its progress through the General Plan annual progress reports pursuant to Government Code section 65400. If HCD can provide assistance in implementing the housing element, please contact Hillary Prasad, of our staff, at Hillary.Prasad@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager

Attachment 2

Gary,

That is correct. The resolution would act as an interim policy once adopted, until the amendments could be made to the zoning code.



Tyler Galli (He / They)

Senior Housing Policy Specialist

Housing and Community Development

651 Bannon Street, Suite 400 | Sacramento, CA 958311

Phone: 916.776.7613 | Email: Tyler.Galli@hcd.ca.gov

From: Gary Price <gary@plannerprice.com>

Sent: Monday, August 26, 2024 5:48 PM

To: Galli, Tyler@HCD <Tyler.Galli@hcd.ca.gov>

Cc: Uyiosa Felix (uyiosa.oviawe@cityofisleton.com) <uyiosa.oviawe@cityofisleton.com>

Subject: RE: City of Isleton Rezone Program H-2.2

Hi Tyler,

Just to be clear, the resolution becomes the interim placesaver to amending the zoning code to comply with these statutes within 12 months?

Gary

From: Galli, Tyler@HCD <Tyler.Galli@hcd.ca.gov>

Sent: Monday, August 26, 2024 5:16 PM

To: Gary Price <gary@plannerprice.com>

Cc: Uyiosa Felix (uyiosa.oviawe@cityofisleton.com) <uyiosa.oviawe@cityofisleton.com>

Subject: RE: City of Isleton Rezone Program H-2.2

Good afternoon,

Thank you again for meeting with me on short notice.

To recap what we had discussed, and to present timelines:

1. The two sites, one Olivia Ln and River Rd which were identified on the previous cycle's housing element are within an MXU – Mixed Use zone.
2. The housing element states that as part of Action H-2.2, the city shall “Rezone to and in the interim shall allow development by right, pursuant to Cal. Gov. Code § 65583.2(c), when 20 percent or more of the units are affordable to lower income housing on sites identified in Appendix A of the Housing Element Background Report to accommodate the lower income RHNA that was previously identified in past housing element. This allowance may also be an overlay on the specific sites identified in the Housing Element Site Inventory”
3. Within the City's current zoning ordinance, Land Use Table 2.2-A shows both Farmworker Housing and Supportive and Transitional Housing as requiring CUPs within the MXU zone when they must be allowed as a “use by right” pursuant to Government Code section 65583.2, subdivision (i).
4. The city's definition of “Use, Permitted” is not compliant with the required definition of “use by right” pursuant to Government Code section 65583.2, subdivision (i).

In response, the city planned to update Table 2.2-A to reflect the use by right, amend/add the definition of “use by right” and release an interim interpretation manual for staff to adhere to internally and including these revisions within an ordinance in the next 6-12 months.

However, HCD is requesting a different approach to ensure compliance with the requirements within the Housing Element. I am attaching a template for resolution to be developed and adopted by the mayor and city council to address these changes – Once completed, please send to me prior to adoption to confirm.

The expected timeframe for this action, including the adoption of the resolution is 30-60 days.

I am happy to assist with this process and answer any questions you may have.

From: Galli, Tyler@HCD <Tyler.Galli@hcd.ca.gov>
Sent: Friday, August 23, 2024 3:32 PM
To: Gary Price <gary@plannerprice.com>
Subject: RE: City of Isleton Rezone Program H-2.2

Gary,

Would you be available for a short phonecall either Monday morning, or Tuesday afternoon? I have just a couple questions to tie together the ordinance, the site inventory in Appendix A of the Housing Background Report, and the Zoning Map on the city's website.



Tyler Galli (He / They)

Senior Housing Policy Specialist

Housing and Community Development

651 Bannon Street, Suite 400 | Sacramento, CA 958311

Phone: 916.776.7613 | Email: Tyler.Galli@hcd.ca.gov

From: Gary Price <gary@plannerprice.com>

Sent: Thursday, August 22, 2024 9:28 AM

To: Galli, Tyler@HCD <Tyler.Galli@hcd.ca.gov>; Uyiosa.Oviawe@cityofisleton.com

Subject: RE: City of Isleton Rezone Program H-2.2

Hi Tyler,

We are glad to assist you in any way with your review. I am the main contact for the Zoning Code update.

Please feel welcome to reach out to me with any questions or concerns.

Best Regards,

Gary

From: Galli, Tyler@HCD <Tyler.Galli@hcd.ca.gov>

Sent: Thursday, August 22, 2024 9:17 AM

To: Uyiosa.Oviawe@cityofisleton.com; Gary Price <gary@plannerprice.com>

Subject: City of Isleton Rezone Program H-2.2

Good morning,

My name is Tyler Galli, a Housing Policy Specialist with HCD's Housing Policy Division.

I'm reaching out to inform you that I am beginning the process of reviewing your rezones for Program H-2.2 (Zoning Code Amendments). I understand you had communicated with Reid Miller earlier this month, and this review has since been assigned to me, so I will be your main point of contact for the purposes of this review.

Please feel free to reach out if you have any questions or concerns at any point.



Tyler Galli (He / They)

Senior Housing Policy Specialist

Housing and Community Development

651 Bannon Street, Suite 400 | Sacramento, CA 958311

Phone: 916.776.7613 | Email: Tyler.Galli@hcd.ca.gov

Attachment 3

Hi Gary,

I looked at the comments below and I thought we had addressed the uses to be allowed by right in the zoning tables as well. It's possible an older version of a table slipped through the cracks, but we'll make sure that is cleaned up. I don't know that I was ever aware of the two MXU sites that were called out and I didn't realize the state views "uses, permitted" as different from "uses, by-right", but that's an easy fix. I'll try to take some time next week to work on this.



CHANTAL POWER, AICP
SENIOR PLANNER

cpower@interwestgrp.com
909.754.1653

interwestgrp.com

large files may be sent via our secure cloud: <https://cloud.interwestgrp.com>

City of Isleton

City Council Staff Report

DATE: November 12, 2024

ITEM#: 7.C

CATEGORY: Old Business

CITY COUNCIL TO APPROVE PRENTICE LONG, PC PROPOSAL FOR ATTORNEY SERVICES FOR CHAPTER 9 BANKRUPTCY

SUMMARY

Staff is recommending that City Council approve Prentice Long, PC Proposal for attorney services for Chapter 9 Bankruptcy, City restructuring and any other additional City Attorney work as requested.

The Firm has offices in Redding, Hollister and Fresno, and a satellite office in Red Bluff. The Attorney will serve the City from the Redding/Red Bluff location, and will be available for all City Council meetings, and other meetings, as requested, in person. The Redding/Red Bluff office location is our brick-and-mortar site, but we would prefer to be on site at the City. The team of attorneys, paralegals, and staff offers comprehensive advice and counsel in all areas of bankruptcy, insolvency and restructuring.

DISCUSSION

Filing for Chapter 9 creates an automatic stay against creditor actions, providing the City with breathing room to develop a viable debt restructuring plant. The process allows for negotiations with creditors over the terms of long-term debts, potentially leading to lower interest rates or extended repayment schedules without adversely affecting short-term debt.

The distinct advantage of Chapter 9 does not impose a strict reorganization plan that would disrupt operational integrity or the ability to manage short-term liabilities. This will allow the City to focus on long-term financial health without the immediate pressure of liquidation or loss of operational control.

The City's updated financial report shows the long term debt of \$5,091,957.80. Regarding Item #9, FEMA has obligated CALOES advance of \$506,517.30 and will be removed from this list in December.

City's Long-Term Debt as of 11/08/2024

	<i>Vendor Name</i>	<i>Description</i>	<i>Dates</i>	<i>Original Amount</i>	<i>Balance Due</i>
1	Employment Development Dept	Interest & Penalties Accruing	June 2007- CurrentE14E2:EE2:E11	\$ 175,975.83	\$ 178,116.43
2	KS State Bank/First Capital Equipment Lease	Fire Truck / Dec 2020	Yearly/Dec 10th	\$ 394,394.11	\$ 287,983.99
3	Kubota Credit Corp - LEASE	Kubota for the Sewer - Tractor ACH EVERY 27TH OF MONTH	11/27/23-10/27/28	\$ 26,983.05	\$ 21,402.20
4	Sacramento Sheriff Contract	Can be Semi-Annual of \$21875.00	Yearly X 8yrs/January	\$ 2,407,500.00	\$ 427,534.05

	Vendor Name	Description	Dates	Original Amount	Balance Due
5	Reclamation District 407	Past Due*** (Dec 1st we will owe \$11,413.80)	Yearly/June	\$ 99,545.85	\$ 21,965.66
6	2012 Wastewater Revenue Bond/US Bank	Every Sept & March (Matures 3/1/2048)	Semi- Annual	\$ 2,005,000.00	\$ 1,760,000.00
7	Red Tower Capital/Bridge Loan	Every 1st of Month/ 1yr term- Jan 1, 2025- Amertize \$525,000.00	Auto ACH Feb-Dec 2024	\$ 500,000.00	\$ 500,000.00
8	*Redevelopment	Suspended payments		\$ 1,366,205.00	\$ 1,366,205.00
9	Office of Emergency Serv/OES	ADVANCE - Which will be paid from FEMA Funds	One Time Fee	\$ 506,517.30	\$ 506,517.30
10	Consolidated Engineering - Wilson Park	Should pay something monthly		\$ 329,170.00	\$ 22,233.17
			TOTALS	\$7,811,291.14	\$5,091,957.80

City's Short-Term Debt as of 11/08/2024

	Vendor Name	Dates	Current	30 Days	60 Days	90+ Days	Total Amount
	<i>*Danger of being sent to collections and them no longer doing business with us, perhaps cash basis only!</i>						
1	BSN SPORTS	6/15/2024				\$ 28,895.23	\$ 28,895.23
2	CALIFORNIA AMERICAN WATER	10/16/2024	\$ 1,879.39				\$ 1,879.39
3	CAL-WASTE RECOVERY	10/4/2024	\$ 874.07				\$ 874.07
4	CSG CONSULTANTS	AUG - SEP 2024				\$ 12,262.50	\$ 12,262.50
5	DP&S	10/9/2024	\$ 195.51				\$ 195.51
6	FRONTIER	10/28/2024	\$ 1,800.00				\$ 1,800.00
7	HOME DEPOT	10/13/2024	\$ 232.98				\$ 232.98
8	IWORQ	11/1/2024	\$ 2,500.00				\$ 2,500.00
9	KAISER	10/1/2024	\$ 5,867.00				\$ 5,867.00
10	KENT, DAVID	7/31/2024				\$ 328.59	\$ 328.59
11	KRONICK	8/15/2024				\$ 3,585.75	\$ 3,585.75
12	NDWA (NORTH DELTA WATER AGENCY)	10/29/2024	\$ 464.00				\$ 464.00
13	PG&E	AUG-OCT 2024	\$ 4,987.53	\$ 6,018.58			\$ 11,006.11
14	PRICE CONSULTING SERVICES	11/1/2024	\$ 6,220.70				\$ 6,220.70
15	RAMOS OIL	AUG - OCT 2024	\$ 506.38	\$ 568.47	\$ 542.45	\$ 125.62	\$ 1,742.92
16	STATE COMPENSATION FUND	11/1/2024	\$ 2,194.76				\$ 2,194.76
17	VERIZON CONNECT	9/30/2024				\$ 319.50	\$ 319.50
18	VESTIS UNIFORMS	11/1/2024	\$ 507.53				\$ 507.53
19	US BANK CREDIT CARDS	10/15/2024		\$ 1,261.20			\$ 1,261.20
		TOTALS	\$ 14,426.95	\$ 15,633.17	\$ 6,561.03	\$ 45,517.19	\$ 82,137.74

FISCAL IMPACT

Please see attached Prentice Long, PC estimated fees for \$33,775 for Chapter 9 Filing for the City of Isleton.

RECOMMENDATION

Staff recommends City Council accept and approve Prentice Long, PC proposal for filing Chapter 9 so the City can move forward from financial distress toward sustainable economic recovery.

ATTACHMENTS

1. Prentice Long, PC Proposal for Attorney Services
2. Prentice Long, PC Estimated Fees for Chapter 9 Filing
3. Legal Services Agreement Between the City of Isleton and Prentice Long, P.C. for Attorney Services.

Written by: Diana O'Brien, Administrative Assistant/Grants Manager

Reviewed by: Uyiosa Felix Oviawe, City Manager __

Prepared and Submitted by: Yvonne Zepeda, Deputy City Clerk __



PROPOSAL FOR
ATTORNEY SERVICES

City of Isleton

prentice | LONG_{PC}



A LAW FIRM FOUNDED ON THE
PRINCIPLE OF SERVICE

October 14, 2024

Via Email: uyiosa.Oviawe@cityofisleton.com

Uyiosa Felix Oviawe, City Manager
City of Isleton
101 2nd Street
Isleton, CA 95641

Re: Proposal for Attorney Services

Dear Mr. Oviawe:

We respectfully submit this proposal to provide attorney services to the City of Isleton ("City"), specifically for Chapter 9 Bankruptcy, City reorganization and any additional City Attorney work as requested.

Prentice|Long, PC ("Firm") is a law firm founded on the principle of service. Our Firm is comprised of seasoned and experienced attorneys with a proven track record. Every attorney in the Firm stays up-to-date on the changing laws surrounding municipalities.

We are pleased to be able to offer attorney services to the City of Isleton. Our main office is located in Redding, California with an office in Fresno, California. We also have attorneys stationed throughout the state, including San Benito County and the Bay Area. We advise public agencies on issues such as municipal law, code enforcement, labor/employment, water law, wastewater issues, and law enforcement/fire issues. We have a successful litigation record that extends all the way up to the Supreme Court of the United States. Prentice|Long, PC is also known for our trainings, which are made available to all of our clients on such matters as the Ralph M. Brown Act, sexual harassment, ethics standards for public employees, and personalized trainings to meet your needs.

The proposed price will be valid for a period of 90 days.

If you have any questions, please feel free to contact me at (530) 691-0800 or via email at margaret@prenticelongpc.com. We also encourage you to visit our website at www.prenticelongpc.com. Thank you for considering our proposal for city attorney services and we very much look forward to the opportunity to serve the City. The partner executing the proposal has full authority to bind the firm to the terms suggested.

Very truly yours,

Margaret Long

Margaret Long, Managing Partner

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INTRODUCTION

Prentice|Long, PC is a municipal law firm founded with the purpose of providing public agencies with first class legal services at a fair and reasonable rate. The Firm is a full-service municipal law firm which is able to provide affordable rates due to a business structure that maintains a reasonable overhead with built-in efficiencies. Prentice|Long, PC is extremely qualified to provide the services necessary to safeguard the legal needs of the City of Isleton. The Firm has built a reputation for being responsive, accurate, and proactive. We look forward to bringing our passion for protecting and serving public entities to the City.

BACKGROUND AND APPROACH TO LEGAL SERVICES

Prentice|Long, PC views the role of Attorney as a partnership with the other department heads and the City Manager to advance the policies of the City. It is our goal to find legal solutions to problems that may interfere with the City's goals and objectives.

The Attorney will provide regular reports to the City of Isleton regarding any outstanding litigation or other pending legal issues. However, we do not provide legal advice to an individual member as doing so could create a conflict of interest. We are able to serve the City on site, so we can be present if any issues arise. In addition, we are always available by email and telephone, including cell phone.

We strive to address the City's questions and concerns on the spot, and we do this by staying current with legal standards and case law. However, there are times when a question from a councilmember or staff may require further research. Under those circumstances, we generally try to respond within 24 hours to avoid keeping our clients waiting.

The tracking of legal fees is done through advanced technology and personnel. Fees are always reviewed, prior to billing, by at least two partners for accuracy and to identify trends in billing which may be problematic.

Our methodology is based upon service. We listen to our clients, ask follow-up questions, research anything necessary, and deliver sound legal advice both quickly and effectively.

WORK PLAN

The Firm has offices in Redding, Hollister and Fresno, and a satellite office in Red Bluff. The Attorney will serve the City from the Redding/Red Bluff location, and will be available for all City Council meetings, and other meetings, as requested, in person. The Redding/Red Bluff office location is our brick-and-mortar site, but we would prefer to be on site at the City.

Prentice|Long, PC offers its clients a full range of experience and knowledge to assist in the City's regular work. Our firm offers trainings specialized for the City's specific needs, including all mandated training, such as the Ralph M. Brown Act, ethics, and sexual harassment, with written materials. We also offer non-mandated trainings that are frequently requested and not only reduce liability within the City, but build staff knowledge and confidence. These trainings are personalized to fit the needs of each client and include handouts, presentation materials, and case studies specifically tailored to assist our clients in understanding the complex issues involved in public agency law.

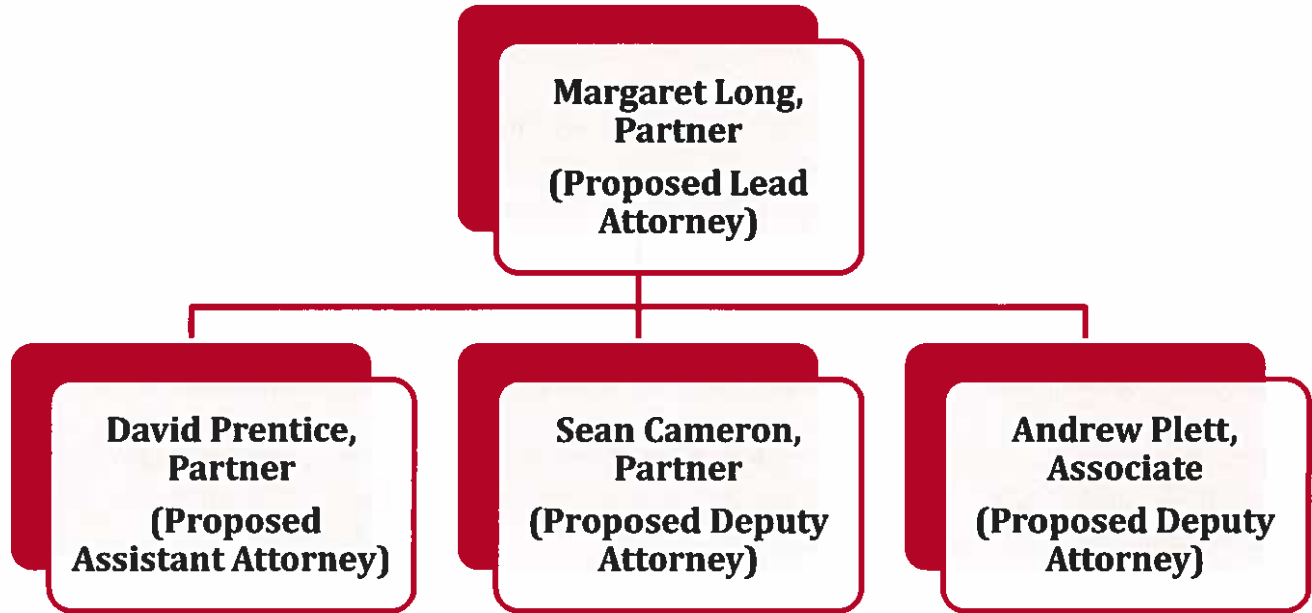
Prentice|Long, PC has recently provided personalized training sessions in several subjects, including the Fair Labor Standards Act, Labor Negotiations, Workplace Discipline, Workplace Investigations, and the Brown Act, ethics, and Proposition 218.

Prentice|Long, PC prides itself on service-oriented legal support. Our firm not only has experienced attorneys ready to discuss, evaluate, advise, and research for the City, but a team of legal support staff including paralegals and legal assistants who are well-versed in public agency law, and document drafting. Our firm finds the best working relationships between the City and Attorney are ones that include open, consistent, and genuine communication. The Attorney will work with the City Manager, and the Department Heads to build a trusted team, with shared goals for the City.

The Attorney will be easily accessible via email, phone, text, or in-person office hours in order to receive inquiries or requests for assistance. Furthermore, the firm's office has regularly scheduled hours where contact can be made quickly. The Attorney will also be available via cell phone for emergency calls or issues that do occur during non-office hours. We pride ourselves on responding to our clients as soon as possible and within 24 hours if legal research is required.

We have attached a sample of our invoice for review, but can adjust it to meet your City's need.

FIRM ORGANIZATION AND STAFFING



In addition to Ms. Long, Mr. Prentice, Mr. Cameron and Mr. Plett, the Firm has attorneys trained to handle all of the legal needs of the City. Ms. Long would be the City’s primary point of contact, and will coordinate all work from the office. All four assigned attorneys will be available for all legal services provided for the duration of the contract.

Prentice|Long, PC prides itself on employing the best available para-professional and clerical support staff. Our legal assistants and paralegals are all versed in municipal law and litigation support. The firm works with in-house staff in other city and county settings and is familiar with the protocols necessary to make such arrangement work.

No attorneys in the Firm are the subject of a State Bar complaint.

RESUMES



Margaret E. Long

Margaret Engelhardt Long is a founding member of Prentice|Long, PC, and its managing partner. Ms. Long's practice includes municipal law, civil litigation, labor and employment law, and business law.

Prior to forming Prentice|Long, PC, Ms. Long was the managing partner of Cota Cole, LLP's Redding office. From 2005-2013, Ms. Long was an associate with the law firm of Kenny, Snowden & Norine in Redding, California. From 2003-2005, Ms. Long worked at Legal Services of Northern California, as the Managing Attorney.

Ms. Long has considerable experience in advising municipalities and public agencies on issues relating to employment, labor, public nuisance, law enforcement, land use, code enforcement, eminent domain, housing, public contracting, unlawful detainer, medical marijuana abatement, Proposition 218, and the Brown Act. Her expertise includes facilitating local elections and initiatives, and engaging in labor negotiations on behalf of the local entity. She also has experience in providing advice to planning commissions, water districts, community services districts, municipal airports and local transportation authorities. Ms. Long provides training to public and private entities on a wide variety of topics, including sexual harassment, ethics, employment matters, governance, and legal updates. In addition, she represents five counties on their child dependency and Public Guardian matters.

For her private sector clients, Ms. Long regularly provides advice regarding wage and hour issues, employment practices, discrimination and sexual harassment matters. Ms. Long's transactional practice includes representing and advising clients on corporate formation and compliance, as well as contract drafting and review. In litigation, Ms. Long has represented clients in the full range of issues, with particular emphasis on complex labor and employment matters. She remains actively involved with her clients through the appellate process, and was the lead attorney on two published matters: *Dutra v. Mercy Medical Center Mt. Shasta* (2012) 209 Cal.App.4th 750, and *Erlin v. United States* (9th Cir. 2004) 364 F.3d 1127.

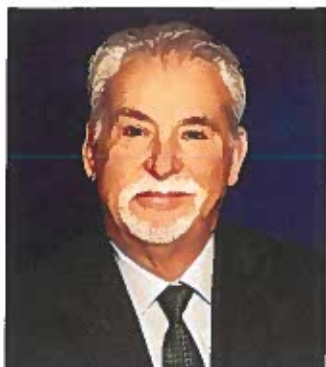
Education and Activities:

Ms. Long received her Bachelor of Arts degree with honors from Wesleyan University in 2000. She received her Juris Doctorate from University of California, Davis in 2003, where she received the prestigious honor of becoming a member of The Order of the Barristers.

As an experienced trainer on municipal legal issues, she is regularly asked to present at legal and human resource conferences. She is a member of the California State Bar Association and Shasta-Trinity Counties Bar Association. Ms. Long has served as the Treasurer of the Shasta-Trinity Counties Bar Association, and President of the Shasta County Women’s Refuge Board of Directors (One Safe Place), and as a Board Member for Habitat for Humanity.

ADMISSIONS:

- California State Bar (2003)
 - United States Supreme Court
 - Ninth Circuit Court of Appeals
 - United States Federal District Court, Eastern District of California
-
-



David Prentice

David A. Prentice is a founding partner of Prentice|Long, PC and has been a public agency attorney for 30+ years. He is currently County Counsel for San Benito County and Deputy County Counsel for Fresno County. He co-founded the firm Prentice|Long, PC to provide quality full-service representation to rural and small public agencies.

In addition to his work as general counsel, Mr. Prentice is an experienced litigator, and has published several decisions. He is well known as an educator in such topics as the Brown Act, Public Records Act, Proposition 218, Ethics and Sexual Harassment. His areas of expertise and practice include Municipal Law, Litigation, Public Employment, Labor Law and Negotiations.

Education and Activities:

Mr. Prentice began his career in 1989 after graduating at the top of his class, Order of the Coif, from University of the Pacific, McGeorge School of Law. After utilizing his legal skills at Best, Best & Krieger in Southern California, he transferred back to his home town of Sacramento where he co-founded McGuire & Prentice. Shortly thereafter, he received an appointment as County Counsel for Madera County where he headed up their legal department for nine years.

Mr. Prentice is a sought-after trainer on municipal legal issues, and is regularly asked to present at legal and human resource conferences.

ADMISSIONS:

- Association of Workplace Investigators
 - United States Supreme Court
 - California State Bar (1989)
 - Ninth Circuit Court of Appeals
 - United States Federal Court, Northern, Eastern, and Southern Federal Districts of California
-



Sean Cameron

Sean Cameron is a partner in the Redding office of Prentice|Long, PC. His practice includes transactional, contract, business, code compliance, ordinance, planning, environmental, and land use matters. Mr. Cameron is currently the Deputy County Counsel for the County of Trinity, County of Modoc, County of Sierra, and the Assistant County Counsel for the County of San Benito.

Prior to joining Prentice|Long, PC, Mr. Cameron worked for Wells Fargo Securities, LLC, drafting and negotiating complex commercial contracts to facilitate securities trading and comply with federal banking requirements. Prior to going to law school, Mr. Cameron worked for Sullivan & Cromwell, LLP, as a legal assistant in the litigation group.

Mr. Cameron has extensive experience advising clients on contract issues, guiding clients from first drafts through execution with a keen focus on protecting the client's interests, while helping the client to foster productive and beneficial relationships. In addition, Mr. Cameron has broad experience advising clients on transactional and real property matters, including property transfers, leases, and easements. Mr. Cameron has also been instrumental in the development and amendment of local ordinances and policies for Prentice|Long, PC clients. Notably, he has been successful in developing and instituting policies and procedures related to water, cannabis, and elections.

Education and Activities:

Mr. Cameron completed his undergraduate degree in 2001 at the University of California, Santa Cruz, majoring in politics and legal studies, and received his Juris Doctorate from Golden Gate University School of Law, focusing on land use and environmental law, in 2009.

ADMISSIONS:

- California State Bar (2014)
-



Andrew Plett

Andrew D. Plett is an associate attorney at Prentice Long, PC. Mr. Plett's practice includes civil litigation, municipal law, dependency law, conservatorship law, and mental health law.

Prior to joining Prentice Long, PC, Mr. Plett served as Deputy County Counsel for Tehama County for six years where he represented a myriad of departments, including Social Services, Health Services, Sheriff, Planning as well as the Tehama County Air Pollution Control District.

Education and Activities:

Mr. Plett attended Cal Northern School of Law while working as a Child Protective Services social worker for Tehama County. During his time at Cal Northern, Mr. Plett received several academic achievement awards and graduated with his Juris Doctorate in 2014 as the class salutatorian.

ADMISSIONS:

- California State Bar (2014)
 - United States District Court, Eastern District of California
-
-

RELATED EXPERIENCE

Prentice|Long, PC is a law firm founded on the principle of service. Our Firm is comprised of seasoned and experienced attorneys with a proven track record of success as advice and litigation counsel. The attorneys of Prentice|Long, PC are dedicated to the welfare of our clients. We pride ourselves on being knowledgeable, and, importantly, understanding our clients' needs. This depth of experience and concern for our clients allows us to truly serve, not just represent.

The principal attorneys of the Firm, Margaret Long, David Prentice, Amanda Uhrhammer, and Sean Cameron, have 60 plus years of municipal law experience. Moreover, every attorney in the Firm has ongoing municipal contact and routinely advise public agencies regarding the full panoply of municipal law, political issues, public employment, labor negotiations, and litigation on a daily basis.

Our current client list is evidence of our experience in this field. Below are just some of the areas in which attorneys may assist the City:

Personnel, General Liability, and Employee Relations

Our Firm has incomparable experience in all aspects of personnel and employee relations matters. We have advised our public agency clients on virtually all aspects of employee relations, up to and including employee separation and discipline, *Skelly* hearings, and employee arbitrations. When necessary, we have successfully defended public agencies in litigation filed by both current and former employees.

Preparation of Ordinances, Resolutions, Orders, and Written Memoranda

Prentice|Long, PC regularly prepares ordinances, resolutions, and orders for its public agency clients. Whether requested by the public agency or suggested by the City Attorney, we have drafted ordinances to assist our clients in pursuing their legislative policies, including code enforcement, land use, resolutions of necessity for eminent domain, and environmental and water-related issues. Prentice|Long, PC also regularly prepares advice memoranda, status letters, and other written information to advise and inform its public agency clients.

Public Records Act and Brown Act

Prentice|Long, PC has extensive knowledge of the Public Records Act, the Ralph M. Brown Act, and Elections Code compliance. The Firm has assisted newly-formed public agencies to establish policies and procedures to comply with the Ralph M. Brown Act from inception. We have also developed an interactive training seminar which we offer to educate our clients as to recent developments in the Ralph M. Brown Act and the legislatively or judicially enacted modifications. On behalf of our public agency clients, we regularly and routinely respond to requests made pursuant to the Public Records Act.

Land Use, CEQA, and Other Environmental Issues

Prentice|Long, PC represents clients in all aspects of land use and environmental law. Our attorneys have significant familiarity litigating environmental disputes, defending clients against government enforcement actions, and handling real property issues and transactions, including purchase, sale, and leasing of contaminated property, rights-of-way and easements, property disposal, and public improvements. Our scope of this experience includes advice and representation, on site investigations and remedial actions, general plans and zoning, special use permits, the Subdivision Map Act, CEQA and NEPA, CERCLA, California Hazardous Substance Account Act, RCRA, Porter-Cologne, Proposition 65, air and water quality, water supply and rights, and utilities issues.

Prentice|Long, PC's attorneys have the capability of advising public and private clients regarding compliance with hazardous materials laws and regulations, including those involving preparation of hazardous materials business plans and regulation by certified unified program agencies. Our attorneys have litigated a variety of matters involving hazardous waste discharges, including claims under CERCLA and HSAA, RCRA, and other federal and state laws, and have also handled and are familiar with NPDES permitting issues.

Municipal Litigation

Prentice|Long, PC attorneys have distinguished themselves as public agency litigators and have far-reaching practice in bench and jury trials, as well as administrative hearings. We are well versed in the issues that commonly face rural communities, as well as rules of procedure. Prentice|Long, PC attorneys are pleased to report a very high rate of success in litigation matters.

Groundwater Management

Prentice|Long, PC has broad experience with the local groundwater management and Sustainable Groundwater Management (SGM) Programs. Specifically, the Firm serves as Attorney to Sierra Valley Groundwater Management District and Modoc County Groundwater Advisory Committee. We are experienced and understand resources available to local agencies and can provide detailed guidance in managing groundwater basins sustainably.

Proposition 218 Compliance

Prentice|Long, PC is considered one of the leading experts on Proposition 218 compliance. The firm frequently lectures on that subject, and wrote and published a popular Proposition 218 manual that is still used today.

Chapter 9 Bankruptcy and Reorganization


Our team of attorneys, paralegals, and staff offers comprehensive advice and counsel in all areas of bankruptcy, insolvency and restructuring. Our goal to determine and strategize with our client regarding their best course of action, and then partnering with them until finalized.

OTHER INFORMATION

Prentice|Long, PC agrees to carry out all responsibilities and duties under this agreement and in particular with regard to the employment of persons and sub-contractors working on the project, we will not discriminate on the basis of race, color, creed, national origin, religion, sex, age, or handicap.

CONFLICTS OF INTEREST

Client List



- Sierra County
- Trinity County
- Modoc County
- Lassen County
- Lake County
- Tehama County
- Kings County
- Yuba County
- San Joaquin County
- Kern County
- Plumas County
- Colusa County
- Fresno County
- San Benito County
- City of Merced
- City of Willows
- City of Lakeport
- City of Taft
- City of Shasta Lake
- City of Susanville
- City of Tulelake
- Town of Fort Jones
- Hayfork Fire Protection District
- Southern Cascade Community Services District
- Sierra Valley Groundwater Management District
- Fresno Kings Madera Health Authority (CalViva Health)
- Cortina Community Service District
- Christian Valley Park Community Service District
- Lake Shastina Community Service District
- Scotia Community Service District
- McCloud Community Services District
- Westland Water District
- Janesville Fire Protection District
- First Five of Sierra County

The Firm is not aware of any conflict of interest with our current clients. Should an actual conflict arise after our appointment, Prentice|Long, PC would take all necessary steps to eliminate such conflict and ensure proper representation.

Prentice|Long, PC has never been terminated from a client.

The Proposed Attorney, Ms. Long, has no known current or future professional commitments that would interfere with her provision of legal services to the City as outlined in this proposal.

INSURANCE

Prentice|Long, PC maintains professional malpractice insurance in the amount of not less than \$2 million per occurrence, and will agree to maintain throughout the term of this Agreement.

CLIENT CONFIDENTIALITY

Prentice|Long, PC has worked with Apex Technology Management since our inception in 2013. Apex continually provides our Firm with the most up-to-date security practices. Our quarterly meetings with them allow us to implement any necessary changes and updates to keep our network secure. The Firm has 24-hour monitoring and carries cyber insurance.

Our Firm also has a strict policy on client confidentiality and all employees are provided a standard confidentiality agreement upon hiring and/or resignation. This includes, but is not limited to, Firm financial information, client records, electronic data, and written records. Any breach of such agreement will be resolved immediately.

PROPOSAL TYPE/FEE SCHEDULE

HOURLY RATE – ATTORNEY SERVICES

The proposed fee structure and hourly rates are subject to further negotiation or revision, depending on the City’s needs. If an hourly rate option is not preferred, please let our office know and we can provide a revised compensation proposal.

Attorney	\$195/hour
Paralegal/Legal Professional	\$110/hour

COST SCHEDULE

Any other expense not listed above that becomes necessary for the successful resolution of a client matter	Actual cost and upon preapproval of City Manager
2.0% administrative fee in lieu of separate charges for phone, fax and copies	Based on the amount of fees billed during the month
Reasonable travel expenses (mileage)	Applicable IRS rate per mile x number of miles

The proposed fee structure and hourly rates are subject to further negotiation or revision, depending on the City’s needs. If a flat rate option is preferred, please let our office know and we can provide a revised compensation proposal.

REFERENCES

Chester Robertson
County Administrative Officer
Modoc County
204 South Court Street, Suite 100
Alturas, CA 96101
530-233-7660
chesterrobertson@co.modoc.ca.us

Dan Newton
City Manager
City of Susanville
66 N. Lassen Street
Susanville, CA 96013
530-252-5102
dnewton@cityofsusanville.org

Gabriel Hydrick
Chief Administrator
Tehama County
727 Oak Street
Red Bluff, CA 96080
530-527-4655
cofficer@tehama.gov

Richard Egan
County Administrative Officer
Lassen County
221 South Roop Street, Suite 3
Susanville, CA 96130
530-251-8320
regan@co.lassen.ca.us

CONCLUSION

Prentice|Long, PC, and especially Margaret Long, David Prentice, Sean Cameron, and Andrew Plett, are excited about the opportunity to represent the City of Isleton as Attorney. We are qualified to take on this task, and are committed to working closely with staff and the City Council should we be selected. We ask that you contact our references and very much appreciate the City of Isleton's consideration.

Thank you,
Prentice|Long, PC

**LEGAL SERVICES AGREEMENT BETWEEN THE CITY OF ISLETON AND
PRENTICE LONG, P.C. FOR ATTORNEY SERVICES**

THIS AGREEMENT for legal services is entered into by and between the City of Isleton (hereinafter referred to as "City") and PRENTICE LONG, PC (hereinafter referred to as "Law Firm"), as of November 1, 2024.

SECTION 1.

SERVICES. Subject to the terms and conditions set forth in this Agreement, Law Firm shall provide to City the services described in the Scope of Work attached hereto and incorporated herein as Exhibit A/B at the time and place and in the manner specified therein. In the event of a conflict in or inconsistency between the terms of this Agreement and Exhibit A/B, the Agreement shall prevail.

1.1 **Term of Services.** The term of this Agreement shall begin on November 1, 2024 and end on October 31, 2025.

1.2 **Standard of Performance.** Law Firm shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Law Firm is engaged in the geographical area in which Law Firm practices its profession. Law Firm shall prepare all work products required by this Agreement in a substantial, first-class manner and shall conform to the standards of quality normally observed by a person practicing in Law Firm's profession.

1.3 **Assignment of Personnel.** Law Firm shall assign only competent personnel to perform services pursuant to this Agreement. Margaret Long will be assigned as Lead Attorney, David Prentice will be assigned as Assistant Attorney, and Sean Cameron and Andrew Plett will be assigned as Deputy Attorneys.

1.4 **Time.** Law Firm shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Section 1.2 above and to satisfy Law Firm's obligations hereunder.

SECTION 2.

COMPENSATION. Notwithstanding any contrary indications that may be contained in Law Firm's proposal, City agrees to pay Law Firm in accordance with the Compensation Schedule provided in Exhibit B for services to be performed and reimbursable costs incurred under this Agreement. In the event of a conflict between this Agreement and Law Firm's proposal regarding the amount of compensation, the Agreement shall prevail. City shall pay Law Firm for services rendered pursuant to this Agreement at the time and in the manner set forth herein. The payments specified below shall be the only payments from City to Law Firm for services rendered pursuant to this Agreement. Law Firm shall submit all invoices to City in the manner specified herein.

2.1 **Invoices.** Law Firm shall submit invoices not more often than once a month during the term of this Agreement (unless requested otherwise by City), based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- The beginning and ending dates of the billing period;
- A Task Summary containing the amount of any prior billings, the total due for the period being billed for, and any outstanding sums remaining unpaid; and
- The applicable time entries showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense.

2.2 Monthly Payment. City shall make monthly payments, based on invoices received, for services satisfactorily performed and for authorized reimbursable costs incurred. City shall have thirty (30) days from receipt of an invoice to pay Law Firm.

2.2.1 Past Due Invoices. Past due invoices will accrue interest at five percent (5%) per month, prorated and compounding. Any failure to pay a balance owed will be considered a breach of this contract and may terminate this Agreement.

2.2.2 Collections and Attorney Fees & Costs. Any unpaid invoices more than thirty (30) days past due may be referred to collections. Law Firm reserves the right to charge City any necessary attorney fees and costs to collect any unpaid invoices.

2.3 Reimbursable Expenses. Reimbursable expenses are specified in Exhibit B, and expenses not listed in Exhibit B are not chargeable to City.

2.4 Payment of Taxes. Law Firm is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.

2.5 Payment upon Termination. In the event that City or Law Firm terminates this Agreement pursuant to Section 7 of this Agreement, City shall compensate the Law Firm for all outstanding costs and reimbursable expenses incurred for work satisfactorily completed as of the date of written notice of termination. Law Firm shall maintain adequate logs and timesheets in order to verify costs incurred to that date.

2.6 Authorization to Perform Services. Law Firm is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of authorization from City.

SECTION 3.

FACILITIES AND EQUIPMENT. Except as set forth herein, Law Firm shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the services required by this Agreement. City shall make available to Law Firm only the facilities and equipment listed in this section, and only under the terms and conditions set forth herein.

City shall furnish physical facilities such as desks, filing cabinets, and conference space, as may be reasonably necessary for Law Firm's use while consulting with City employees and reviewing records and the information in possession of City. The location, quantity, and time of furnishing those facilities shall be in the sole discretion of City. In no event shall City be obligated to furnish any facility that may involve incurring any direct expense, including but not limited to computer, long-distance telephone or other communication charges, vehicles, and reproduction facilities.

SECTION 4.

INSURANCE REQUIREMENTS. Before beginning any work under this Agreement, Law Firm, at its own cost and expense, shall procure and maintain professional malpractice insurance in the amount of not less than \$1 million per occurrence throughout the term of this Agreement. Should City request it, Law Firm shall provide proof satisfactory to City of such insurance that meets the requirements of this section and under forms of insurance satisfactory in all respects to City, and that such insurance is in effect prior to commencing work under this Agreement. Law Firm shall maintain the insurance policy required by this section throughout the term of this Agreement.

SECTION 5.

STATUS OF LAW FIRM.

5.1 **Independent Contractor.** At all times during the term of this Agreement, Law Firm shall be an independent contractor and shall not be an employee of City. City shall have the right to control Law Firm only insofar as the results of Law Firm's services rendered pursuant to this Agreement and assignment of personnel pursuant to Subparagraph 1.3; however, City shall otherwise not have the right to control the means by which Law Firm accomplishes services rendered pursuant to this Agreement. Notwithstanding any other city, state, or federal policy, rule regulation, law, or ordinance to the contrary, Law Firm – and any of its employees, agents, and subcontractors providing services under this Agreement – shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of City, and entitlement to any contribution to be paid by City for employer contributions and/or employee contributions for PERS benefits.

5.2 **Law Firm Not Agent.** Except as City may specify in writing or as provided by law, Law Firm shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Law Firm shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

SECTION 6.

LEGAL REQUIREMENTS.

6.1 **Governing Law.** The laws of the State of California shall govern this Agreement.

6.2 **Compliance with Applicable Laws.** Law Firm and any subcontractors shall comply with all laws applicable to the performance of the work hereunder.

6.3 **Other Governmental Regulations.** To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Law Firm and any subcontractors shall comply with all applicable rules and regulations to which City is bound by the terms of such fiscal assistance program.

6.4 **Licenses and Permits.** Law Firm represents and warrants to City that Law Firm and its employees, agents, and any subcontractors have all licenses, qualifications, and approvals of whatsoever nature legally required to practice their respective professions. Law Firm represents and warrants to City that Law Firm and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals legally required to practice their

respective professions. In addition to the foregoing, Law Firm and any subcontractors shall obtain and maintain during the term of this Agreement any required business licenses from City.

6.5 Nondiscrimination and Equal Opportunity. Law Firm shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Law Firm under this Agreement. Law Firm shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement.

SECTION 7.

TERMINATION AND MODIFICATION.

7.1 Termination. City or Law Firm may cancel this Agreement upon sixty (60) days' written notice.

In the event of termination, Law Firm shall be entitled to compensation for services performed to the effective date of termination; City, however, may condition payment of such compensation upon Law Firm delivering to City copies of any or all reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Law Firm prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder. Originals of attorney work product shall remain the property of Law Firm.

7.2 Amendments. The parties may amend this Agreement only by a writing signed by all the parties.

7.3 Assignment and Subcontracting. City or Law Firm recognize and agree that this Agreement contemplates personal performance by Law Firm and is based upon a determination of Law Firm's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to City for entering into this Agreement was and is the professional reputation and competence of Law Firm. Law Firm may not assign this Agreement or any interest therein without the prior written approval of the City Council. Law Firm shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors noted in the proposal, without prior written approval of the City Council.

7.4 Survival. All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between City and Law Firm shall survive the termination of this Agreement.

7.5 Options Upon Breach by Law Firm. If Law Firm materially breaches any of the terms of this Agreement, City's remedies shall include but not be limited to the following:

- 7.5.1 Immediate termination of the Agreement;
- 7.5.2 Retention of the plans, reports, documents, and any other work product prepared by Law Firm pursuant to this Agreement; and/or
- 7.5.3 Retention of a different law firm to complete any work described in Exhibit A remaining unfinished by Law Firm.

SECTION 8.

KEEPING AND STATUS OF RECORDS.

8.1 Records Created as Part of Law Firm's Performance. Law Firm hereby agrees to deliver copies of all reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Law Firm prepares or obtains pursuant to this Agreement to City upon termination of the Agreement. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for City and are not necessarily suitable for any future or other use. City and Law Firm agree that, until final approval by City, all data, plans, specifications, reports and other documents are confidential and will not be released to third parties without prior written consent of both parties.

8.2 Law Firm's Books and Records. Law Firm shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to City under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Law Firm pursuant to this Agreement.

8.3 Inspection and Audit of Records. Any records or documents that Section 8.2 of this Agreement requires Law Firm to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of City.

SECTION 9.

MISCELLANEOUS PROVISIONS.

9.1 Attorneys' Fees. If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

9.2 Venue. In the event that either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in the Superior Court for the County of Sacramento.

9.3 Severability. If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

9.4 No Implied Waiver of Breach. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

9.5 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the parties.

9.6 Conflict of Interest. Law Firm may serve other clients, but none whose activities within the corporate limits of City or whose business, regardless of location, would place Law Firm in a "conflict of

interest," as that term is defined in the rules of professional responsibility governing Law Firm's profession, unless such conflict may be waived by City and City chooses to waive such conflict in writing.

Law Firm shall not employ any City official in the work performed pursuant to this Agreement. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code section 1090 *et seq.*

Law Firm hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of City. If Law Firm were an employee, agent, appointee, or official of City in the previous 12 months, Law Firm warrants that it did not participate in any manner in the forming of this Agreement. Law Firm understands that, if this Agreement is made in violation of Government Code section 1090 *et seq.*, the entire Agreement is void and Law Firm will not be entitled to any compensation for services performed pursuant to this Agreement, including reimbursement of expenses, and Law Firm will be required to reimburse City for any sums paid to the Law Firm. Law Firm understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code section 1090 and, if applicable, will be disqualified from holding public office in the State of California.

9.7 Solicitation. Law Firm agrees not to solicit business at any meetings, focus group, or interview related to this Agreement, either orally or through any written materials.

9.8 Notices.

Any written notice to Law Firm shall be sent to:

Prentice Long, PC
Attn: Margaret Long
2240 Court Street
Redding, CA 96001

Any written notice to City shall be sent to:

City of Isleton
Attn: Uyiosa Felix Oviawe, City Manager
101 2nd Street
Isleton, CA 95641

9.9 Integration. This Agreement, including attachments, represents the entire and integrated agreement between City and Law Firm and supersedes all prior negotiations, representation, or agreements, either written or oral.

9.10 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

9.11 Authorized Signature. Each person and party signing this Agreement warrants that he/she has the authority to execute this Agreement on behalf of the principal and that the party will be bound by such signature.

[signatures on next page]

The parties have executed this Agreement as of the Effective Date.

CITY

City of Isleton

By: _____
Name: _____
Title: _____

LAW FIRM

Prentice Long, PC

By: _____
Margaret Long, Managing Partner



EXHIBIT A
SCOPE OF WORK

The following services shall be provided under this Agreement:

CITY SERVICES

Law Firm shall provide the following services to City including, but not necessarily limited to, the following:

- Chapter 9 Bankruptcy;
- City Reorganization; and
- Any additional City Attorney work as requested

EXHIBIT B

COMPENSATION SCHEDULE AND REIMBURSABLE EXPENSES

COMPENSATION SCHEDULE:

Law Firm is available to provide services, upon approval of the Council, at the following rates:

Attorney Rate:	\$195/hour
Paralegal/Legal Professional Rate:	\$110/hour

REIMBURSABLE EXPENSES:

Reasonable travel expenses (mileage) for trips on behalf of City of Isleton	Applicable IRS rate per mile x number of miles
Duplication/reproduction fees	Actual cost if performed by outside service; no charge if in-house
Any other expense not listed above that becomes necessary for the successful resolution of a client matter	Actual Cost
2.0% administrative fee in lieu of separate charges for phone, fax and copies	Based on the amount of fees billed during the month

ESTIMATED FEES FOR CHAPTER 9 FILING

Below is a list of tasks necessary to file a successful Chapter 9 bankruptcy petition. Each area of work lists an associated fee based on estimated time to accomplish the task. Of course, there are certain issues with court proceedings which are out of counsel's ability to control.

1. Preparation of Debt Adjustment Plan-work with staff to prepare and finalize an adjustment plan to bankruptcy court approval standards. The plan must contain a description of classes of creditors in compliance with bankruptcy code 11 USC sections 1123 et. seq.=Attorney time (40 hours/\$7,800) and paralegal time (10 hours/\$1100). Total \$8,900.
2. Participate in debt negotiations with creditors-meet with staff and devise strategies for good faith negotiations with creditors and make legal determination of practicality of said negotiations. (Expectation of a minimum of 60 hours attorney time/\$11,700) Total \$11,700.
3. Prepare bankruptcy petition including Debt Adjustment Plan and list of creditors and description of negotiations or lack of negotiations in compliance with Fed. R Bankr P 10007(d). Attorney time (25 hours/\$4,875) and paralegal time (20 hours/\$2,200). Total \$7,075.
4. Miscellaneous court appearances, travel and staff and council meetings. Attorney time (20 hours/\$3,900) and paralegal time (20 hours/\$2,200) Total \$6,100.

Total estimated costs (best estimate) for the filing and related work = \$33,775.

City of Isleton

City Council Staff Report

DATE: November 12, 2024

ITEM#: 8.A

CATEGORY: New Business

CITY COUNCIL TO ADOPT RESOLUTION #29-24 CENSURE OF COUNCIL MEMBER DAVID KENT

SUMMARY

The Mayor of the City of Isleton is bringing forth Resolution #29-24 Censure of Council Member David Kent for not following the "Code of Conduct for City Council Members" that all City Council members sign.

DISCUSSION

See attached Resolution #29-24 that provides the reasons for censuring Council Member David Kent that has caused stress, mistrust and hostile environment within the City Council Members and staff.

Not only does unprofessional, hostile, and bullying behavior violate the Council's protocols, it reflects poorly on the Council and the City as a whole and is not in line with the City's values. The decision to censure demonstrates the City's commitment to following protocols and respecting each other, City staff, and members of the public. It is essential that City Council Members demonstrate respect when they interact with City Manager, City staff and other Council Members and treat them as the professionals that they are.

FISCAL IMPACT

No Fiscal Impact to the City

RECOMMENDATION

It is recommended that City Council adopt Resolution #29-24 Censure of Council Member David Kent.

ATTACHMENTS

1. Resolution #29-24 Censure of Council Member David Kent
2. Code of Conduct for City Council Members Effective 01/24/08

Written by: Diana O'Brien, Administrative Assistant/Grants Manager

Reviewed by: Uyiosa Felix Oviawe, City Manager __

Prepared and Submitted by: Yvonne Zepeda, Deputy City Clerk __

RESOLUTION 29-24

A RESOLUTION OF CENSURE OF COUNCILMEMBER DAVID KENT

The City Council of the City of Isleton hereby finds as follows justifying the censure of City Councilmember David Kent for:

WHEREAS, talks over Mayor during City Council meetings, trying to run the meeting, acting in a condescending manner to the City Manager, Uyiosa Felix Oviawe, and to other Council Members at meetings, all contrary to Sections 6, 7 and 9 of the 2008 Code of Conduct of City Council Members (the "Code"); and

WHEREAS, directly contacting Assistant City Manager, Scott Baroni, in an attempt to terminate City Manager, Uyiosa Felix Oviawe, contrary to Sections 7, 8, 9 and 10 of the Code; and

WHEREAS, misrepresenting himself as Mayor at the Galt STA meeting and as City Manager at the Brannan-Andrus Levee Maintenance District (BALMD); and

WHEREAS, threatening to fire staff and hire his wife in accounting, according to credible reports from staff; and

WHEREAS, talking too long about non-City business issues at City Council meetings which has delayed completion of City business, contrary to Sections 6, 7 and 9 of the Code; and

WHEREAS, while attended River Delta Fire District Meeting on June 11th, 2024, according to Meeting Minutes Item #8.1 Assistant Chief Gardiner's Report: Misrepresented himself as Mayor and, without City Council authorization, requested that River Delta Fire District submit a proposal for fire coverage; and

WHEREAS, disrespecting staff in front of other employees and Council Members, causing stress to staff and other Council Members, and creating an uncomfortable and hostile work environment, contrary to Sections 3, 7 and 9 of the Code; and

WHEREAS, contacting City employees directly during working hours and non-working hours, instead of talking to the City Manager, causing stress and a hostile environment, contrary to Sections 3, 7, 8 and 9 of the Code; and

WHEREAS, voting on two items on the agenda that he should have recused himself as they affected him personally and financially, contrary to the state conflict of interest laws and Section 1 of the Code.

NOW, THEREFORE, BE IT RESOLVED by the City of Isleton City Council that:

Section 1. The City Council of the City of Isleton adopts Resolution #29-24 and Censures Councilmember David Kent for his actions as set forth hereinabove.

PASSED AND ADOPTED by the City Council of the City of Isleton this 12th day of November 2024, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Pamela Bulahan, Mayor

ATTEST:

APPROVED AS TO FORM:

Yvonne Zepeda, Deputy City Clerk

Jeff Mitchell, City Attorney

**City of Isleton
Code of Conduct for City Council Members**

Effective Date: 01/24/2008

Adopted by City Council: 01/23/2008

1. **Acts in the Public Interest:**
City Council Members will work for the common good of the people of Isleton and not for any private or personal interest, and they will assure fair and equal treatment of all persons, claims, and transactions coming before the City Council.
2. **Dedicated Service in Compliance with the Law:**
City Council members will not exceed their authority, breach the law or City policy, nor ask others to do so. They will work in cooperation with each other, other public officials, and staff.
3. **Fair and Equal Treatment:**
Preferential consideration upon the request or petition of any individual shall not be given. No person shall receive special advantages beyond that which are available to any similarly situated citizen or staff member. The City Council will fully comply with all City policies regarding the fair treatment of staff, including the City's policy on the prevention of harassment, discrimination, and retaliation, at all events where City Council members and staff may be present.
4. **No Disclosure of Confidential Information:**
No City Council member shall willfully or knowingly disclose to any other person confidential information acquired by him or her in the course of and by reason of his or her official duties. Nor shall any City Council member use any such confidential information for the purpose of personal or political interests, or pecuniary gain.
5. **No Discrimination in Appointments:**
No person shall be appointed to, removed from, or in any way favored or discriminated against with respect to any appointive administrative office because of race, color, national origin (including language), age, religion, sex, sexual orientation, gender, disability, medical condition, or marital status, as defined by applicable state or federal laws, if otherwise qualified for the position or office.
6. **Democratic Process:**
During City Council meetings, City Council members will listen attentively and courteously to all public discussions and avoid interrupting other City Council members, staff, or other speakers, except as may be permitted by established rules of order. City Council members will focus on the business at hand and refrain from making personal comments that are not germane to the business of the body, or otherwise interfering with the orderly conduct of meetings.

7. **Respectful Relationships:**

The professional and personal conduct of City Council members must be above reproach and avoid even the appearance of impropriety. City Council members shall refrain from abusive conduct, personal charges or attacks upon character, motives, ethics, or morals of other members of the Council, City staff, or members of the public.

8. **Policy Role of Members:**

Members shall respect and adhere to the council-manager structure of city government. In this structure, the City Council determines the policies of the City with the advice, information, and analysis provided by the public, city staff, and any committees established by the City Council.

Members therefore shall not interfere with the administrative functions of the City or the professional duties of City staff; nor shall they impair the ability of staff to implement Council policy decisions.

Members should refrain from:

- Disrupting staff from the conduct of their jobs
- Involvement in administrative functions, without the approval of a majority of the Council
- Attending staff meetings unless requested by staff

9. **Constructive Workplace Environment:**

City Council members support the maintenance of a constructive work environment for staff, the public, and businesses dealings with the City. Council members should recognize their special role in dealings with staff and the public, and will avoid any conduct that creates the perception of inappropriate direction. Council members will not express concerns about the performance of a staff member in public, to the staff member directly, or to the staff member's manager. Concerns about staff member performance will only be made to the City Manager through private conversation or correspondence. Members of the City Council will use a closed session to evaluate the work performance of their appointees: the City Manager and the City Attorney.

10. **Implementation:**

The City is committed to maintaining a healthy, fulfilling, and respectful workplace. To that end, every Council member is expected to observe the foregoing policies and rules when engaged in City business. Council members entering office shall sign a statement affirming they have read and understood this Code of Conduct. This Code shall be reviewed annually by the City Council and Council members shall sign a statement at that time re-affirming that they have read and understand the current Code of Conduct.

11. **Enforcement:**

Complaints alleging a violation of this Code of Conduct by a Council member should be directed to the City Manager or the City Attorney for purposes of determining an appropriate course of action.

The goal of enforcement of this Code of Conduct is corrective, rather than penal, and a progressive approach to curing violations shall be employed, beginning with informal methods and proceeding to more formal methods as necessary. If appropriate, informal counseling and instruction shall be utilized to correct the member's behavior prior to recommending imposition of sanctions, which would need to be ratified by a majority of the City Council.

Should less drastic measures fail, the City Council may in a public meeting impose one or more of the following sanctions:

- Reprimand
- Condemnation
- Censure
- Travel or expense reimbursement restrictions
- Loss of committee or liaison assignments
- Removal from an appointed commission or board
- Other penalties as may be applicable under the circumstances

I affirm that I have read and understand the City of Isleton Code of Conduct for City Council Members.

Signature

Date

