



# AGENDA

## CITY COUNCIL REGULAR MEETING

Donald P. Wagner  
Mayor

Christina Shea  
Mayor Pro Tempore

Melissa Fox  
Councilmember

Jeffrey Lalloway  
Councilmember

Lynn Schott  
Councilmember

**February 27, 2018  
4:00 PM**

**City Council Chamber  
One Civic Center Plaza  
Irvine, CA 92606**

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**Speaker's Card/Request to Speak:** If you would like to address the City Council on a scheduled agenda item – including a Consent Calendar item, a Regular Council Business item, a Public Hearing item, or Public Comments – please complete the [Request to Speak Form](#). The card is at the table at the entrance to the City Council Chamber. Please identify on the card your name and the item on which you would like to speak and return to the City Clerk. The [Request to Speak Form](#) assists the Mayor in ensuring that all persons wishing to address the City Council are recognized. It also ensures the accurate identification of meeting participants in the City Council minutes. Your name will be called at the time the matter is heard by the City Council. City policy is to limit public testimony to up to three minutes per speaker depending on relevant circumstances (unless the time limit is extended by the Mayor), which includes the presentation of electronic or audio visual information. Speakers may not yield their time to other persons.

**Please take notice that** the order of scheduled agenda items below and/or the time they are actually heard, considered and decided may be modified by the Mayor or the City Council during the course of the meeting, so please stay alert.

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### CALL TO ORDER

### ROLL CALL

### CITY MANAGER'S REPORT

Scan this QR code for an electronic copy  
of the City Council Agenda and staff  
reports.



**ANNOUNCEMENTS/COMMITTEE REPORTS/COUNCIL REPORTS**

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Announcements, Committee Reports and Council Comments are for the purpose of presenting brief comments or reports, are subject to California Government Code Section 54954.2 of the Brown Act and are limited to 15 minutes per meeting.

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**ADDITIONS AND DELETIONS**

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Additions to the agenda are limited by California Government Code Section 54954.2 of the Brown Act and for those items that arise after the posting of the Agenda and must be acted upon prior to the next City Council meeting.

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**1. CONSENT CALENDAR**

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All matters listed under Consent Calendar are considered by the City Manager to be routine and enacted by one roll call vote. There will be no discussion of these items unless members of the City Council request specific items to be removed from the Consent Calendar for separate discussion. Any member of the public may address the Council on items on the Consent Calendar. See information for Speaker's Card/Request to Speak on first page.

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**1.1 MINUTES****ACTION:**

Approve the minutes of a regular meeting of the Irvine City Council and regular joint meeting with the City of Irvine as Successor Agency to the dissolved Irvine Redevelopment Agency held on February 13, 2018.

**1.2 WARRANT AND WIRE TRANSFER RESOLUTION****ACTION:**

Adopt - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, ALLOWING CERTAIN CLAIMS AND DEMANDS AND SPECIFYING THE FUNDS OUT OF WHICH THE SAME ARE TO BE PAID

**1.3 BOUNDARY MODIFICATION AND PROPERTY EXCHANGE BETWEEN HERITAGE FIELDS AND THE CITY OF IRVINE AT THE ORANGE COUNTY GREAT PARK****ACTION:**

- 1) Approve and authorize the Mayor to execute a Letter Agreement with Heritage Fields El Toro, LLC for a boundary modification to the Orange County Great Park Improvement Area along the western edge of the Agua Chinon regional drainage facility.
- 2) Approve and authorize the Mayor to execute a Letter Agreement and implementing documents between the City and Heritage Fields El Toro, LLC for a land exchange at the Orange County Great Park involving several parcels along the eastern edge of the Agua Chinon regional drainage facility.

(Unless otherwise directed by a member of the City Council, the vote on this matter will reflect the prior action of each Councilmember when he or she sat and voted as a member of the Board of Directors of the Orange County Great Park Corporation. However, if a Councilmember is not present at the City Council meeting, his or her vote will be reflected as absent.)

**1.4 SECOND READING AND ADOPTION OF ORDINANCE NOS. 18-01 AND 18-02 APPROVING A CITYWIDE ZONE CHANGE TO AMEND APPLICABLE SECTIONS OF ZONING ORDINANCE SECTION 3-39 “CANNABIS RELATED USES, COMMERCIAL CANNABIS ACTIVITIES, DELIVERIES, AND CULTIVATION PROHIBITED” TO ALLOW CANNABIS TESTING LABORATORIES (00728989-PZC)**

**ACTION:**

- 1) Read by title only, second reading and adoption of ORDINANCE NO. 18-01 – AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, AMENDING CHAPTER 3-39 OF THE IRVINE ZONING CODE (ENTITLED CANNABIS RELATED USES, COMMERCIAL CANNABIS ACTIVITIES, DELIVERIES, AND CULTIVATION PROHIBITED) AND OTHER RELATED ZONING CODE SECTIONS TO ALLOW CANNABIS TESTING LABORATORIES IN CERTAIN ZONING DISTRICTS (SECTIONS 1-2-1, 3-3-1, 3-37-29, 3-37-33, AND 3-37-34)
- 2) Read by title only, second reading and adoption of ORDINANCE NO. 18-02 – AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, ADDING DIVISION 22 TO TITLE 4 OF THE IRVINE MUNICIPAL CODE PERMITTING CANNABIS TESTING LABORATORIES CONSISTENT WITH THIS DIVISION AND THE CITY’S ZONING CODE

(Unless otherwise directed by a Member of the City Council, the vote at second reading will reflect the same vote as at first reading. However, if a Councilmember was absent at first reading, his or her vote cast at second reading will be reflected. If a Councilmember is not present at the second reading/adoption, the vote will be reflected as absent.)

**1.5 SECOND READING AND ADOPTION OF ORDINANCE NO. 18-03 APPROVING ZONE CHANGE (00672334-PZC) TO TEMPORARILY SUSPEND CERTAIN PROVISIONS IN DIVISION 7, SIGNS, OF THE ZONING ORDINANCE RELATED TO OFF-PREMISES ADVERTISING ON THE IRVINE AUTO CENTER'S ELECTRONIC FREEWAY SIGN AND ESTABLISHING A PILOT PROGRAM TO ALLOW LIMITED OFF-PREMISES ADVERTISING ON THE IRVINE AUTO CENTER'S ELECTRONIC FREEWAY SIGN, SUBJECT TO APPROVAL OF A TEMPORARY SIGN PERMIT; FILED BY THE AUTO CENTER COMMUNITY ASSOCIATION**

**ACTION:**

Read by title only, second reading and adoption of ORDINANCE NO. 18-03 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, APPROVING ZONE CHANGE (00672334-PZC) TO TEMPORARILY SUSPEND CERTAIN PROVISIONS IN DIVISION 7, SIGNS, OF THE ZONING ORDINANCE RELATED TO OFF-PREMISES ADVERTISING ON THE IRVINE AUTO CENTER'S ELECTRONIC FREEWAY SIGN AND ESTABLISHING A PILOT PROGRAM TO ALLOW LIMITED OFF-PREMISES ADVERTISING ON THE IRVINE AUTO CENTER'S ELECTRONIC FREEWAY SIGN, SUBJECT TO APPROVAL OF A TEMPORARY SIGN PERMIT; FILED BY THE AUTO CENTER COMMUNITY ASSOCIATION

(Unless otherwise directed by a Member of the City Council, the vote at second reading will reflect the same vote as at first reading. However, if a Councilmember was absent at first reading, his or her vote cast at second reading will be reflected. If a Councilmember is not present at the second reading/adoption, the vote will be reflected as absent.)

**2. COUNCIL BUSINESS**

**2.1 CONSIDERATION OF MAYOR WAGNER'S REQUEST FOR PROPOSED CITY CHARTER AND GENERAL PLAN AMENDMENTS**

**ACTION:**

City Council discussion and direction.

**PUBLIC COMMENTS (Limited to 3 minutes per speaker)**

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Any member of the public may address the City Council on items within the City Council's subject matter jurisdiction but which are not listed on this agenda during Public Comments; however, no action may be taken on matters that are not part of the posted agenda. See information for Speaker's Card/Request to Speak on the first page.

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**RECESS TO RECEPTION (LOBBY) - 5 P.M.**

**RECONVENE - 6 P.M.**

**PLEDGE OF ALLEGIANCE - IRVINE POLICE COLOR GUARD**

**INVOCATION**

**MUSICAL PRESENTATION**

**STATE OF THE CITY ADDRESS**

**ADJOURNMENT**

**NOTICE TO THE PUBLIC**

**LIVE BROADCASTING AND REBROADCASTING**

Regular City Council meetings are broadcast live every 2<sup>nd</sup> and 4<sup>th</sup> Tuesday of the month at 4 p.m. and are replayed on Tuesdays at 4 p.m. (in weeks in which there is not a live City Council meeting), Sundays at 11 a.m., Wednesdays at 7 p.m., and Thursdays at 10 a.m. until the next City Council meeting. All broadcasts can be viewed on Cox Communications Local Access Channel 30 and U-Verse Channel 99. City Council meetings are also available via live webcast and at any time for replaying through the City's ICTV webpage at [cityofirvine.org/ictv](http://cityofirvine.org/ictv). For more information, please contact the City Clerk's office at (949) 724-6205.

**ADJOURNMENT**

**At 11:00 p.m.**, the City Council will determine which of the remaining agenda items can be considered and acted upon prior to 12:00 midnight and will continue all other items on which additional time is required until a future City Council meeting. All meetings are scheduled to terminate at 12:00 midnight.

**STAFF REPORTS**

As a general rule, staff reports or other written documentation have been prepared or organized with respect to each item of business listed on the agenda. Copies of these materials are on file with the City Clerk and are available for public inspection and copying once the agenda is publicly posted, (at least 72 hours prior to a regular City Council meeting). Staff reports can also be downloaded from the City's website at [cityofirvine.org](http://cityofirvine.org) beginning the Friday prior to the scheduled City Council meeting on Tuesday.

In addition, meetings can be viewed live at the time posted on the agenda and related staff reports can be opened and viewed simultaneously along with the streaming of the meeting. To view the meeting, go to [cityofirvine.org/ictv](http://cityofirvine.org/ictv).

If you have any questions regarding any item of business on the agenda for this meeting, or any of the staff reports or other documentation relating to any agenda item, please contact City Clerk staff at (949)724-6205.

**SUPPLEMENTAL MATERIAL RECEIVED AFTER THE POSTING OF THE AGENDA**

Any supplemental writings or documents distributed to a majority of the City Council regarding any item on this agenda after the posting of the agenda will be available for public review in the City Clerk's Office, One Civic Center Plaza, Irvine, California, during normal business hours. In addition, such writings or documents will be made available for public review at the respective public meeting.

If you have any questions regarding any item of business on the agenda for this meeting, or any of the staff reports or other documentation relating to any agenda item, please contact City Clerk staff at (949)724-6205.

**SUBMITTAL OF INFORMATION BY MEMBERS OF THE PUBLIC FOR  
DISSEMINATION OR PRESENTATION AT PUBLIC MEETINGS**

**Media Types and Guidelines**

1. **Written Materials/Handouts:**

Any member of the public who desires to submit documentation in hard copy form may do so prior to the meeting or at the time he/she addresses the City Council. Please provide 15 copies of the information to be submitted and file with the City Clerk at the time of arrival to the meeting. This information will be disseminated to the City Council at the time testimony is given.

2. **Large Displays/Maps/Renderings:**

Any member of the public who desires to display freestanding large displays or renderings in conjunction with their public testimony is asked to notify the City Clerk's Office at (949)724-6205 no later than 12:00 noon on the day of the scheduled meeting so that an easel can be made available, if necessary.

3. **Electronic Documents/Audio-Visuals:**

Any member of the public who desires to display information electronically in conjunction with their public testimony is asked to submit the information to the Public Information Office (PIO) no later than 12:00 noon on the day of the scheduled meeting. To facilitate your request contact the PIO Office at (949)724-6253 or the City Clerk's Office at (949)724-6205.

Information must be provided on CD, DVD, or VHS; or, emailed by 12:00 noon on the day of the scheduled meeting to [pio@ci.irvine.ca.us](mailto:pio@ci.irvine.ca.us). Members of the public will be asked to provide their name, identify the meeting and the agenda item to be addressed, and a day time phone number.

The PIO office will notify the person submitting the information as soon as possible prior to the meeting if the information cannot be accessed or if the version provided is incompatible with the City's system. Every effort will be made by City staff to facilitate the presentation.

**CITY SERVICES TO FACILITATE ACCESS TO PUBLIC MEETINGS**

It is the intention of the City of Irvine to comply with the Americans With Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting, you will need special assistance beyond what is normally provided, the City of Irvine will attempt to accommodate you in every reasonable manner. Please contact the City Clerk's Office at (949)724-6205.

Assisted listening devices are available at the meeting for individuals with hearing impairments. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35. 102-35. 104 ADA Title II)

**CHALLENGING CITY DECISIONS**

The time limit within which to commence any lawsuit or legal challenge to any quasi-adjudicative decision made by the City is governed by Section 1094.6 of the Code of Civil Procedure, unless a shorter limitations period is specified by any other provision. Under Section 1094.6, any lawsuit or legal challenge to any quasi-adjudicative decision made by the City must be filed no later than the 90<sup>th</sup> day following the date on which such decision becomes final. Any lawsuit or legal challenge that is not filed within this 90-day period will be barred.

If a person wishes to challenge the nature of the above actions in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the City of Irvine, at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interested party has not sought and exhausted all available administrative remedies.

#### **COMMUNICATION AND ELECTRONIC DEVICES**

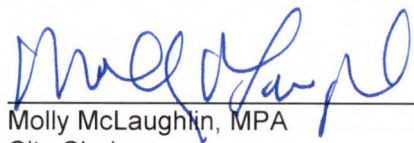
To minimize distractions, please be sure all personal communication and electronic devices are turned off or on silent mode.

#### **MEETING SCHEDULE**

Regular meetings of the City Council are held on the second and fourth Tuesdays of each month at 4:00 p.m. Study Sessions and/or Closed Sessions are periodically held prior to the start of the regular meeting. Agendas are available at the following locations:

- City Clerk's Office
- Police Department
- Front Entrance of City Hall
- University Park Center (Culver/Michelson)
- Walnut Village Center (Culver/Walnut)
- Northwood Town Center (Irvine Blvd./Yale)
- City's web page at [www.ci.irvine.ca.us](http://www.ci.irvine.ca.us)

I hereby certify that the agenda for the Regular City Council meeting was posted in accordance with law in the posting book located in the Public Safety Lobby and at the entrance of City Hall, One Civic Center Plaza, Irvine, California on February 27, 2018 by 7:45 p.m. as well as on the City's web page.



Molly McLaughlin, MPA  
City Clerk

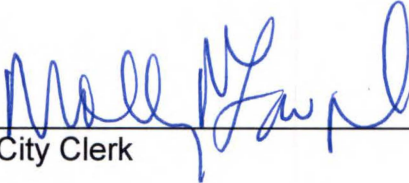
**1.1**



## REQUEST FOR CITY COUNCIL ACTION

MEETING DATE: FEBRUARY 27, 2018

TITLE: MINUTES

  
\_\_\_\_\_  
City Clerk

RECOMMENDED ACTION:

Approve the minutes of a regular meeting of the Irvine City Council and regular joint meeting with the City of Irvine as Successor Agency to the dissolved Irvine Redevelopment Agency held on February 13, 2018.



**MINUTES**

**CITY COUNCIL  
REGULAR MEETING  
AND  
REGULAR JOINT MEETING  
WITH THE  
CITY OF IRVINE AS SUCCESSOR  
AGENCY TO THE DISSOLVED  
IRVINE REDEVELOPMENT AGENCY**

**February 13, 2018  
City Council Chamber  
One Civic Center Plaza  
Irvine, CA 92606**

**CALL TO ORDER**

The regular meeting of the Irvine City Council and regular joint meeting with the City of Irvine as Successor Agency to the dissolved Irvine Redevelopment Agency was called to order at 4:05 p.m. on February 13, 2018 in the City Council Chamber, Irvine Civic Center, One Civic Center Plaza, Irvine, California; Mayor Pro Tempore/Vice Chairwoman Shea presiding.

**ROLL CALL**

Present:	3	Councilmember/Boardmember:	Melissa Fox
		Councilmember/Boardmember:	Lynn Schott
		Mayor Pro Tempore/Vice Chairwoman:	Christina Shea
Absent:	2	Councilmember/Boardmember:	Jeffrey Lalloway
		Mayor/Chairman:	Donald P. Wagner

Mayor Pro Tempore/Vice Chairwoman Shea noted that the Mayor/Chairman Wagner was out of the country and would not be attending the meeting; and also noted that Councilmember/Boardmember Lalloway would be absent as well.

## **1. CLOSED SESSION**

City Attorney Melching announced the following Closed Session item:

### **1.1 *PUBLIC EMPLOYEE APPOINTMENT: Government Code Section 54957 - Title: Interim City Manager***

## **RECESS**

Mayor Pro Tempore Shea convened the City Council meeting to Closed Session at 4:06 p.m.

## **RECONVENE TO THE CITY COUNCIL MEETING**

Mayor Pro Tempore Shea reconvened the City Council meeting at 4:31 p.m. City Attorney Melching, on behalf of the City Council, announced that no reportable action was taken in Closed Session.

## **PLEDGE OF ALLEGIANCE**

Councilmember Schott led the Pledge of Allegiance.

## **INVOCATION**

Councilmember Fox provided the invocation in the absence of Pastor Ben Prescott from Free Chapel Irvine.

## **2. PRESENTATIONS**

### **2.1 *Proclaim February 11, 2018 as "Irvine 2/11 Marine Battalion Day"***

Councilmember Schott introduced members Irvine 2<sup>nd</sup> Battalion, 11<sup>th</sup> Marine Regiment, 1<sup>st</sup> Marine Division members and presented a proclamation proclaiming February 11, 2018 as "Irvine 2/11 Marine Battalion Day", and noted that February 11 of each year moving forward would be proclaimed as such.

### **2.2 *Fiscal Year 2017-18 Budget Scorecard and Status Report of the City's Plan to Retire its Unfunded Pension Liability***

Kristin Griffith, Director of Administrative Services, provided a brief report which included the Fiscal Year 2017-18 Budget Scorecard and a status report of the City's plan to retire its unfunded pension liability.

City Council discussion included: reiterating that the plan to pay down unfunded pension liability was a top priority; inquired about the approximate payoff date for unfunded pension liability; suggested periodic status reports to the City Council; reiterated the interest savings that would be realized, and inquired about current year savings; noted that salary increases increased pension liability; inquired about a recent proposal by CalPERS to double contributions by local agencies making the State whole; and inquired about the number of employees who fall under California Public Employees' Pension Reform Act of 2013 (PEPRA).

## **CITY MANAGER'S REPORT**

There was no report.

## **ANNOUNCEMENTS/COMMITTEE REPORTS/COUNCIL REPORTS**

Councilmember Fox provided a brief update on her trip to San Antonio to attend the "Haven for Hope" delegation through the Association of California Cities Orange County (ACCOC), which focused on the issue of homelessness.

Mayor Pro Tempore Shea made the following announcements:

- The spring issue of Inside Irvine will be mailed to homes this week, which features stories on the amenities that make the City a magnet for residents and businesses, thriving arts, and the new online class registration site *yourirvine.org*. The upcoming edition also includes spring and summer camps, and classes for all interests and ages. To register for camps and classes, an online account can be created at *yourirvine.org*.
- The public is invited to attend the annual State of the City address in the Council Chamber on Tuesday, February 27. Mayor Don Wagner will share accomplishments of the past year and plans for 2018. The event begins at 5 p.m. with a free, public reception in the Civic Center lobby, followed by the Mayor's address at 6 p.m. No RSVP is needed.
- The Irvine Fine Arts Center presents "Kaleidoscope – A Family Art Experience" at on Saturday, February 17 from 10 a.m. to noon. This family-friendly event features creative activities, including puppet and kaleidoscope making, and two special performances by the Bob Baker Marionette Theater at 10:45 and 11:30 a.m. Parking is free. Admission is \$2 per person, with guests three and younger free. For information, visit *irvinefinearts.org*.



## **ADDITIONS AND DELETIONS**

City Manager Pro Tempore Leung asked that City Council Consent Calendar Item No. 3.10 be continued to the February 27, 2018 meeting.

## **CONVENE TO THE REGULAR JOINT MEETING**

Mayor Pro Tempore/Vice Chairwoman Shea convened to the regular joint meeting with the City of Irvine as Successor Agency to the dissolved Irvine Redevelopment Agency at 5:07 p.m.

### **3. CONSENT CALENDAR - CITY COUNCIL**

**ACTION:** Moved by Councilmember/Boardmember Fox, seconded by Councilmember/Boardmember Schott, and unanimously carried by those members present (Mayor/Chairman Wagner and Councilmember/Boardmember Lalloway absent) to approve City Council Consent Calendar Item Nos. 3.1 through 3.11, and Successor Agency Consent Calendar Item Nos. 4.1 and 4.2, with the exception of City Council Consent Calendar Item No. 3.10, which was continued to the February 27, 2018 City Council meeting. Councilmember/Boardmember Schott abstained on City Council Consent Calendar Item No. 3.1 and Successor Agency Consent Calendar Item No. 4.1.

#### **3.1 MINUTES**

**ACTION:**

- 1) Approved the minutes of a special meeting of the Irvine City Council held on January 23, 2018.
- 2) Approved the minutes of a regular meeting of the Irvine City Council and regular joint meeting with the City of Irvine as Successor Agency to the dissolved Irvine Redevelopment Agency held on January 23, 2018.
- 3) Approved the minutes of a special meeting of the Irvine City Council held on January 30, 2018.

Councilmember Schott abstained.

#### **3.2 PROCLAMATIONS/COMMENDATIONS**

**ACTION:**

- 1) Proclaimed March 15-18, 2018 as the "110th California State Daughters of the American Revolution Conference."
- 2) Commended Chelle Friedman on 40 Years of Service to Jewish Federation & Family Services, Orange County.

**3.3 WARRANT AND WIRE TRANSFER RESOLUTION**

**ACTION:**

Adopted RESOLUTION NO. 18-14 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, ALLOWING CERTAIN CLAIMS AND DEMANDS AND SPECIFYING THE FUNDS OUT OF WHICH THE SAME ARE TO BE PAID

**3.4 ADOPTION OF RESOLUTION OF INTENT TO INITIATE CHANGE PROCEEDINGS AND FORM COMMUNITY FACILITIES DISTRICT NO. 2013-3 IMPROVEMENT AREA NO. 9, SET TIME AND PLACE FOR PUBLIC HEARING, AND ESTABLISH TIME, PLACE, AND PROCEDURES FOR ELECTION**

**ACTION:**

- 1) Adopted RESOLUTION NO. 18-15 - A RESOLUTION OF CONSIDERATION AND INTENTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, AS THE LEGISLATIVE BODY OF CITY OF IRVINE COMMUNITY FACILITIES DISTRICT NO. 2013-3 (GREAT PARK), TO CHANGE AND MODIFY AN EXISTING IMPROVEMENT AREA AND THEREBY DESIGNATE AN ADDITIONAL IMPROVEMENT AREA, IMPROVEMENT AREA NO. 9, WITHIN CITY OF IRVINE COMMUNITY FACILITIES DISTRICT NO. 2013-3 (GREAT PARK) AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES
- 2) Adopted RESOLUTION NO. 18-16 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, AS THE LEGISLATIVE BODY OF CITY OF IRVINE COMMUNITY FACILITIES DISTRICT NO. 2013-3 (GREAT PARK), DECLARING ITS INTENTION TO INCUR BONDED INDEBTEDNESS FOR IMPROVEMENT AREA NO. 9 OF THE CITY OF IRVINE COMMUNITY FACILITIES DISTRICT NO. 2013-3 (GREAT PARK)

**3.5 NOTICE OF REVIEW AND PENDING APPROVAL FOR TRACT MAPS IN PORTOLA SPRINGS, IRVINE BUSINESS COMPLEX AND ORCHARD HILLS**

**ACTION:**

Received and filed.

**3.6 UNIVERSITY DRIVE/RIDGELINE DRIVE INTERSECTION IMPROVEMENT PROJECT**

**ACTION:**

Authorized staff to initiate the right-of-way acquisition of necessary construction and roadway easements for the University Drive/Ridgeline Drive Intersection Improvement Project.

**3.7 ACCEPTANCE OF MOBILE SOURCE AIR POLLUTION REDUCTION REVIEW COMMITTEE LOCAL GOVERNMENT PARTNERSHIP PROGRAM FUNDS FOR ELECTRIC VEHICLE CHARGING INFRASTRUCTURE AND/OR PURCHASE OF ZERO EMISSION VEHICLE(S) FOR TRANSIT USE**

**ACTION:**

Adopted RESOLUTION NO. 18-17 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, APPROVING THE ACCEPTANCE OF MOBILE SOURCE AIR POLLUTION REDUCTION REVIEW COMMITTEE LOCAL GOVERNMENT PARTNERSHIP PROGRAM FUNDS FOR ELECTRIC VEHICLE CHARGING INFRASTRUCTURE AND/OR PURCHASE OF ZERO EMISSION VEHICLE(S) FOR TRANSIT USE

**3.8 IRVINE STATION BICYCLE LOCKER FEE CHANGE PILOT PROGRAM**

**ACTION:**

Adopted the Irvine Station Bicycle Locker Pilot Program and revised fee structure.

**3.9 iSHUTTLE INTERIM VEHICLE PROCUREMENT TO ADDRESS CAPACITY SHORTAGE**

**ACTION:**

- 1) Approved the acquisition of five used 29-passenger compressed natural gas buses to augment iShuttle service.
- 2) Authorized the Director of Transportation to execute Memorandum(s) of Understanding, as necessary, to facilitate interim transit services with Orange County Transportation Authority to operate the acquired vehicles.

**3.10 SECOND READING AND ADOPTION OF ORDINANCE NOS. 18-01 AND 18-02 APPROVING A CITYWIDE ZONE CHANGE TO AMEND APPLICABLE SECTIONS OF ZONING ORDINANCE SECTION 3-39 "CANNABIS RELATED USES, COMMERCIAL CANNABIS ACTIVITIES, DELIVERIES, AND CULTIVATION PROHIBITED" TO ALLOW CANNABIS TESTING LABORATORIES (00728989-PZC)**

This item was continued to the February 27, 2017 City Council meeting at the request of City Manager Pro Tempore Leung. See Additions and Deletions.

**3.11 COMMUNITY PARTNERSHIP FUND GRANT NOMINATIONS**

**ACTION:**

- 1) Approved Mayor Pro Tempore Shea's request for Community Partnership Fund Grant nomination to Tender Touch Ministries in the amount of \$850 in support of program costs.
- 2) Authorized the City Manager to prepare and sign the funding agreement listed in Action 1. **(Contract No. 10070)**

**4. CONSENT CALENDAR - SUCCESSOR AGENCY**

**4.1 MINUTES**

**ACTION:**

Approved the minutes of the regular joint meeting of the City of Irvine as Successor Agency to the dissolved Irvine Redevelopment Agency with the Irvine City Council held on January 23, 2018.

Boardmember Schott abstained.

**4.2 WARRANT AND WIRE TRANSFER RESOLUTION – CITY COUNCIL AS SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY**

**ACTION:**

Adopted RESOLUTION NO. 18-02 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, AS SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY ALLOWING CERTAIN CLAIMS AND DEMANDS OF THE CITY COUNCIL AS SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY AND SPECIFYING THE FUNDS OUT OF WHICH THE SAME ARE TO BE PAID

**PUBLIC COMMENT - SUCCESSOR AGENCY**

There were no public comments.

## **ADJOURNMENT - REGULAR JOINT MEETING**

**Moved by Councilmember/Boardmember Fox, seconded by Councilmember/Boardmember Schott, and unanimously carried by those members present (Mayor/Chairman Wagner and Councilmember/Boardmember Lalloway absent) to adjourn the regular joint meeting with the City of Irvine as Successor Agency to the dissolved Irvine Redevelopment Agency at 5:09 p.m.**

## **RECONVENE TO THE CITY COUNCIL MEETING**

Mayor Pro Tempore Shea reconvened the regular City Council meeting at 5:10 p.m.

## **5. COUNCIL BUSINESS**

### **5.1 HERITAGE COMMUNITY PARK IMPROVEMENTS MASTER PLAN SCOPING SESSION**

Darlene Nicandro, Project Development Administrator, presented the staff report and responded to questions.

City Council discussion included: noted the amenities and aging facilities at Heritage Community Park (Park) and the importance of looking at the entire Park as a whole; provided suggestions on how to better serve the community at the Park, which included expansion of the library, repurposing outdoor space, and consolidating portable buildings into a larger permanent space; and clarified ownership of the existing baseball diamond and suggested that additional parking be added in its place.

**ACTION: Moved by Mayor Pro Tempore Shea, seconded by Councilmember Fox, and unanimously carried by those members present (Mayor Wagner and Councilmember Lalloway absent), to:**

Direct staff to issue a Request for Proposals (RFP) to develop a comprehensive master plan for Heritage Community Park.

### **5.2 IRVINE ANIMAL CARE CENTER CONCEPT PLANS UPDATE**

Sharon Landers, Assistant City Manager – Special Projects, presented the staff report and responded to questions. Manuel Gomez, Director of Public Works, and Laurie Hoffman, Director of Community Services, were also available for questions.

City Council discussion included: questioning the timeline for construction and whether the timeline could be accelerated; noted several policy changes implemented at the Irvine Animal Care Center (IACC) to address ethical treatment of animals, staff, and volunteers; reiterated the importance of keeping the existing location; inquired about a recent inquiry suggesting that the City of Lake Forest contract with the City of Irvine for animal care services; and expressed appreciation to those who volunteer their time at IACC.

Assistant City Manager Landers noted that because of Irvine's high standards and associated costs for animal care services, most cities were unable or unwilling to share the cost burden.

Director of Public Works Gomez noted the complexity of the project, and relayed that the timeline for construction was based on the need to build temporary facilities off-site.

**ACTION: Moved by Councilmember Schott, seconded by Councilmember Fox, and unanimously carried by those members present (Mayor Wagner and Councilmember Lalloway absent), to:**

- 1) Authorize staff to initiate a Request for Proposals for the design of a new Animal Care Center at the existing site, and for design of a temporary center and three new dog parks.
- 2) Direct that the City Council Animal Care Center Subcommittee continue to work with staff to develop scope and construction cost estimates for the new Center, a temporary center at the City's existing dog park site (Bark Park), and for three new satellite dog parks to provide new community amenities and off-set the temporary use of the existing dog park site.

### **5.3 CONSIDERATION OF COUNCILMEMBER FOX'S REQUEST FOR DISCUSSION OF ORANGE COUNTY GREAT PARK WESTERN SECTOR ROADWAY CONSTRUCTION – REFERRAL TO TRANSPORTATION COMMISSION**

This item was agendaized at the request of Councilmember Fox, who expressed concern about a proposed design related to the southern end of Bosque Street within the Great Park, and suggested the matter return to the Transportation Commission for review and provide its suggestions to the City Council.

City Council discussion included: noting concern with a permanent cul-de-sac at the southern end of Bosque Street; inquired about the prior review of this matter by the Transportation Commission and concerns raised by Commissioners; questioned the proposed knuckle design and whether

additional roadways could be incorporated; inquired about concerns raised by the developer with respect to utility infrastructure and potential conflicts with the road design.

## **RECESS**

Mayor Pro Tempore Shea called a recess at 5:59 p.m.

## **RECONVENE TO THE CITY COUNCIL MEETING**

Mayor Pro Tempore Shea reconvened the City Council meeting at 6:05 p.m. and continued discussion ensued on Item No. 5.3.

Ken Montgomery, Transportation Commission Chair, provided clarification on concerns raised by the Commission and expressed his support for the knuckle design as proposed.

Additional City Council discussion included: reiterating that opinions provided by certain Transportation Commissioners regarding the proposed road design may not be representative of the entire Commission; and inquired about temporary versus permanent infrastructure.

Manuel Gomez, Director of Public Works, clarified concerns raised by the developer with respect to utility infrastructure.

**ACTION: Moved by Councilmember Fox, seconded by Mayor Pro Tempore Shea, to:**

Refer the matter back to the Transportation Commission for review of potential design alternatives and return to the City Council with its recommendations.

Prior to the vote, Councilmember Fox clarified that she would like the Transportation Commission to consider potential recommendations for a permanent design in addition to its recommendations related to Phase I of a temporary road design, to which Mayor Pro Tempore Shea suggested the Commission consider pedestrian crossings as well as an additional lane in each direction and the addition of a roadway at the knuckle.

**The motion carried as follows:**

AYES: 2 COUNCILMEMBERS: Fox and Shea

NOES: 1 COUNCILMEMBERS: Schott

ABSENT: 2 COUNCILMEMBERS: Lalloway and Wagner

**PUBLIC COMMENT-CITY COUNCIL**

Susan Sayre, Irvine resident, and Branda Lin spoke in support of the proposed slow-growth initiative.

Kenneth Stahl, representing People for Housing – Irvine, spoke in support of affordable housing.

Steve Greenberg, Irvine resident, spoke about comments made in the latest edition of the Irvine Community News and Views.

Ilya and Robert Tseglin reiterated a domestic situation regarding an autistic family member.

**ADJOURNMENT-CITY COUNCIL**

**Moved by Councilmember Fox, seconded by Councilmember Schott, and unanimously carried by those members present (Mayor Wagner and Councilmember Lalloway absent), to adjourn the regular City Council meeting at 6:42 p.m.**

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MAYOR OF THE CITY OF IRVINE

---

CITY CLERK OF THE CITY OF IRVINE

---

February 27, 2018



1.2



## REQUEST FOR CITY COUNCIL ACTION

**MEETING DATE:** FEBRUARY 27, 2018

**TITLE:** WARRANT AND WIRE TRANSFER RESOLUTION

  
\_\_\_\_\_  
Director of Administrative Services

  
\_\_\_\_\_  
City Manager

### RECOMMENDED ACTION

Adopt - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, ALLOWING CERTAIN CLAIMS AND DEMANDS AND SPECIFYING THE FUNDS OUT OF WHICH THE SAME ARE TO BE PAID

### EXECUTIVE SUMMARY

A detailed register of claims, the Register of Warrants and Wire Transfers, are submitted to the City Council for review and authorization on a weekly basis. Approval of the attached resolution ratifies the disbursement of funds for the period of February 7, 2018 through February 20, 2018 in accordance with Section 2-7-211 of the Irvine Municipal Code.

**ATTACHMENT**      Warrant and Wire Transfer Resolution

CITY COUNCIL RESOLUTION NO. 18-\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
IRVINE, CALIFORNIA, ALLOWING CERTAIN CLAIMS AND  
DEMANDS AND SPECIFYING THE FUNDS OUT OF  
WHICH THE SAME ARE TO BE PAID

(SEE ATTACHED)

PASSED AND ADOPTED by the City Council of the City of Irvine at a regular  
meeting held on the 27<sup>th</sup> day of February 2018.

\_\_\_\_\_  
MAYOR OF THE CITY OF IRVINE

ATTEST:

\_\_\_\_\_  
CITY CLERK OF THE CITY OF IRVINE

STATE OF CALIFORNIA    )  
COUNTY OF ORANGE    ) SS  
CITY OF IRVINE         )

I, MOLLY MCLAUGHLIN, City Clerk of the City of Irvine, HEREBY DO CERTIFY  
that the foregoing resolution was duly adopted at a regular meeting of the City Council  
of the City of Irvine, held on the 27<sup>th</sup> day of February 2018.

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:

\_\_\_\_\_  
CITY CLERK OF THE CITY OF IRVINE

2/7/2018 through 2/13/2018

## REGISTER OF DEMANDS AND WARRANTS

Fund	Fund Description	Amount
001	GENERAL FUND	524,604.73
004	PAYROLL CLEARING FUND	940,746.16
005	DEVELOPMENT SERVICES FUND	2,515.00
009	REVENUE CLEARING FUND	14,635.00
024	BUILDING & SAFETY FUND	382.83
027	DEVELOPMENT ENGINEERING FUND	10,078.25
111	GAS TAX FUND	166,167.32
114	HOME GRANT	4,675.00
119	LIGHTING, LANDSCAPE & PARK MNT	160,350.15
125	COMM DEVELOP BLOCK GRANT FUND	18,640.99
126	SENIOR SERVICES FUND	180.00
128	OFFICE ON AGING PROGRAMS FUND	6,710.75
145	STRUCTURAL FIRE FUND	5,551.40
180	ORANGE COUNTY GREAT PARK	43,493.65
204	CFD 2013-3 GREAT PARK	17,069.00
250	CAPITAL IMPROV PROJ FUND - CIR	55,359.50
260	CAPITAL IMPROV PROJ-NON CIRC	170,854.91
270	NORTH IRVINE TRANSP MITIGATION	16,641.08
271	IRVINE BUSINESS COMPLEX	9,944.12
286	GREAT PARK DEVELOPMENT FUND	86.07
501	INVENTORY	1,389.06
570	INSURANCE FUND	52,453.06
574	FLEET SERVICES FUND	59,117.45
578	MAIL INTERNAL SERVICES	9,054.51
579	STRATEGIC TECHNOLOGY PLAN FUND	478,530.08
580	CIVIC CTR MAINT & OPERATIONS	69,963.08
735	AD03-19 WOODBURY SER A VAR RT	2,120.00
781	INTERAGENCY CUSTODIAL FUND	0.00
<b>GRAND TOTAL</b>		<b>2,841,313.15</b>

2/14/2018 through 2/20/2018

## REGISTER OF DEMANDS AND WARRANTS

Fund	Fund Description	Amount
001	GENERAL FUND	228,328.85
004	PAYROLL CLEARING FUND	49,098.96
005	DEVELOPMENT SERVICES FUND	50,393.75
024	BUILDING & SAFETY FUND	43,443.64
111	GAS TAX FUND	23,524.06
114	HOME GRANT	75.00
119	LIGHTING, LANDSCAPE & PARK MNT	331,811.83
126	SENIOR SERVICES FUND	292.53
128	OFFICE ON AGING PROGRAMS FUND	4,914.12
132	SLURRY SEAL SUR CHG FUND	53.26
143	PUBLIC SAFETY GRANTS	935.00
145	STRUCTURAL FIRE FUND	474.96
149	SPECIAL PROGRAM GRANTS	7,320.00
151	ASSET FORFEITURE JUSTICE DEPT	392.00
155	COMMUNITY SERVICES PROGRAMS	1,384.19
180	ORANGE COUNTY GREAT PARK	147,863.23
250	CAPITAL IMPROV PROJ FUND - CIR	404,954.60
260	CAPITAL IMPROV PROJ-NON CIRC	140,220.00
286	GREAT PARK DEVELOPMENT FUND	59,129.11
501	INVENTORY	9,128.30
570	INSURANCE FUND	63,716.00
574	FLEET SERVICES FUND	39,052.55
578	MAIL INTERNAL SERVICES	6,845.96
579	STRATEGIC TECHNOLOGY PLAN FUND	52,775.93
580	CIVIC CTR MAINT & OPERATIONS	495.00
714	REASSESSMENT 12-1 FIXED RATE	98.21
716	RAD 13-1 FIXED RATE	98.21
717	RAD 04-20 PORTOLA SPR VAR RT A	98.22
718	RAD 05-21 ORCHARD HLS VAR RT	98.22
719	REASSESSMENT 85-7A VARIABLE RT	98.22
745	CFD 2005-2R COLUMBUS GROVE SP	98.21
772	RAD 15-1 FIXED RATE	98.21
<b>GRAND TOTAL</b>		<b>1,667,310.33</b>

1.3

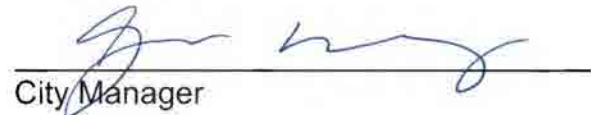


# REQUEST FOR CITY COUNCIL ACTION

**MEETING DATE:** FEBRUARY 27, 2018

**TITLE:** BOUNDARY MODIFICATION AND PROPERTY EXCHANGE  
BETWEEN HERITAGE FIELDS AND THE CITY OF IRVINE AT  
THE ORANGE COUNTY GREAT PARK

  
Interim Director, Orange County Great Park

  
City Manager

## RECOMMENDED ACTION

1. Approve and authorize the Mayor to execute a Letter Agreement with Heritage Fields El Toro, LLC for a boundary modification to the Orange County Great Park Improvement Area along the western edge of the Agua Chinon regional drainage facility.
2. Approve and authorize the Mayor to execute a Letter Agreement and implementing documents between the City and Heritage Fields El Toro, LLC for a land exchange at the Orange County Great Park involving several parcels along the eastern edge of the Agua Chinon regional drainage facility.

## EXECUTIVE SUMMARY

In 2010, the City and Heritage Fields El Toro, LLC (Heritage Fields) entered into the Amended and Restated Development Agreement (ARDA). The ARDA provides for Heritage Fields' construction of infrastructure benefitting both parties (Backbone Infrastructure). Among the infrastructure improvements being constructed by Heritage Fields, through its development manager, Five Point Communities (Five Point), is the Agua Chinon Channel and Chinon Road. Due to engineering refinements, the alignment of the Agua Chinon Channel has shifted to the west and it is no longer directly adjacent to Chinon Road as originally designed (Attachment 1). This realignment creates several remnant and inefficient parcels between the road edge and the channel. This westward shift also pushes the channel into the 688-acre Great Park Improvement Area, over portions of the planned golf course (Attachment 2).

Section 9.6 of the ARDA contemplates the adjustment of property boundaries to accommodate roadway design standards, traffic mitigation requirements, and/or refinements in engineering data as it becomes available. Five Point has proposed a boundary adjustment to accommodate the realignment of the Agua Chinon Channel on

the west side, where the channel now runs across the Great Park Improvement Area, and a land exchange on the east side of the channel to consolidate ownership of the remnant parcels. Attachment 1 depicts the parcels to be exchanged, and Attachment 2 depicts the boundary modification.

The boundary adjustment on the west side of the channel would shift 1.5 acres into the Golf Course from the Agua Chinon channel in one location and shift 1.5 acres into the Agua Chinon channel from the Golf Course in another location, keeping the overall acreage constant. Through the exchange on the east side of the channel, 3.7 acres of City property would be conveyed to Heritage Fields and 5.8 acres of Heritage Fields property would be conveyed to the City. The exchange would consolidate City-ownership of the channel, a public facility, and parcels for a future pedestrian and bicycle trail. The exchange would consolidate enough contiguous property under Heritage Fields' ownership for construction of a storm water treatment facility to serve adjacent streets and Great Park Neighborhoods.

A Letter Agreement with Heritage Fields outlining the proposed boundary modification to the Orange County Great Park Improvement Area, in a form similar to previous modifications, is included as Attachment 3. A Letter Agreement and implementing documents between the City and Heritage Fields for a land exchange at the Orange County Great Park are included as Attachment 4. The terms include the conveyances of land, an amendment to the Density Bonus Agreement to reflect the changes in ownership, and the accompanying implementing documentation.

#### **COMMISSION/BOARD/COMMITTEE RECOMMENDATION**

Not applicable.

#### **ANALYSIS**

On December 27, 2010, the City of Irvine and Heritage Fields entered into the Amended and Restated Development Agreement (ARDA). Pursuant to the ARDA, Heritage Fields has the obligation to construct certain facilities, such as roadways, storm drains and utilities (Backbone Infrastructure). The ARDA includes a list of specific Backbone Infrastructure projects, including Chinon Road, which runs along the east side of the Great Park, and the Agua Chinon Channel, a regional drainage facility that runs south from Irvine Boulevard between the east side of the Great Park and west of the Great Park Neighborhoods (see Attachment 1). The channel is engineered to account for projected water flows with requisite width, depth, and alignment.

Due to engineering refinements since the original design, the alignment of the channel has shifted to the west. This has moved the channel into the 688-acre Great Park Improvement Area on the west side and created several remnant parcels between the Channel and Chinon Road on the east side (Attachment 1). These parcels are small, inefficient and largely unusable.



Section 9.6 of the ARDA contemplates the potential need for adjustment of property ownership boundaries to facilitate development. The document states that the City and Heritage Fields acknowledge:

“...it may be necessary to adjust the boundaries of the City Property and the Heritage Fields Property to accommodate roadway design standards, traffic mitigation requirements, and/or refinements in engineering data as it becomes available.”

Heritage Fields has proposed an adjustment to the boundary of the Great Park Improvement area where it is impacted by the shift on the west side of the Agua Chinon Channel. This adjustment would transfer 1.5 acres from the Golf Course to the channel and 1.5 acres of the Channel to the Golf Course. Both the Golf Course and the Channel are owned by the City so there would be no transfer of property required. This adjustment is similar to the adjustment approved by the City Council in September 2015 to accommodate design changes at the Sports Park. A Letter Agreement to memorialize this boundary adjustment is included as Attachment 3 to this report.

To address the remnant parcels on the east side of the Channel, created by the shift in its alignment, Heritage Fields has proposed an exchange of property to consolidate ownership of contiguous parcels and enable more efficient use of the property. Per the terms of the exchange, 5.8 acres would be conveyed from Heritage Fields to the City and 3.7 acres would be conveyed from the City to Heritage Fields as illustrated in Attachment 1. A portion of the property to be transferred to the City is subject to further remediation by the Department of the Navy and is therefore under a lease to Heritage Fields known as a Lease in Furtherance of Conveyance (LIFOC). The property would transfer to the City as a sublease until it is conveyed by the Navy, expected within the next three to five years. The transfer to the City would consolidate public ownership of public facilities. All of the property within the new channel alignment, a publicly owned drainage facility, would be under City ownership, as would property adjacent to Chinon Road, site of a future bicycle and pedestrian path. The transfer of property to Heritage Fields would consolidate enough contiguous property for construction of a storm water treatment facility to serve adjacent portions of the Great Park Neighborhoods and nearby streets.

To effect the property exchange, a Letter Agreement has been drafted to detail the conveyances, including the corresponding implementation documents (Attachment 3). Except as necessary to reflect the change in ownership of the parcels, nothing in the Letter Agreement is intended to modify, limit or amend any other agreement between the City and Heritage Fields. The Implementing documentation attached to the Letter Agreement includes:

- Termination of the Density Bonus Agreement on City Acquisition Parcels: The Density Bonus Agreement (DBA) between the City and Heritage Fields, requires Heritage Fields to restrict a specified number of residential units for affordable

housing purposes, in exchange for the City permitting Heritage Fields to develop a greater number of residential units than it otherwise could develop under the City's zoning ordinance. This document releases the land parcels transferred to the City from the DBA agreement.

- Grant Deeds: Included are Grant Deeds providing for conveyance of Heritage Fields property to City and City property to Heritage Fields. Pursuant to the terms of the Letter Agreement, if the exchange is approved by the City Council, the Grant Deeds are to be recorded within five days of execution.
- Lease in Furtherance of Conveyance (LIFOC) Sublease to the City. Heritage Fields and the City will execute a sub-lease for 0.834 acres of land, which remains subject to the Department of Navy's environmental remediation activities at the former base. When complete, the Navy will deed the property to the City.

### **ALTERNATIVES CONSIDERED**

The City Council could choose not to recommend the land exchange as proposed in the Letter Agreement or direct staff to seek alternative parcels or terms of exchange.

### **FINANCIAL IMPACT**

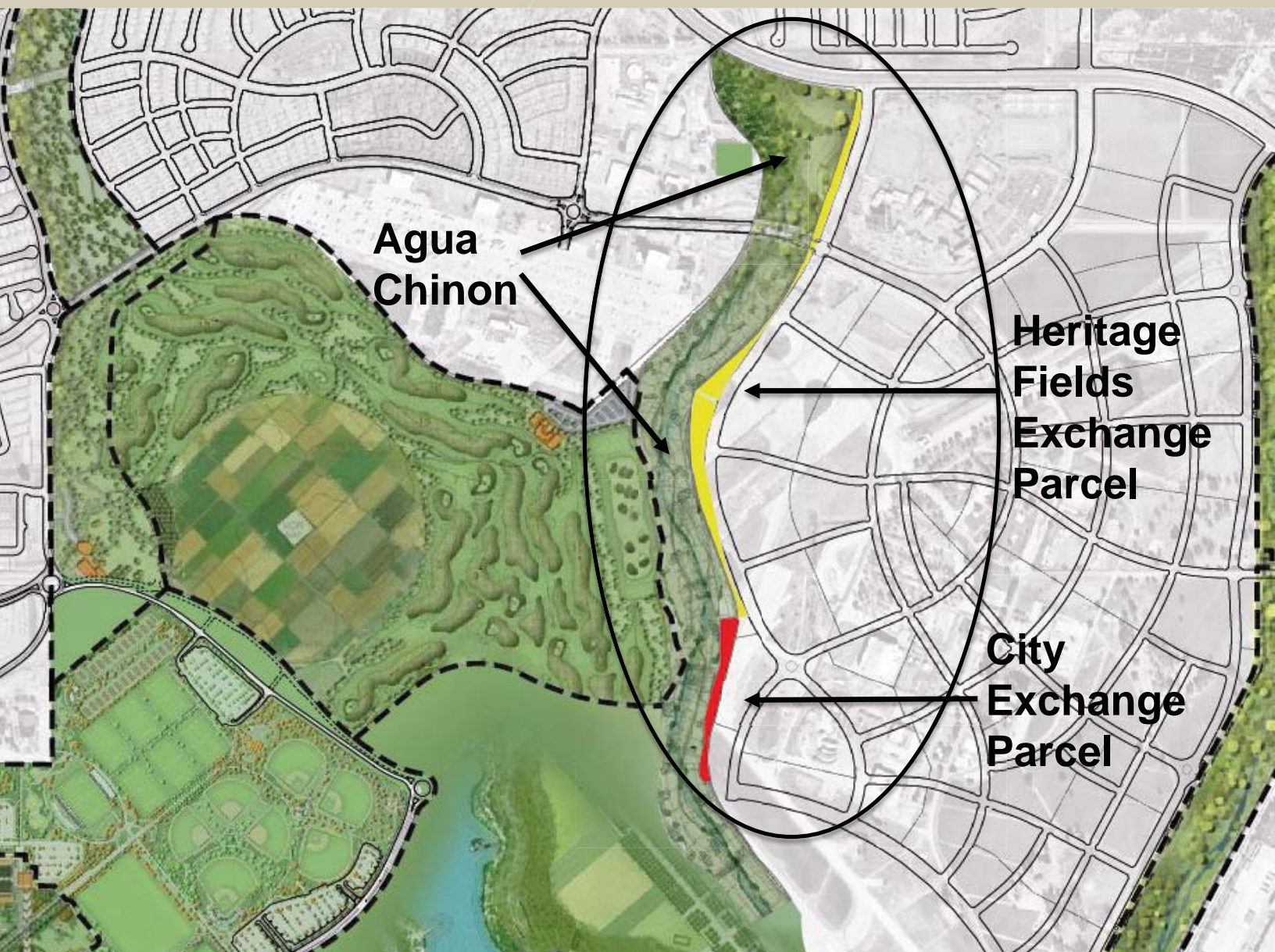
The intent of the exchange is to clean up and consolidate remnant parcels and memorialize a boundary adjustment to accommodate a change to a major drainage facility. Although the City gains 2.2 acres through the exchange, there is little to no financial impact, as the property will be dedicated for use as a portion of a public drainage facility and an off-street trail. The City will have maintenance responsibility for these property facilities regardless of the exchange.

**REPORT PREPARED BY**                      Steve Torelli, Management Analyst I

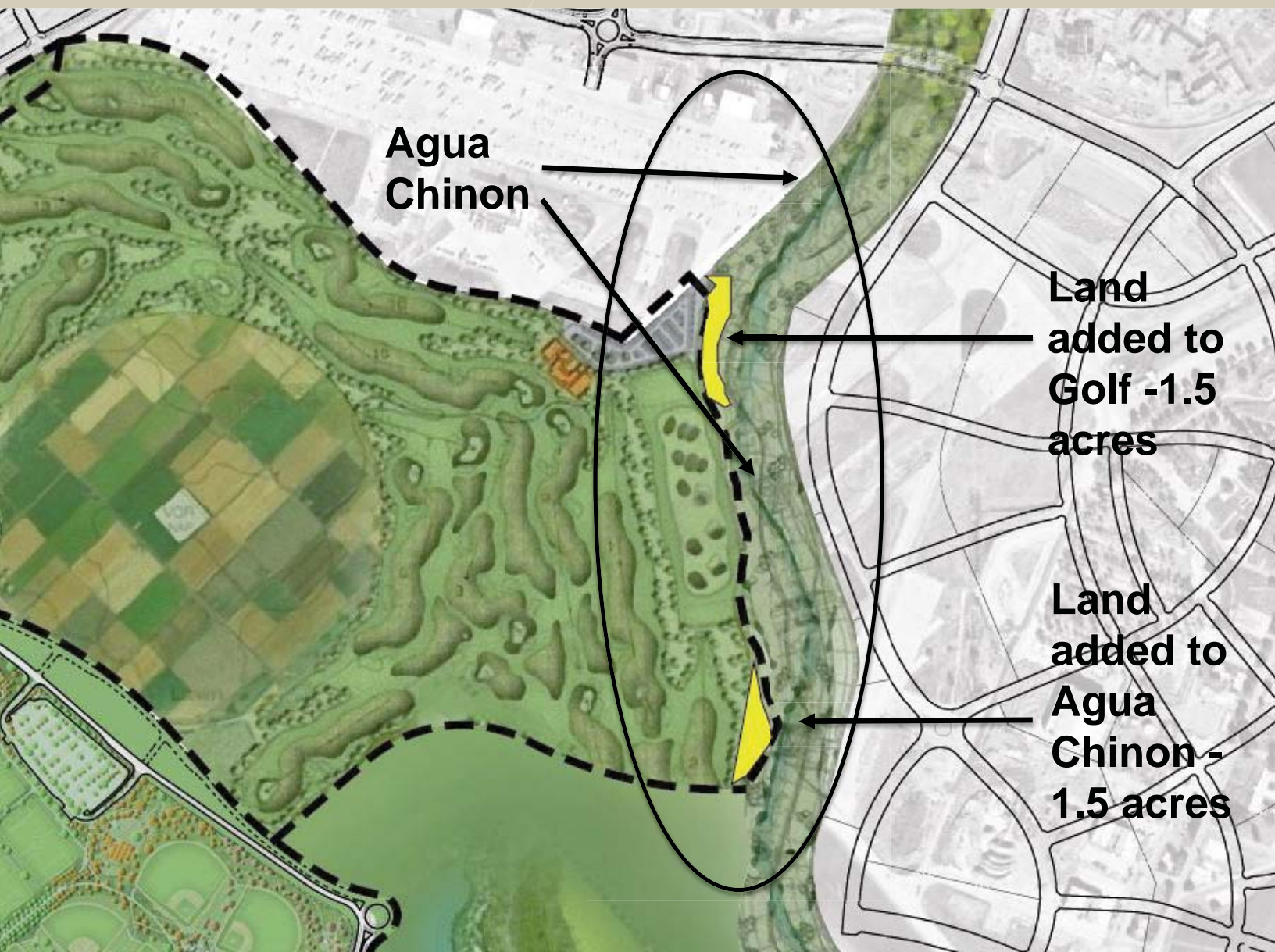
### **ATTACHMENTS**

1. Land exchange exhibit map
2. Boundary modification exhibit map
3. Letter Agreement between Heritage Fields and the City for the Agua Chinon boundary modification
4. Letter Agreement between Heritage Fields and the City for the Agua Chinon Land Exchange











February 27, 2018

Heritage Fields El Toro, LLC  
c/o Jennifer Bohen  
Five Point Communities Management, Inc.  
25 Enterprise, Suite 300  
Aliso Viejo, CA 92656

**Subject: Boundary Adjustment Letter Agreement (“Letter Agreement”) Revising OCGP Improvement Area Pursuant to Second Agreement with City of Irvine as Adjacent Landowner**

Dear Ms. Bohen:

The City of Irvine, a California charter city (“City”), and Heritage Fields El Toro, LLC, a Delaware limited liability company (“**Heritage Fields**”), are parties to that certain Second Agreement With City of Irvine as Adjacent Landowner, dated November 26, 2013 (the “**Second ALA**”). City and Heritage Fields may each be referred to herein as a “**Party**” and jointly as the “**Parties**.” All defined terms not otherwise defined herein shall have the meanings set forth in the Second ALA.

The boundaries of the 688 acre OCGP Improvement Area were established with the approval of the Second ALA. The original boundaries of the OCGP Improvement Area are depicted on the original Exhibit A to the Second ALA, a copy of which is attached to this Letter Agreement as Exhibit 1. Pursuant to that certain letter agreement between the City and Heritage Fields dated November 9, 2016 (the “11/9/16 Letter Agreement”), the Parties modified the boundaries of the OCGP Improvement Area, as depicted on the modified Exhibit A to the Second ALA, a copy of which is attached to this Letter Agreement as Exhibit 2.

The Parties have now determined that revising the boundaries of the OCGP Improvement Area in the manner depicted on Exhibit 3 to this Letter Agreement will facilitate the optimal development of the OCGP Improvement Area and Agua Chinon. As such, the City and Heritage Fields agree that the boundaries of the OCGP Improvement Area, as used and referred to in the Second ALA, are hereby modified and that the boundaries are now as depicted in the attached Exhibit 3.

Each of Exhibit 1, Exhibit 2, and Exhibit 3 to this Letter Agreement is incorporated herein by this reference. Except as specifically provided by the express terms of this Letter Agreement,

**ATTACHMENT 3**

Heritage Fields El Toro, LLC

February \_\_, 2018

Page 2

nothing in this Letter Agreement shall in any way modify or otherwise alter the terms and conditions of the Second ALA, or any other agreement between the Parties hereto.

Sincerely,

\_\_\_\_\_  
Donald P. Wagner, Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

RUTAN & TUCKER, LLP

By:   
City Attorney

[signatures continued on next page]



ACKNOWLEDGED AND AGREED TO ON BEHALF OF HERITAGE FIELDS

**HERITAGE FIELDS EL TORO, LLC,**  
a Delaware limited liability company

By: Heritage Fields El Toro Sole Member LLC,  
a Delaware limited liability company  
Its: Sole Member

By: Heritage Fields LLC,  
a Delaware limited liability company  
Its: Sole Member

By: Five Point Heritage Fields, LLC,  
a Delaware limited liability company  
Its: Administrative Member

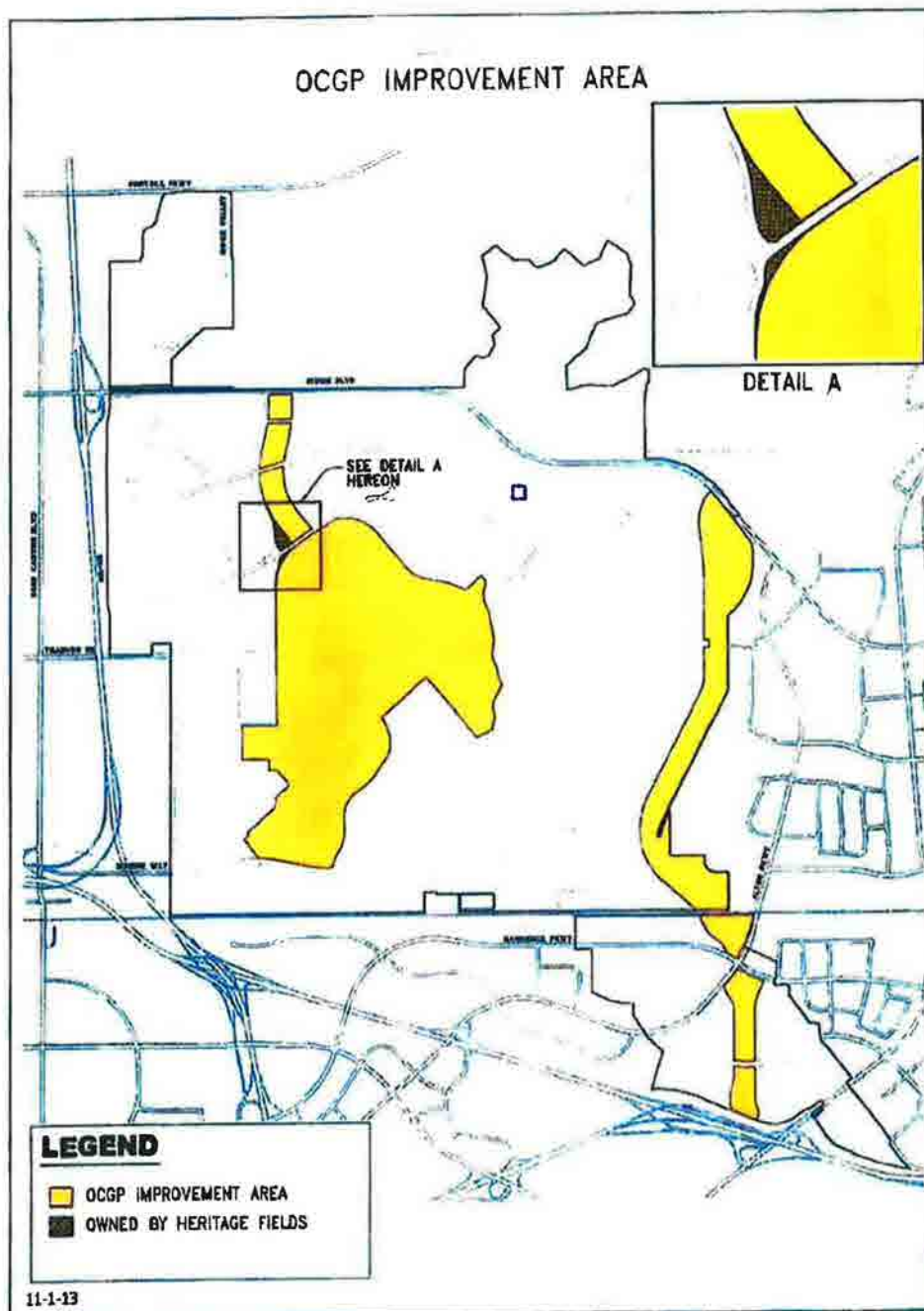
By: Five Point Operating Company, LP,  
a Delaware limited partnership  
Its: Sole Member

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Title: \_\_\_\_\_

**EXHIBIT 1**

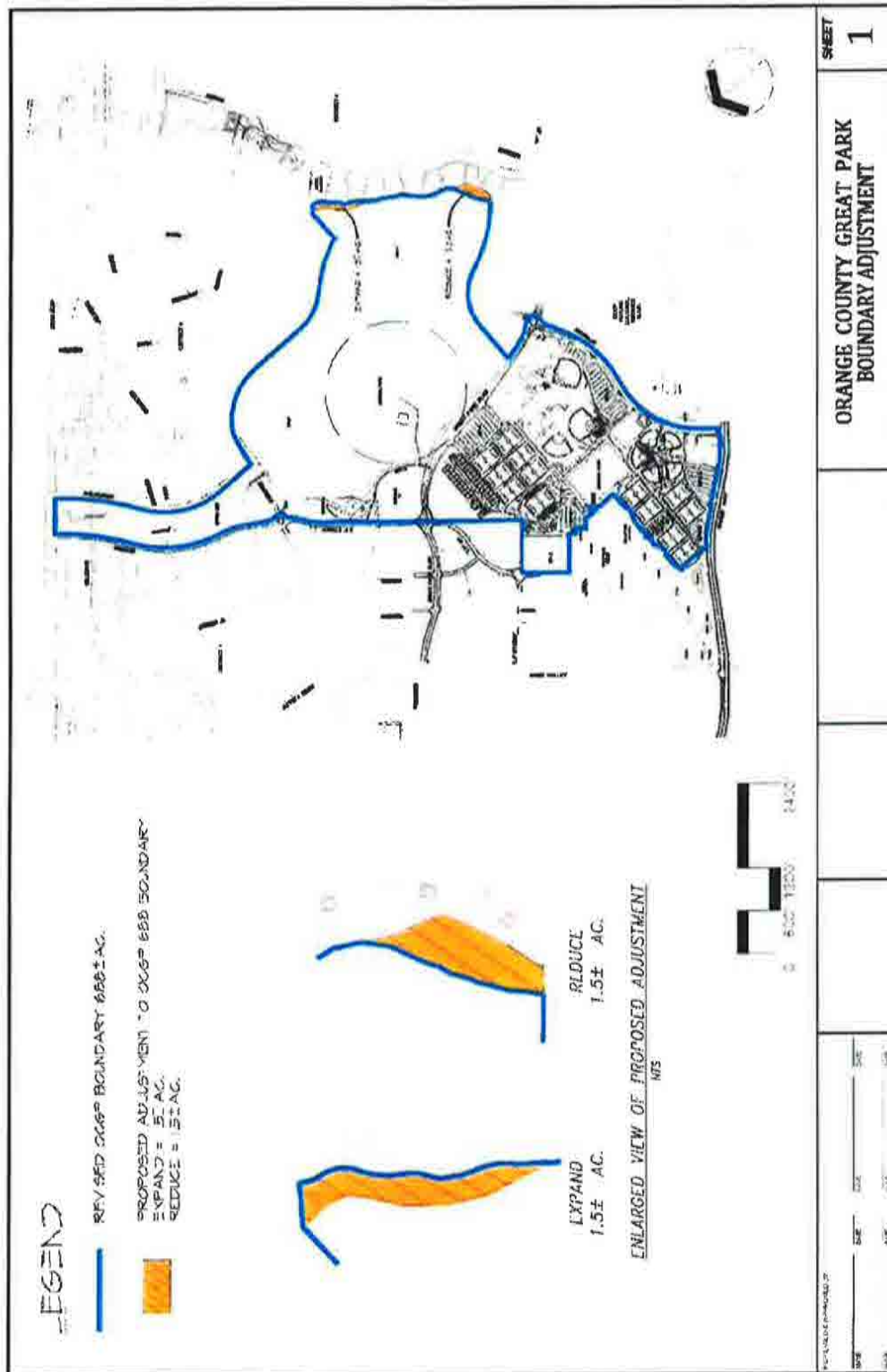




[illegible]

**100% CASH ON DELIVERY**

**EXHIBIT 3**



**HERITAGE FIELDS EL TORO, LLC**

December 4, 2017

City of Irvine  
P.O. Box 19575  
Irvine, CA 92623-9575  
Attn: Mr. Sean Joyce, City Manager

**RE: MODIFICATIONS TO PROPERTY BOUNDARIES - AGUA CHINON  
AND GPN DISTRICT 5**

Mr. Joyce:

Reference is made to the Amended and Restated Development Agreement (as amended, the "**ARDA**"), between Heritage Fields El Toro, LLC, a Delaware limited liability company ("**HFET**"), the City of Irvine, a California charter city ("**City**") and Irvine Redevelopment Agency, a redevelopment agency formed pursuant to Health and Safety Code sections 33000 *et seq.*, recorded December 27, 2010 as Instrument No. 2010000700065 in the Official Records of the Orange County Recorder's Office ("**Official Records**"). HFET and City are referred to jointly in this letter as the "**Parties**."

Section 9.6 of the ARDA provides it may be necessary to adjust the boundaries of the City Property and the Heritage Fields Property to accommodate roadway design standards, traffic mitigation requirements, and/or refinements in engineering data as it becomes available, and that HFET and City shall cooperate with each other, and promptly perform such acts and execute such documents as necessary to effectuate such adjustments.

The ARDA contemplates, among other things, the construction of backbone improvements Agua Chinon and Chinon Road (collectively, the "**Improvements**"). In preparing the plans for the Improvements it has become apparent that constructing Agua Chinon and Chinon Road coincident with each other will benefit both HFET and City by consolidating unusable remnant parcels. To accommodate the coincident alignment of the Improvements and consolidate unusable remnant parcels, HFET and the City have agreed in principle that HFET will convey to City in fee the land identified as "Lot I (Per Tr. No. 17880)" ("**Lot I**") and "Lot J (Per Tr. No. 17880)" ("**Lot J**") and "Parcel I-20" ("**Parcel I-20**"), all as depicted on attached **Exhibit A** (collectively, the "**City Acquisition Parcels**"), and the City will convey to HFET in fee the land identified as "Parcel H-20" as depicted on attached **Exhibit A** ("**HFET Acquisition Parcel**").

The City and HFET are also parties to other agreements, such as the Density Bonus Agreement, dated August 11, 2009, recorded in the Official Records on September 9, 2009, as Instrument No. 2009000482561, as amended by the First Amendment to Density Bonus Agreement, dated September 13, 2011, and recorded in the Official Records on November 16, 2011, as Instrument No. 2011000584018, and by the Second Amendment to Density Bonus Agreement, dated December 10, 2013, and recorded in the Official Records on February 6, 2014,

as Instrument No. 2014000048890 (as amended, the "**DBA**"), which the Parties desire to further amend to appropriately reflect the property to be burdened by the DBA

Accordingly, HFET and City agree as follows:

1. Conveyance of Parcels. To effectuate the conveyance of the City Acquisition Parcels to City, and the conveyance of the HFET Acquisition Parcel to HFET, within five (5) business days after the execution of this letter by the Parties:

1.1. Fee Conveyance to City. HFET and City will execute and deliver to First American Title Company ("**FATCO**") a Grant Deed in the form attached to this letter as **Exhibit B-1** ("**Grant Deed to City**");

1.2. LIFOC Sublease to City. HFET and City will execute and deliver to each other a Sublease in the form attached to this letter as **Exhibit B-2**; and

1.3. Fee Conveyance to HFET. City will execute and deliver to FATCO a Grant Deed in the form attached to this letter as **Exhibit C** ("**Grant Deed to HFET**").

2. Termination of Density Bonus Agreement on City Acquisition Parcels. To effectuate the termination and release of the City Acquisition Parcels from the DBA, within five (5) business days after the execution of this letter by the Parties, HFET and City will execute and deliver to FATCO a Termination and Release from Density Bonus Agreement (the "**Termination of DBA**") in the form attached to this letter as **Exhibit D**.

3. Recordation of Documents. Within five (5) business days following delivery to FATCO of the documents listed in Sections 1 and 2 above, pursuant to the title instruction letter attached to this letter as **Exhibit E**, counsel for HFET and City will jointly instruct FATCO to record in the Official Records of Orange County, California ("**Official Records**") the following documents in the following order: (a) Termination of DBA; (b) Grant Deed to HFET; and (c) Grant Deed to City.

4. Modification to Boundary Map. The Parties agree to seek and obtain a modification to the existing boundary map of City of Irvine Community Facilities District No. 2013-13 to reflect the modification to property boundaries resulting from the exchange of parcels contemplated by this letter.

5. Modification to Environmental Insurance Policy. The Parties agree to coordinate as necessary to modify the existing Pollution Legal Liability Cleanup Costs Cap Insurance Policy, effective July 12, 2005, provided by American Insurance Specialty Lines, to reflect the modification to property boundaries resulting from the exchange of parcels contemplated by this letter.

6. Zoning. The swap effects a minor boundary change to the Orange County Great Park plan area. However, the precise boundaries of the area as shown on the zoning map have always been approximate. Accordingly, following the swap, the land conveyed to HFET by this

letter will be considered 8.1 zoning and the land conveyed to City by this letter will be considered to be within the 1.9 zoning category. There is no need to amend the zoning maps because the property line alteration is too small scale to be reflected in the existing adopted maps.

7. Transfer Taxes and Recording Fees. HFET shall pay all recording fees payable in connection with the transfer of the City Acquisition Parcels and the HFET Acquisition Parcel, and HFET shall pay all transfer taxes payable in connection with the transfer of the HFET Acquisition Parcel based upon a value of \$1,108,460.

8. Effect of This Agreement. Except as necessary to reflect the change in ownership of the City Acquisition Parcels and the HFET Acquisition Parcel contemplated by this letter, and the related classification of the City Acquisition Parcels as "City Property" (as that term is used in the ARDA), and the HFET Acquisition Parcel as "Heritage Fields Property," (as that term is used in the ARDA) and as "Developer Property" (as that term is defined in the Amended and Restated Master Implementation Agreement, dated December 27, 2010 ("ARMIA")), nothing in this Agreement is intended to limit, modify or amend the terms and conditions of the ARDA, the ARMIA, the Agreement With City of Irvine as Adjacent Landowner, dated September 13, 2011, the Second Agreement With City of Irvine as Adjacent Landowner, dated November 26, 2013, or any other agreement contemplated by any of such agreements. Instead, this letter is designed to facilitate implementation of the obligations of the parties under such agreements.

[signatures appear on next page]



Date: \_\_\_\_\_

HERITAGE FIELDS EL TORO, LLC,  
a Delaware limited liability company

By: Heritage Fields El Toro Sole Member LLC,  
a Delaware limited liability company  
Its: Sole Member

By: Heritage Fields LLC,  
a Delaware limited liability company  
Its: Sole Member

By: Five Point Heritage Fields, LLC,  
a Delaware limited liability company  
Its: Administrative Member

By: Five Point Operating Company, LP,  
a Delaware limited partnership  
Its: Sole Member

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*[Signature]*  
*Shawn Doehring*  
*Vice President*

THE ABOVE TERMS AND PROVISIONS ARE HEREBY ACKNOWLEDGED, ACCEPTED  
AND AGREED UPON.

Date: \_\_\_\_\_

CITY OF IRVINE

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:  
RUTAN & TUCKER, LLP

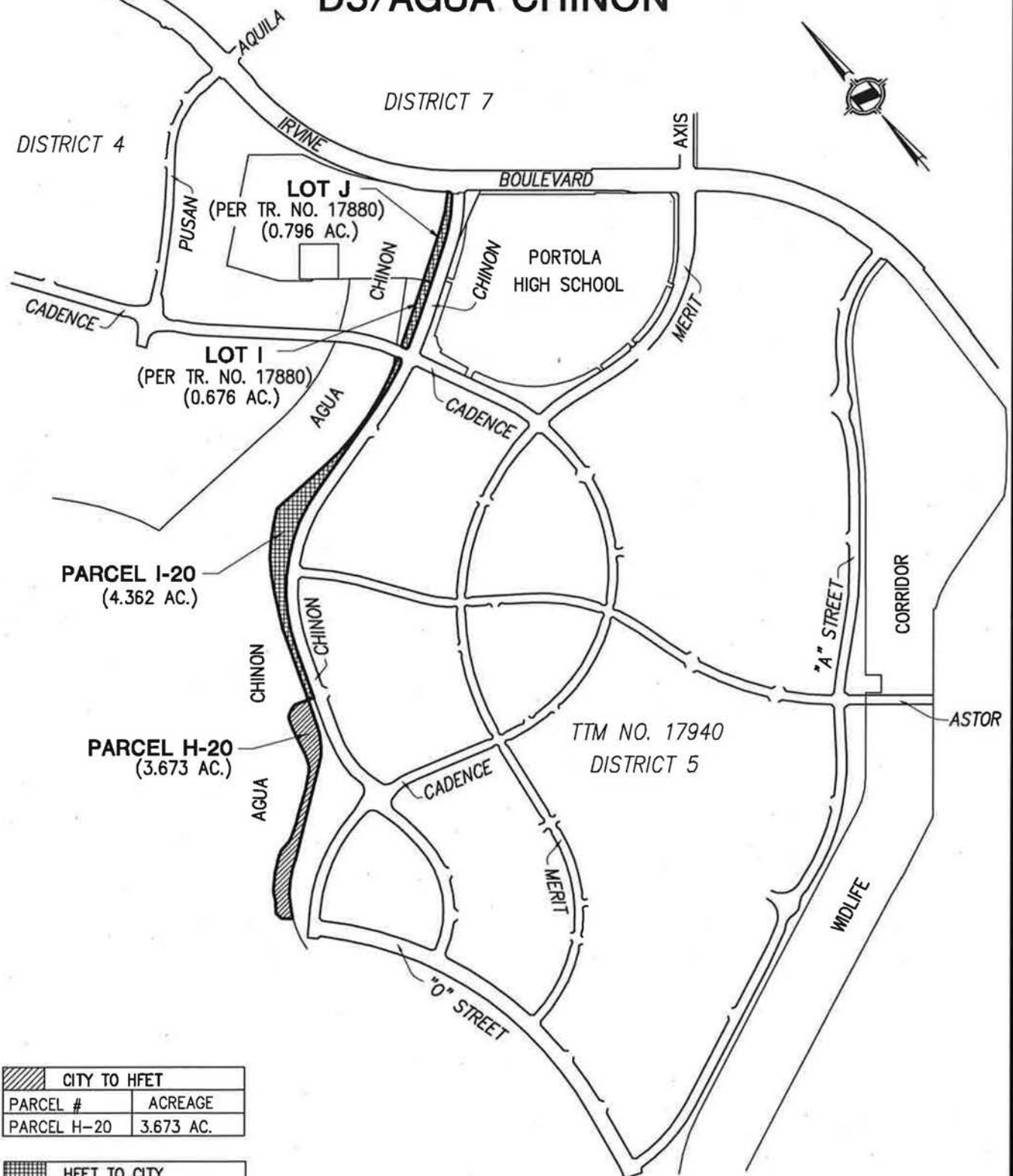
\_\_\_\_\_  
City Attorney

**EXHIBIT "A"**

**DEPICTION OF EXCHANGE PARCELS**

**[see attached]**

# LAND EXCHANGE EXHIBIT D5/AGUA CHINON



CITY TO HFET	
PARCEL #	ACREAGE
PARCEL H-20	3.673 AC.

HFET TO CITY	
PARCEL #	ACREAGE
PARCEL I-20	4.362 AC.
LOT I	0.676 AC.
LOT J	0.796 AC.
TOTAL	5.834 AC.

PREPARED BY:

**HUNSAKER & ASSOCIATES**  
IRVINE, INC.  
PLANNING • ENGINEERING • SURVEYING  
Three Hughes • Irvine, CA 92618 • PH: (949) 583-1010 • FX: (949) 583-0759  
DATE: JUNE 26, 2017

SHEET 1 OF 1



**EXHIBIT "B-1"**

**GRANT DEED FROM HFET TO CITY**

**[see attached]**

RECORDED AT THE REQUEST OF  
AND WHEN RECORDED RETURN TO:

CITY OF IRVINE  
One Civic Center Plaza  
P.O. Box 19575  
Irvine, CA 92623-9575  
Attn: Development Engineering

---

(Space Above Line for Recorder's Use)

Free recording Requested per Government Code Section 6103

In accordance with Section 11922 of the California Revenue  
and Taxation Code, transfer of the property to the City of  
Irvine is exempt from the payment of a documentary transfer  
tax.

**GRANT DEED**

(GPN District 5 Exchange Parcels: HFET to City)

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, HERITAGE FIELDS EL TORO, LLC, a Delaware limited liability company ("Grantor"), hereby grants to the CITY OF IRVINE, a California charter city ("Grantee"), that certain real property (the "Property") located in the City of Irvine, County of Orange, State of California, described in the legal description attached hereto as Exhibit "A" and the depiction attached hereto as Exhibit "B", each incorporated herein by this reference.

TOGETHER WITH all buildings, facilities, roadways, rail lines, and other infrastructure, including those MCAS El Toro storm drainage systems, sewer systems, and the electrical, natural gas, telephone, and water utility distribution systems located thereon, and any other improvements on the Property, with the exception of Buildings 416, 627 and 628 and the electrical, natural gas, telephone, and water utility distribution systems located on or within Buildings 416, 627 and 628; all hereditaments and tenements therein and reversions, remainders, issues, profits, privileges and other rights belonging or related thereto, except insofar as any such rights belong or are related to Buildings 416, 627 and 628 and any utility distribution systems located thereon; and all rights to minerals, gas, oil, and water.

GRANTEE HEREBY COVENANTS AND AGREES, for itself and on behalf of its successors and assigns as to the portion of the Property covered by the applicable Quitclaim Deed described below, that it shall be bound by the terms, reservations, easements, covenants, conditions, restrictions and agreements set forth in the following: (a) that certain Quitclaim Deed and Environmental Restriction Pursuant to Civil Code Section 1471, dated July 12, 2005, from the United States of America, acting by and through the Department of the Navy ("United States"), to Heritage Fields LLC, a Delaware limited liability company, Grantor's predecessor-

in-interest, recorded on July 12, 2005 as Instrument No. 2005000536290 in the Official Records of Orange County, California, or (b) that certain Quitclaim Deed and Environmental Restriction Pursuant to Civil Code Section 1471, dated March 22, 2006, from the United States to Heritage Fields LLC, a Delaware limited liability company, Grantor's predecessor-in-interest, recorded on April 14, 2006 as Instrument No. 2006000249561 in the Official Records of Orange County, California (as applicable, the "Government Quitclaim").

GRANTOR HEREBY ASSIGNS TO GRANTEE, all rights, title and interests in and to all covenants, representations and warranties made by the United States in favor of Grantor in the Government Quitclaim, to the fullest extent such covenants, representations and warranties are assignable and apply to the portion of the Property covered by the applicable Government Quitclaim.

Subject to all matters of record and all matters that would be disclosed by an inspection and survey of the Property.

Dated: \_\_\_\_\_, 2018.

HERITAGE FIELDS EL TORO, LLC,  
a Delaware limited liability company

By: Heritage Fields El Toro Sole Member LLC,  
a Delaware limited liability company  
Its: Sole Member

By: Heritage Fields LLC,  
a Delaware limited liability company  
Its: Sole Member

By: Five Point Heritage Fields, LLC,  
a Delaware limited liability company  
Its: Administrative Member

By: Five Point Operating Company, LP,  
a Delaware limited partnership  
Its: Sole Member

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Title: \_\_\_\_\_

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

STATE OF CALIFORNIA           )  
  )  
COUNTY OF ORANGE           )

On \_\_\_\_\_, 2018, before me, \_\_\_\_\_, a 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(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

(SEAL)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Grant Deed (GPN District 5 Exchange Parcels), dated \_\_\_\_\_, 2018, from Heritage Fields El Toro, LLC, a Delaware limited liability company, to the City of Irvine, a California charter city, is hereby accepted by the undersigned City Engineer on behalf of the City Council of the City of Irvine pursuant to authority conferred by Ordinance No. 83-4 of such City Council adopted on the 12<sup>th</sup> day of April, 1983, and revised by Ordinance No. 92-19 adopted on the 27<sup>th</sup> day of October, 1992, and the City consents to recordation thereof by its duly authorized officer.

\_\_\_\_\_  
James Houlihan, City Engineer  
City of Irvine

\_\_\_\_\_  
Date

<p>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.</p>
---

STATE OF CALIFORNIA           )  
  )  
COUNTY OF ORANGE         )

On \_\_\_\_\_, 2018, before me, \_\_\_\_\_, a 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(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

(SEAL)

## EXHIBIT "A"

### LEGAL DESCRIPTION

#### Parcel I-20

For the purposes of this description of Parcel I-20 the centerline of "CHINON" is described as follows:

That portion of Parcel 2 in the City of Irvine, County of Orange, State of California, as described in a Quitclaim Deed recorded July 12, 2005 as Instrument No. 2005000536290 of Official Records, also being those portions of Lots 275 and 276, Block 154 and Lots 281 and 282, Block 155 of Irvine's Subdivision as shown on a map recorded in Book 1, Page 88 of Miscellaneous Record Maps, both in the office of the County Recorder of said county described as follows:

**Commencing** at the well monument with 2-1/4" brass cap stamped "LS 8639" marking the northeasterly terminus of that certain course shown along the centerline of Chinon on the map of Tract No. 17880, filed in Book 945, Pages 1 through 15, inclusive, of Miscellaneous Maps, in the office of the County of Recorder of said county, said course shown on said map as "N59°07'23"E 586.47'"; thence along said centerline of Chinon the following two (2) courses:

- 1) South 59°07'23" West 586.47 feet to a curve concave northwesterly having a radius of 2500.00 feet and
- 2) southwesterly 331.74 feet along said curve through a central angle of 7°36'11" to a point on the Boundary of said Tract No. 17880 said point referred to hereon as **Point A**;

thence southwesterly 386.20 feet along the continuation of said curve through a central angle of 8°51'04"; thence South 75°34'38" West 711.08 feet to a curve concave southeasterly having a radius of 1200.00 feet; thence southwesterly 1150.03 feet along said curve through a central angle of 54°54'35"; thence South 20°40'03" West 630.10 feet to a curve concave easterly having a radius of 1180.00 feet; thence southerly 496.83 feet along said curve through a central angle of 24°07'27"; thence South 3°27'24" East 547.76 feet to a curve concave northwesterly having a radius of 700.00

*Revised July 11, 2017*  
April 7, 2017  
WO No. 1855-692X  
Page 1 of 3  
H&A Legal No. 9052  
By: J. Kinnie  
Checked By: R. Wheeler

## EXHIBIT "A"

### LEGAL DESCRIPTION

feet; thence southwesterly 846.79 feet along said curve through a central angle of 69°18'40"; thence South 65°51'16" West 65.40 feet to the **Point of Terminus**.

#### **Parcel I-20 (continued)**

That portion of Parcel 2 in the City of Irvine, County of Orange, State of California, as described in a Quitclaim Deed recorded July 12, 2005 as Instrument No. 2005000536290 of Official Records, also being those portions of Lots 275 and 276, Block 154 of Irvine's Subdivision as shown on a map recorded in Book 1, Page 88 of Miscellaneous Record Maps, both in the office of the County Recorder of said county lying northerly and northwesterly of a line parallel with and distant 46.00 feet northerly and north of the herein described centerline of Chinon, lying southwesterly of the southwesterly line of Cadence and shown on said Tract No. 17880, lying southeasterly of the southeasterly line of Parcel G-1A of Exhibit "G-1-II" as described in a Grant Deed recorded July 12, 2005 as Instrument No. 2005000538137 of said Official Records, as shown on the map of Record of Survey No. 2011-1042, filed in Book 254, Pages 21 through 36, inclusive, of Records of Survey in said office of the County Recorder, lying southeasterly of the southeasterly line of Parcel I-2 as described in a Grant Deed recorded November 15, 2011 as Instrument No. 2011000580797 of said Official Records, lying southeasterly of the northwesterly line of Parcel H-3 as described in a Grant Deed recorded November 15, 2011 as Instrument No. 2011000580796 of said Official Records and lying northeasterly of a line that bears South 69°19'57" East and passes through a point distant southwesterly 373.95 feet from the northerly terminus of the course described as "South 20°40'03" West 630.10 feet" along the herein described centerline of Chinon.

**Excepting therefrom** that portion of said Parcel 2 described as follows:

**Commencing** at the above described **Point A**; thence along said Boundary of Tract No. 17880, radial to the centerline of Chinon, North 23°16'26" W 46.00 feet to a point on a curve, concave northwesterly and having a radius of 2454.00 feet, said curve being concentric with and 46.00 feet northwesterly from herein described centerline of Chinon, a radial line through said point bears

*Revised July 11, 2017*

*April 7, 2017*

WO No. 1855-692X

Page 2 of 3

H&A Legal No. 9052

By: J. Kinnie

Checked By: R. Wheeler

**EXHIBIT "A"**

**LEGAL DESCRIPTION**

South 23°16'26" East, said point being the **True Point of Beginning**; thence southwesterly 44.50 feet along said curve through a central angle of 1°02'20" to a point of cusp with a curve, concave northwesterly and having a radius of 160.00 feet; a radial line through said point of cusp bears South 22°14'06" East; thence northeasterly 23.06 feet along said curve through a central angle of 8°15'24" to a reverse curve concave southeasterly having a radius of 171.00 feet; thence northeasterly 21.54 feet along said curve through a central angle of 7°13'04" to a point on said Boundary of Tract No. 17880; thence along said Boundary of Tract No. 17880, radial to said curve South 23°16'26" East 3.00 feet to the **True Point of Beginning**.

Containing an area of 4.362 acres, more or less.


**Lot I**

In the City of Irvine, County of Orange, State of California, being Lot I of Tract No. 17880, filed in Book 945, Pages 1 through 15, inclusive, of Miscellaneous Maps, in the Office of the County Recorder of said county.

Containing an area of 29,434 square feet, more or less.

Subject to covenants, conditions, reservations, restrictions, rights, rights of way and easements of record, if any.

As shown on Exhibit "B", attached hereto and by this reference made a part hereof.

  
Jason R. Kinnie, L.S. No. 7090

Date: 07-11-2017



*Revised July 11, 2017*

April 7, 2017

WO No. 1855-692X

Page 3 of 3

H&A Legal No. 9052

By: J. Kinnie

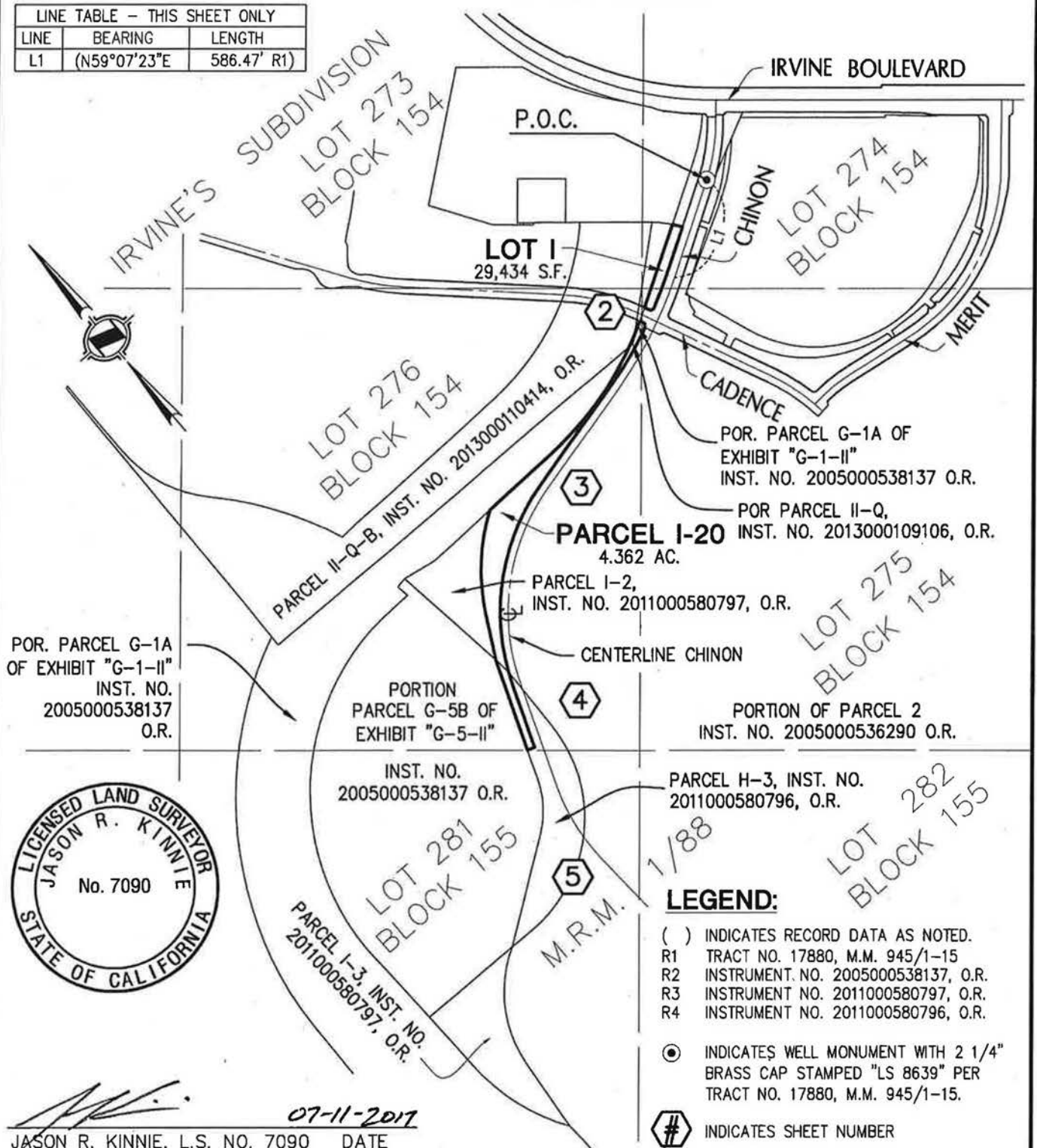
Checked By: R. Wheeler



# EXHIBIT "B"

Sketch to Accompany Legal Description

LINE TABLE - THIS SHEET ONLY		
LINE	BEARING	LENGTH
L1	(N59°07'23"E	586.47' R1)



## LEGEND:

- ( ) INDICATES RECORD DATA AS NOTED.
- R1 TRACT NO. 17880, M.M. 945/1-15
- R2 INSTRUMENT NO. 2005000538137, O.R.
- R3 INSTRUMENT NO. 2011000580797, O.R.
- R4 INSTRUMENT NO. 2011000580796, O.R.
- INDICATES WELL MONUMENT WITH 2 1/4" BRASS CAP STAMPED "LS 8639" PER TRACT NO. 17880, M.M. 945/1-15.
- # INDICATES SHEET NUMBER

07-11-2017  
JASON R. KINNIE, L.S. NO. 7090 DATE

**HUNSAKER & ASSOCIATES**  
IRVINE, INC.  
PLANNING • ENGINEERING • SURVEYING  
Three Hughes • Irvine, CA 92618 • PH: (949) 583-1010 • FX: (949) 583-0759

## EXHIBIT "B"

CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

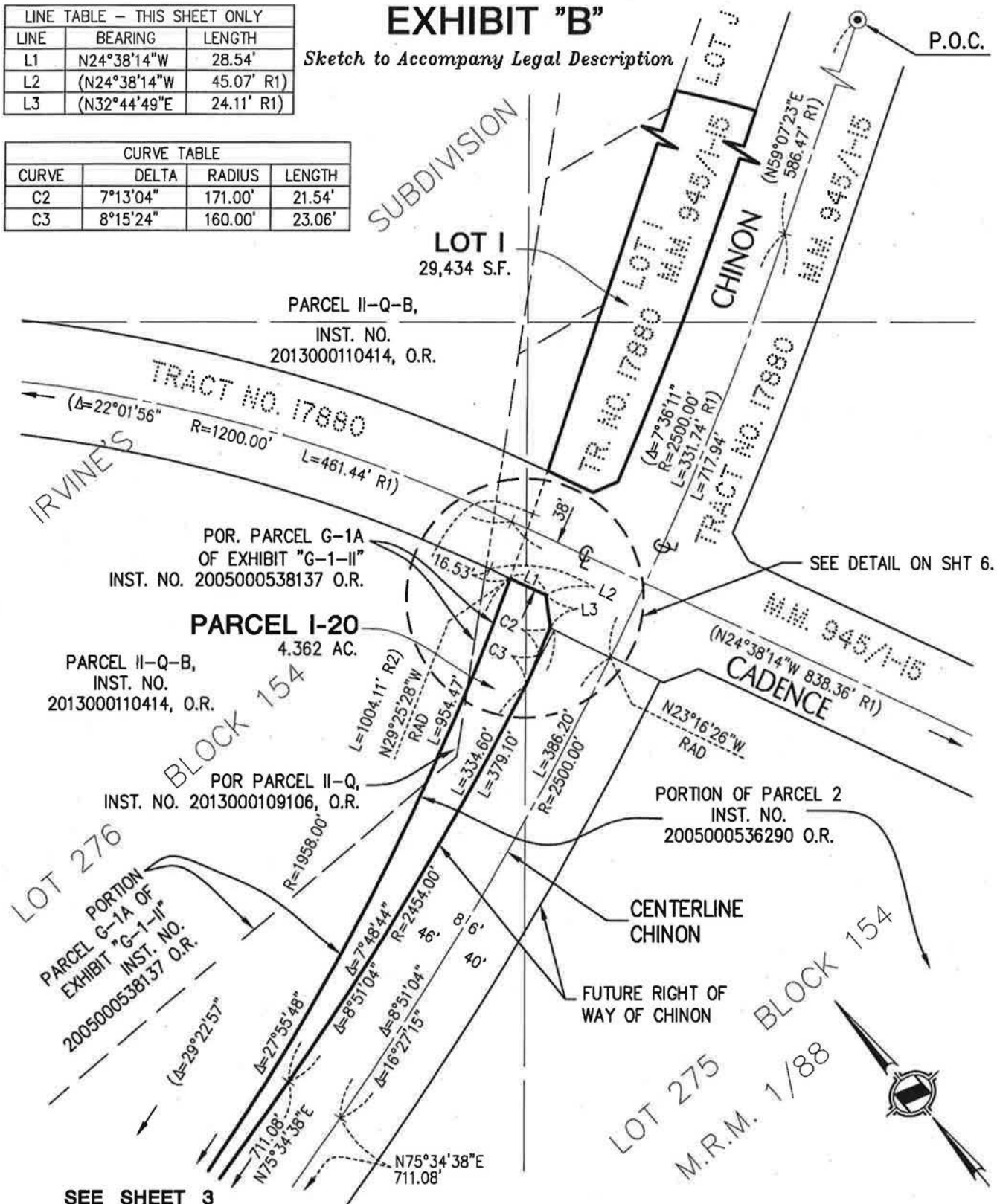
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I:\HeritageFields\LD\9052-D5-HFET to COI\SHT01.dwg				H&A LEGAL No. 9052	SHEET 1 OF 6

LINE TABLE - THIS SHEET ONLY		
LINE	BEARING	LENGTH
L1	N24°38'14"W	28.54'
L2	(N24°38'14"W	45.07' R1)
L3	(N32°44'49"E	24.11' R1)

CURVE TABLE			
CURVE	DELTA	RADIUS	LENGTH
C2	7°13'04"	171.00'	21.54'
C3	8°15'24"	160.00'	23.06'

## EXHIBIT "B"

Sketch to Accompany Legal Description



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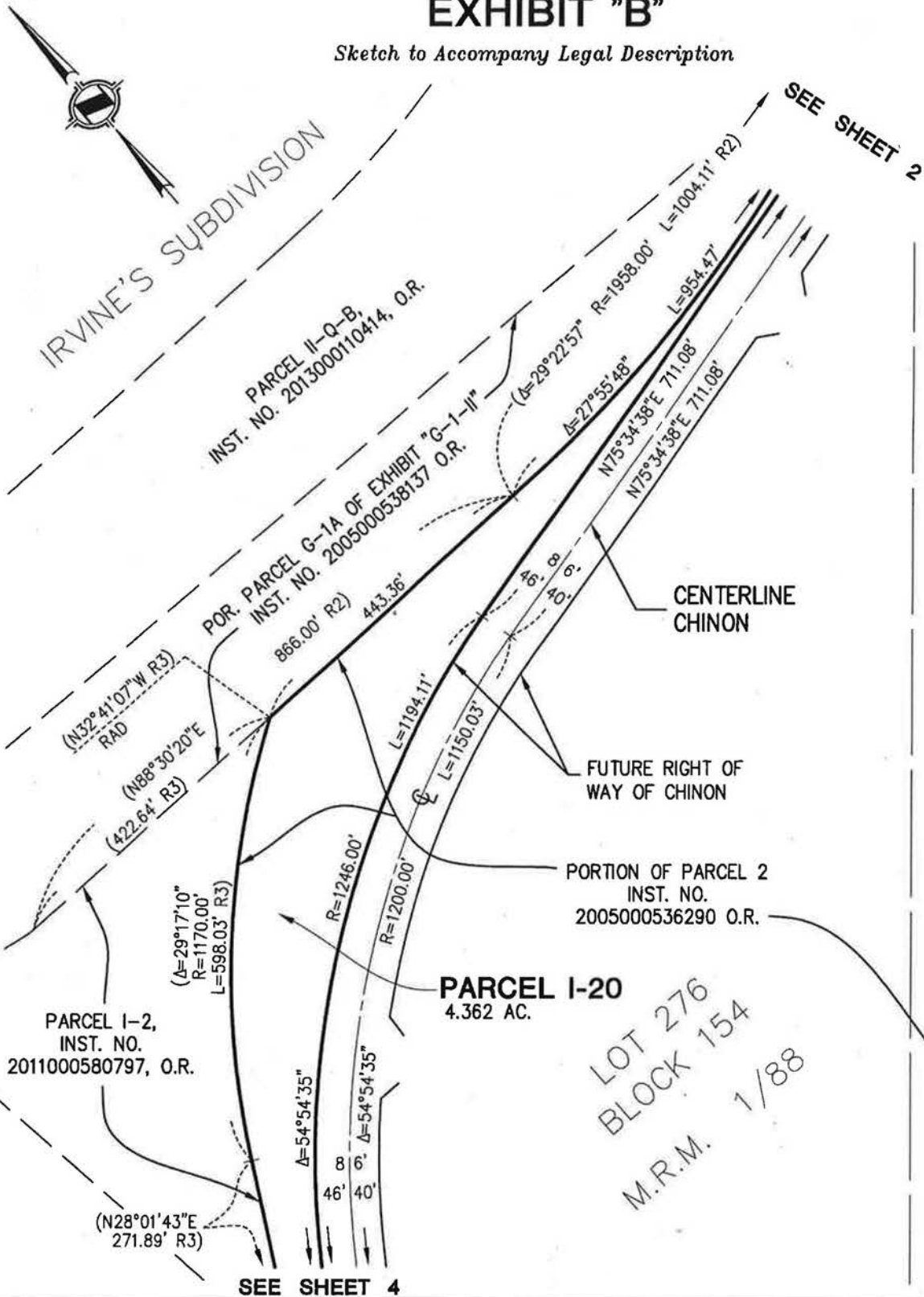
## EXHIBIT "B"

CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

DATE: 4/10/17	REV. DATE: 6/28/17	DWG: K. VO	CK'd By: J. KINNIE	SCALE: 1"=100'	W.O. 1855-692X
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# EXHIBIT "B"

Sketch to Accompany Legal Description



BLOCK 154  
LOT 275

LOT 276  
BLOCK 154  
M.R.M. 1/88



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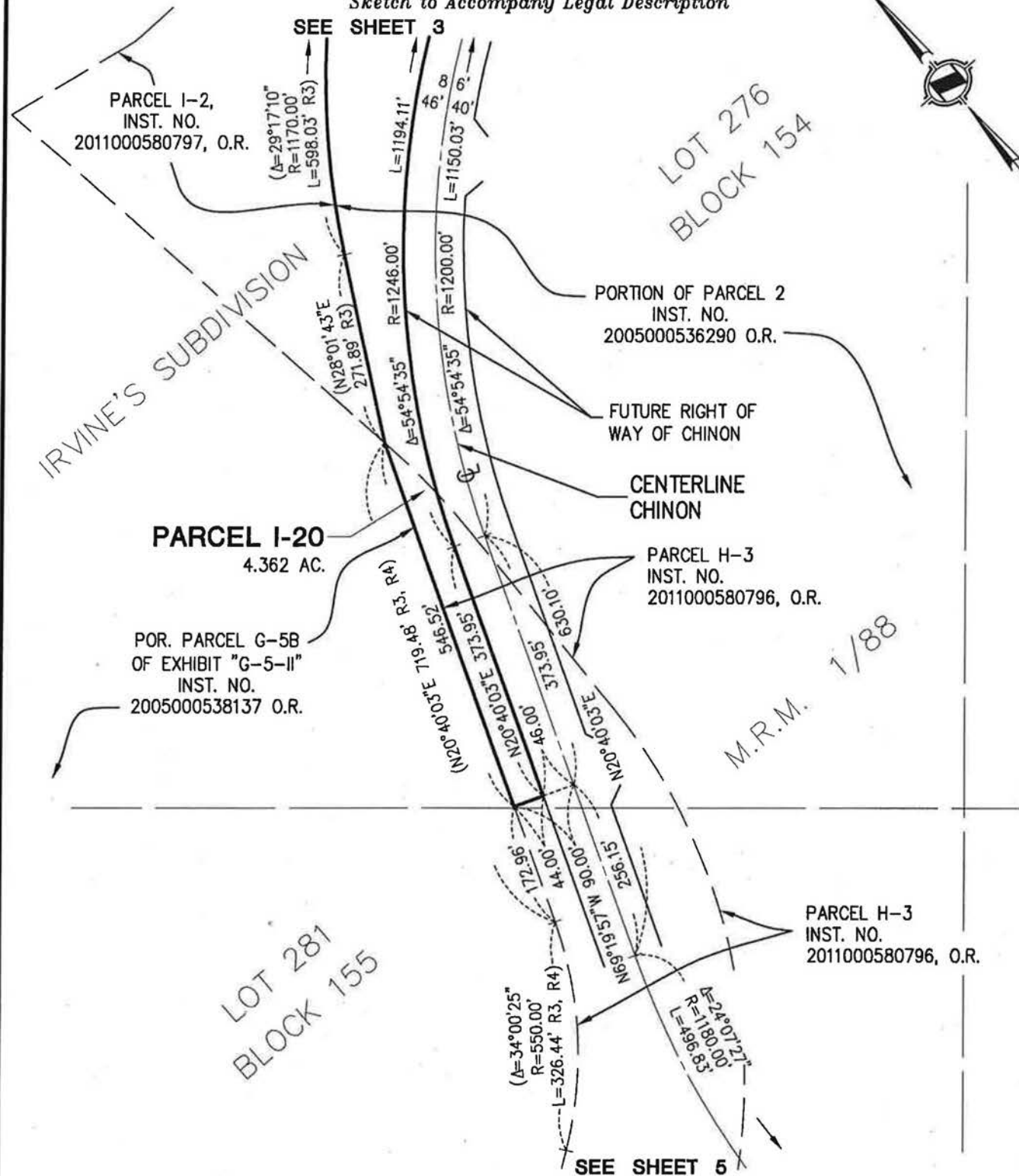
**EXHIBIT "B"**

CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

DATE: 4/10/17	REV. DATE: 5/18/17	DWG: K. VO	CK'd By: J. KINNIE	SCALE: 1"=200'	W.O. 1855-692X
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# EXHIBIT "B"

Sketch to Accompany Legal Description



**HUNSAKER & ASSOCIATES**  
IRVINE, INC.

PLANNING ■ ENGINEERING ■ SURVEYING  
Three Hughes • Irvine, CA 92618 • PH: (949) 583-1010 • FX: (949) 583-0759

**EXHIBIT "B"**

CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

DATE: 4/10/17	REV. DATE: 5/18/17	.DWG: K. VO	CK'd By: J. KINNIE	SCALE: 1"=200'	W.O. 1855-692X
I:\HeritageFields\LD\9052-D5-HFET to COI\SHT04.dwg				H&A LEGAL No. 9052	SHEET 4 OF 6

# EXHIBIT "B"

Sketch to Accompany Legal Description

SEE SHEET 4

IRVINE'S SUBDIVISION

PORTION PARCEL G-5B  
OF EXHIBIT "G-5-II"  
INST. NO.  
2005000538137 O.R.

PARCEL H-3  
INST. NO.  
2011000580796, O.R.

PORTION OF PARCEL 2  
INST. NO.  
2005000536290 O.R.

PARCEL I-3  
INST. NO.  
2011000580797, O.R.

LOT 281  
BLOCK

LOT 282

M.R.M.

CENTERLINE  
CHINON

N65°51'16"E 65.40'



**HUNSAKER & ASSOCIATES**  
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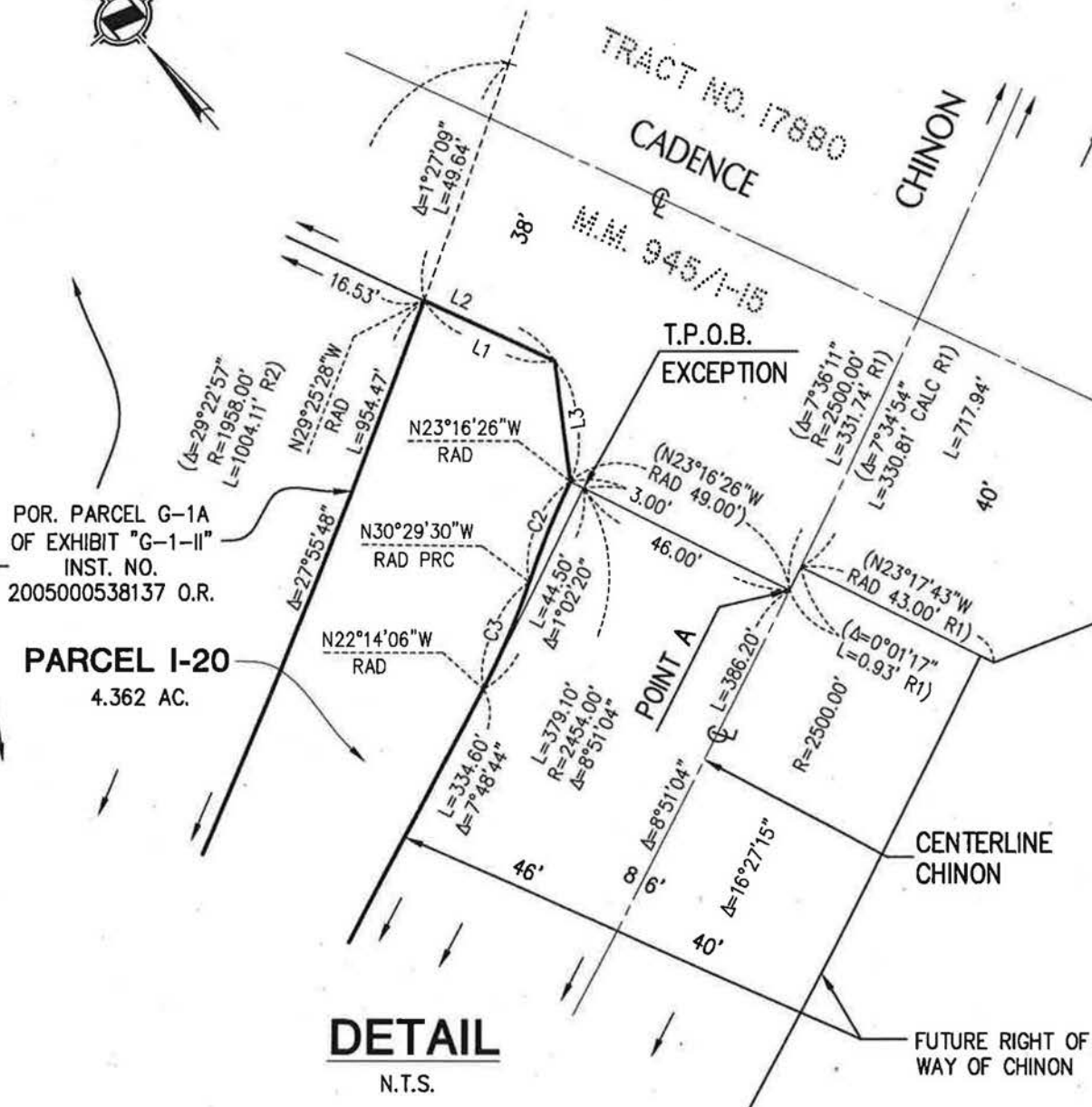
**EXHIBIT "B"**

CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

DATE: 4/10/17	REV. DATE: 5/12/17	DWG: K. VO	CK'd By: J. KINNIE	SCALE: 1"=200'	W.O. 1855-692X
I:\HeritageFields\LD\9052-D5-HFET to COI\SHT05.dwg				H&A LEGAL No. 9052	SHEET 5 OF 6

# EXHIBIT "B"

Sketch to Accompany Legal Description



**HUNSAKER & ASSOCIATES**  
IRVINE, INC.  
PLANNING • ENGINEERING • SURVEYING  
Three Hughes • Irvine, CA 92618 • PH: (949) 583-1010 • FX: (949) 583-0759

## EXHIBIT "B"

CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

DATE: 5/12/17	REV. DATE: 5/18/17	.DWG: K. VO	CK'd By: J. KINNIE	SCALE: N.T.S.	W.O. 1855-692X
I:\HeritageFields\LD\9052-D5-HFET to COI\SHT06.dwg				H&A LEGAL No. 9052	SHEET 6 OF 6

**EXHIBIT "B-2"**

**SUBLEASE FROM HFET TO CITY**

**[see attached]**



**SUBLEASE**  
**(Portion of LIFOC Parcel II-D)**

This SUBLEASE (Portion of LIFOC Parcel II-D) ("Sublease") is entered into as of \_\_\_\_\_, 2018, by and between the CITY OF IRVINE, a California charter city ("City"), and HERITAGE FIELDS EL TORO, LLC, a Delaware limited liability company ("HF").

**RECITALS**

A. In accordance with prior decisions to close and dispose of the former Marine Corps. Air Station - El Toro ("El Toro"), the United States Department of the Navy ("DON") completed its auction of a substantial portion of El Toro and, on July 12, 2005, closed escrow and transferred that portion of El Toro, partially by deed and partially by lease, to Heritage Fields LLC, a Delaware limited liability company (predecessor in interest to HF) (such portions of El Toro transferred by DON to HF are hereinafter collectively referred to as the "Base Property"). Certain portions of the Base Property were leased to HF by the DON, rather than conveyed to HF by grant and/or quitclaim deed, because further environmental remediation on or beneath the leased portions of the Base Property was required. In this regard, DON leased those portions of the Base Property, including the "Subleased Property" (defined below), to HF pursuant to a written lease entitled "Lease in Furtherance of Conveyance between the United States of America and Heritage Fields LLC, a Delaware Limited Liability Company for MCAS El Toro Parcel 2," dated July 12, 2005 (the "LIFOC"). A Memorandum of Lease providing record notice of the LIFOC was recorded as Instrument No. 2005000536291 in the Official Records of Orange County, California on July 12, 2005.

B. The City, HF and the Irvine Redevelopment Agency, a redevelopment agency formed pursuant to Health and Safety Code sections 33000 *et seq.* (the "Agency"), are parties to that certain Amended and Restated Development Agreement, dated December 27, 2010, recorded in the Official Records of Orange County, California on December 27, 2010 as Instrument No. 2010000700065 (as updated, confirmed and clarified by the "Letter Agreements" [as that term is defined below], the "ARDA"). The City and HF are also parties to that certain Amended and Restated Master Implementation Agreement, dated December 27, 2010 (as updated, confirmed and clarified by the Letter Agreements, the "ARMIA"). Certain terms of the ARDA and ARMIA have been updated, confirmed and clarified pursuant to (i) that certain letter agreement executed by City and HF, dated December 27, 2010 RE: AMENDED AND RESTATED MASTER IMPLEMENTATION AGREEMENT AND AMENDED AND RESTATED DEVELOPMENT AGREEMENT, and (ii) that certain second letter agreement executed by City and HF, dated December 27, 2010, RE: CONFIRMATION AND CLARIFICATION OF CERTAIN PROVISIONS UNDER AMENDED AND RESTATED DEVELOPMENT AGREEMENT AND AMENDED AND RESTATED MASTER IMPLEMENTATION AGREEMENT IN VIEW OF EVENTS OCCURRING SINCE ORIGINAL APPROVAL OF AMENDED AND RESTATED DEVELOPMENT AGREEMENT AND AMENDED AND RESTATED MASTER IMPLEMENTATION AGREEMENT (collectively, the "Letter Agreements").

C. City and HF are also parties to that certain letter agreement, dated December 4, 2017, RE: MODIFICATIONS TO PROPERTY BOUNDARIES - AGUA CHINON AND GPN DISTRICT 5 (the "Agua Chinon / D5 Exchange Letter Agreement"). Pursuant to Section 1.2 of the Agua Chinon / D5 Exchange Letter Agreement the parties are to enter into this Sublease.



D. Pursuant to the Agua Chinon / D5 Exchange Letter Agreement, the City has agreed to convey to HF land identified therein as "Parcel H-20," and HF has agreed to convey to City land identified therein as "Lot I (Per Tr. No. 17880)" ("Lot I") and "Lot J (Per Tr. No. 17880)" ("Lot J") and "Parcel I-20" ("Parcel I-20"). The City owns fee title to Parcel H-20, HF owns fee title to Lot I and Parcel I-20, and the DON owns fee title to Lot J. Pursuant to the LIFOC, HF holds a leasehold interest over Lot J which is more precisely described on Exhibit "A" attached to this Sublease ("Subleased Property").

E. Pursuant to Section 1 of the Agua Chinon / D5 Exchange Letter Agreement, HF is required to: (i) execute and deliver to the City a Grant Deed (the "HF Grant Deed") conveying fee interest in Lot I and Parcel I-20; and (ii) enter into this Sublease. Concurrently with the execution and delivery of this Sublease, HF will execute and deliver to the City the HF Grant Deed.

F. Pursuant to the terms of the LIFOC, HF may sublease the Subleased Property, but may not assign its interest in the Subleased Property or any other leased portion of the Base Property covered by the LIFOC, without the prior written consent of DON. DON has not provided its written consent to an assignment of the Subleased Property to the City. For this reason, HF and the City desire to enter into this Sublease to immediately transfer possession of the Subleased Property to the City pending HF receiving fee title to the Subleased Property and conveying the Subleased Property to the City. The parties hereto intend to use the HF Grant Deed, this Sublease, and the subsequent deed of the Subleased Property from HF to the City, as the agreed means of satisfying and fully discharging the requirements for conveyance of Lot I and Parcel I-20 and Subleased Property to the City as required by the Agua Chinon / D5 Exchange Letter Agreement.

#### EXECUTORY AGREEMENTS

NOW, THEREFORE, based upon the foregoing Recitals, which are incorporated herein by this reference, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, HF and the City hereby agree as follows:

##### 1. Sublease

1.1 HF, as sublessor, hereby subleases to the City, as sublessee, and the City hereby subleases from HF, on the terms and conditions set forth in this Sublease, the Subleased Property, as more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference. This Sublease shall be effective as of the date the HF Grant Deed is recorded (the "Effective Date").

1.2 HF subleases to the City all of HF's rights, benefits and obligations under the LIFOC with respect to the Subleased Property. By executing this Sublease, the City assumes and agrees to perform all obligations and duties of HF under the LIFOC with respect to the Subleased Property.

1.3 City and City's contractors, subcontractors, consultants, employees, agents, and representatives shall comply with all applicable laws, statutes, ordinances, rules, regulations, permits, decrees, orders, judgments, injunctions or rulings of any federal, state or local government with jurisdiction over the Subleased Property, any court of competent jurisdiction, or any other governmental agency with jurisdiction over the Subleased Property, now or hereafter enacted, promulgated or entered, and all applicable agreements, requirements and obligations relating to or affecting the Subleased Property, each as amended from time to time (collectively, "Laws and Agreements"). City further agrees to (i) immediately notify HF of any material breach or violation of any such Laws and

Agreements, (ii) coordinate with HF with respect to all matters requiring the joint action of HF and City in a manner reasonably acceptable to HF, and (iii) take all further actions and execute such further documents as necessary to comply with applicable requirements and obligations of such Laws and Agreements.

1.4 City acknowledges that it has been advised of the following plans and: (a) will not interfere with, and alterations made to the Subleased Property will be consistent with, the rights and obligations of the various parties set forth in Planning Areas 30 & 51 Great Park / Great Park Neighborhoods Sub Area Master Plan, dated March 2009 (as amended September, 2011), and (b) will comply with the obligations and practices set forth in the current applicable Water Quality Management Plan, both as applicable to the Subleased Property. The Subleased Property is the subject of a Storm Water Pollution Prevention Plan ("HF SWPPP"). City represents that it is party to a separate Storm Water Pollution Prevention Plan ("City SWPPP") that covers property adjacent to the Subleased Property. City and HF agree to take commercially reasonable steps to amend the HF SWPPP and City SWPPP so that the Subleased Property is covered by the City SWPPP and removed from the HF SWPPP. At all times the City agrees to comply with the Storm Water Pollution Prevention Plan that then governs the Subleased Property.

## 2. Term, Termination and Easement Reservation

2.1 The term ("Term") of this Sublease shall commence as of the Effective Date and shall terminate upon the conveyance of all of the Subleased Property by DON to HF, and the conveyance of all of the Subleased Property by HF to City pursuant to a grant deed substantially in the form of the HF Grant Deed.

2.2 The City acknowledges that this Sublease is subject to early termination as a result of the termination of the LIFOC by action of DON and in accordance with Section 14 of the LIFOC. HF shall not, prior to conveying fee title to the Subleased Property to the City, exercise any right it may have to terminate the LIFOC as to the Subleased Property, including the right contained in Section 14.2 of the LIFOC, without the prior express written consent of the City.

2.3 If fee title to all or any portion of the Subleased Property is conveyed by DON to HF, then thereafter such conveyed Subleased Property shall no longer be governed by this Sublease but, instead, shall be (a) conveyed to the City pursuant to a grant deed substantially in the form of the HF Grant Deed, and (b) upon such conveyance, automatically removed from the definition of "Subleased Property" hereunder. Thereafter, all references in this Sublease to the "Subleased Property" shall not include such conveyed Subleased Property.

## 3. Condition of Property; Use; Utilities.

3.1 Without limiting any environmental remediation obligations of the DON with respect to the Subleased Property, City acknowledges, understands and agrees that City accepts possession of the Subleased Property on the Effective Date "AS IS, WHERE IS, WITH ALL FAULTS"; that HF shall not be required to construct or install any tenant improvements or other improvements, alterations, additions or fixtures in, on or about the Subleased Property or any part thereof, at any time during the Term of this Sublease; that the construction and/ or installation of any and all such improvements or other improvements, alterations, additions and/or fixtures in, on or about the Subleased Property (or any part thereof) at any time following the Effective Date shall be the sole and exclusive cost, expense and responsibility of the City and otherwise strictly in accordance with the

provisions of this Sublease. City hereby expressly waives the benefit of any law, statute, ordinance or regulation which affords City any right to make repairs or replacements at HF's cost or expense or to terminate, cancel, rescind or void this Sublease based on HF's failure to keep or maintain the Subleased Property in good order, condition and repair.

3.2 City has made its own independent inspection and investigation of the Subleased Property and, without limiting any environmental remediation obligations of the DON with respect to the Subleased Property, finds and accepts the Subleased Property as being safe and reasonably suited for its intended uses as authorized in the LIFOC. The City further acknowledges that neither HF nor its members, managers, officers, officials, employees, agents, representatives, contractors, successors and assigns (individually, a "HF-Related Party" and collectively, the "HF- Related Parties") has made any representation or warranty to the City as to the usability generally of the Subleased Property, or as to its fitness for any particular use or activity. HF hereby expressly advises the City, if City elects to use any structures or other improvements on the Subleased Property, to inspect such structures and improvements to determine that they are in compliance with all applicable Laws and Agreements and that they are safe for their intended purpose, and to make such repairs as are necessary to bring such structures and improvements into compliance with all Laws and Agreements and make them safe for their intended purpose before they are used. The City acknowledges that all such inspections and repairs shall be undertaken at City's sole cost and expense.

3.3 City acknowledges and understands that there are no services (such as trash collection) and no utilities currently provided to the Subleased Property. City shall arrange for the delivery of any and all services and utilities deemed reasonably necessary by City for the Subleased Property and shall pay directly the full cost and expense of any and all such services and utilities. No failure of a service or utility shall be, or shall be deemed or considered, a constructive or actual eviction of City. HF shall not be liable or responsible for any claim by City, or any person or entity, arising from or related in any manner to any failure of any such service or utility.

3.4 Until City receives a deed to the Subleased Property, the City's use of the Subleased Property shall be limited by Section 5 of the "Finding of Suitability to Lease" (the "FOSL") attached as Exhibit "C" to the LIFOC, all in accordance with Section 4.1 of the LIFOC. Pursuant to Section 5.1 of the LIFOC, the City expressly acknowledges that any use of hazardous or toxic materials on the Subleased Property, including those of an explosive, flammable or pyrotechnic nature, as provided in 10 U.S.C. § 2692, shall require prior approval of the DON.

#### 4. Sublease incorporates LIFOC.

4.1 All applicable terms and conditions of the LIFOC with respect to the Subleased Property are incorporated into and made a part of this Sublease as if the City was the "Lessee," and the Subleased Property the "Leased Premises," as such terms are defined in the LIFOC. The City assumes and agrees to perform all of the "Lessee" obligations under the LIFOC during the term of this Sublease to the extent that those obligations are applicable to the Subleased Property. The City shall not commit any act or omission that violates any of the provisions of the LIFOC with respect to the Subleased Property. The City shall also require all of its contractors, subcontractors, consultants, employees, agents and representatives to comply with all applicable provisions of the LIFOC with respect to the Subleased Property.

4.2 Notwithstanding the foregoing, and except as set forth in Section 4.3

below, whenever the LIFOC provides that the "Lessee" shall communicate, provide notice or transmit any document or other item to the "Government," the City shall communicate, provide notices and transmit documents and other items to DON through HF, and not directly to DON; and whenever the LIFOC provides that the "Government" shall communicate, provide notice or transmit any document or other item to the "Lessee," the City shall receive any such communication, notice and transmittal of documents and other items from DON through HF, and not directly from DON. HF agrees to assist the City by forwarding to DON any communications, notices or transmittals required to be sent to DON under the LIFOC with respect to the Subleased Property, without change and in a timely manner, and by forwarding to the City any communications, notices or transmittals sent to HF by DON under the LIFOC with respect to the Subleased Property, without change and in a timely manner.

4.3 The City may seek authority from DON to communicate directly with DON regarding matters pertaining to the Subleased Property, rather than through HF. In the event that the DON determines to communicate directly with the City regarding the Subleased Property, rather than requiring all such communications to be undertaken through HF, the City may communicate directly with DON, provided that the City both (i) timely provides HF copies of all written communications between the City and DON, and (ii) timely provides HF a summary of all significant verbal communications between the City and DON.

4.4 In addition to and not by way of limiting paragraph 4.1 above, the City specifically acknowledges and agrees, with respect to the Subleased Property, to abide by the obligations of "Lessee" under Section 18 of the LIFOC with respect to labor, wage and benefit matters.

4.5 City acknowledges and agrees to all of the following:

4.5.1 An "Environmental Baseline Survey" attached as Exhibit B to the LIFOC (the "EBS") was conducted for El Toro that sets forth certain existing environmental conditions of, *inter alia*, the Subleased Property and provides that the DON has entered into a "Federal Facility Agreement" concerning the Subleased Property and other portions of the Base Property. DON has the responsibility to conduct environmental remediation work and activities throughout El Toro, including the Subleased Property, pursuant to the "BRAC Cleanup Plan" and the "IRP" (as such terms are defined and/or described in the LIFOC), and as reflected in the "Record of Decision," the Federal Facility Agreement, the FOSL for the portions of El Toro leased by DON to HF (as "Record of Decision" is defined in the LIFOC), and in any future documentation prepared by DON to reflect environmental remediation activity to be undertaken by DON on one or more portions of El Toro (collectively, "DON Remediation Work"). The City understands, acknowledges and agrees that should any conflict arise between the work or activities to be included under the Federal Facility Agreement as it presently exists or may be amended, or with any DON Remediation Work, on the one hand, and any use, operations, or activities to be conducted on the Subleased Property, as contemplated by this Sublease, on the other, the work or activities to be conducted under the Federal Facility Agreement or the DON Remediation Work shall take precedence. The City further agrees that HF has no liability to City or its contractors, subcontractors, sub-lessees, licensees and/or invitees, including any member of the public (hereafter collectively "Subleased Property Users") should implementation of the Federal Facility Agreement or the conduct of the DON Remediation Work interfere with the City's or any Subleased Property User's use of, or operations or activities within, the Subleased Property. The City shall have no claim on account of any such interference against HF or any HF-Related Party.



The DON, the United States Environmental Protection Agency ("EPA"), and the State of California, and their respective officers, agents, employees, contractors and subcontractors (collectively, the "Governmental Authorities"), have the right, upon reasonable notice to HF, which notice shall be timely provided to the City pursuant to Section 4.2 above, to enter upon the Subleased Property for the purposes enumerated in this Section 4.5 and for such other purposes consistent with implementing the DON Remediation Work:

i. To conduct investigations and surveys, including, where necessary, drilling, soil and water sampling, testpitting, testing soil borings and other activities related to the DON Remediation Work;

ii. To inspect field activities of the DON and its contractors and subcontractors in implementing the DON Remediation Work;

iii. To construct, operate, maintain or undertake any other response or remedial action as required or necessary to implement the DON Remediation Work, including but not limited to monitoring wells, pumping wells and treatment facilities;

iv. To perform any activities related to the assessment, treatment, removal, and/or remediation of hazardous materials not currently identified as being DON Remediation Work, but which subsequently becomes part of DON Remediation Work.

4.6 The City shall not conduct operations or make any alterations to the Subleased Property that would interfere with or otherwise restrict any DON Remediation Work, including any environmental cleanup, restoration, or testing activities by any of the Governmental Authorities. Completion of these activities shall take priority over the City's use of the Subleased Property in the event of any conflict.

4.7 The City shall have no claim against HF on account of any such entry by any of the Governmental Authorities, nor shall any such entry render HF or any HF-Related Party liable to the City.

4.8 If at any time HF is notified by the DON that any of the City's development, use, operations, or activities on the Subleased Property is in violation of the LIFOC, then the City shall, immediately upon notice from DON or HF, cease and desist from its development, use, operations and/or activities on the Subleased Property, or cure such violation(s) of the LIFOC within the time prescribed in the LIFOC or by DON. HF shall notify City immediately upon receipt of any notification from the DON that the City is in violation of the terms of the LIFOC. In addition to any other obligation of City under this Sublease or the LIFOC, the City shall indemnify, defend (with counsel reasonably acceptable to HF) and hold harmless HF, and each and all of HF-Related Parties from and against any "Claims" or "Liabilities" (as such terms are defined in Section 5 below) that may be asserted or claimed by the DON or any other Governmental Authority arising in any way out of any City development, use, operation, or activity on the Subleased Property that is in violation of the LIFOC.

4.9 The existence on and within the Subleased Property of known asbestos-containing material ("ACM"), lead based paint ("LBP"), or polychlorinated biphenyls ("PCBs") has been disclosed to the City and the City is fully aware of such existence. With respect to the foregoing:

i. HF shall not be responsible for any removal or containment of

ACM, LBP or lead from LBP, or PCBs, or any contaminated soil or water resulting from the same.

ii. ACM or LBP which during the term of this Sublease becomes damaged or deteriorated through the passage of time, as the result of a natural disaster or as a consequence of the City's activities under this Sublease, including but not limited to any emergency, shall be abated by the City at its sole cost and expense. The City shall be responsible for monitoring the condition of existing ACM and LBP in buildings on the Subleased Property for deterioration or damage and accomplishing repairs or abatement.

iii. Demolition of any facilities within the Subleased Property containing LBP, or any improvements or repairs that require the removal of LBP must have the prior written approval of the DON. The City shall be responsible for the management of LBP, including surveys, removal, and/or demolition in accordance with applicable federal, state and local laws and regulatory requirements. If the City intends to demolish any facilities within the Subleased Property containing ACM, or to make any improvements or repairs that require the removal of asbestos, an appropriate asbestos disposal plan must be incorporated into the plans and specifications required under Article 8 of the LIFOC and submitted to the DON through HF. The asbestos disposal plan shall identify the proposed disposal site for the asbestos, or in the event the site has not been identified, shall provide for disposal at a licensed facility authorized to receive it.

4.10 The City has reviewed and is aware of the notifications, obligations, and restrictions contained in the FOSL for the contaminated portion of the Base Property including the Subleased Property, and shall conduct its development, use, operations and all activities on the Subleased Property, and shall require its contractors, subcontractors, consultants, agents, and representatives to conduct their activities on and about the Subleased Property, in strict accordance therewith.

4.11 Pursuant to Section 14.1 of the LIFOC, the DON may terminate the LIFOC upon the occurrence of an event enumerated therein. Notwithstanding anything to the contrary herein, in the event the LIFOC is terminated, this Sublease shall be automatically terminated.

4.12 Subject to the final sentence in this section 4.12, in the event that any "hazardous material," "hazardous chemicals" or "hazardous substance" as those terms are used in CERCLA (42 U.S.C. § 9601(14)) or SARA (42 U.S.C. § 110211(E)) or any similar Federal, State, or local law, statute, ordinance, regulation or order, any petroleum products, or other substances that may adversely affect human health or the environment is spilled, discharged, released, disposed of or abandoned on or within the Subleased Property (a "Hazardous Release") following the date City is entitled to possession of the Subleased Property, City shall, at City's sole cost and expense, promptly abate, remove and clean up such Hazardous Release in accordance with all procedures established by, and to the complete satisfaction of, DON and all appropriate Governmental Authorities. The City's obligation in this Section 4.12 is independent of its other obligations under this Sublease, including but not limited to the obligation to insure against, and indemnify, hold harmless and defend HF and HF-Related Parties from, such Hazardous Releases. City shall promptly notify HF of, and shall promptly provide HF with, true, correct, complete and legible copies of, any environmental reports or notices relating to the Subleased Property which may be filed or prepared by or on behalf of, or delivered to or served upon City, including but not limited to reports filed pursuant to any self-reporting requirements, reports filed pursuant to any applicable laws or this Sublease, all permit applications, permits, monitoring reports,

workplace exposure and community exposure warnings or notices and all correspondence and other documents associated with actual or threatened investigation or enforcement action by any governmental entity or third party. Without limiting any environmental remediation obligations of the DON with respect to the Subleased Property including, without limitation, its obligations concerning any Hazardous Release caused or contributed to by the DON, and notwithstanding anything in this Sublease to the contrary, City shall not be obligated to abate, remove or clean up any Hazardous Release to the extent such Hazardous Release is caused or contributed to by HF.

## 5. Indemnification and Release

Irrespective of the extent of insurance coverage required by the LIFOC, the City shall indemnify, defend and hold harmless HF and each HF-Related Party from and against any and all actions, suits, claims, demands, judgments, attorneys' fees, costs, damages to person or property, losses, penalties, obligations, expenses, or liabilities of any kind that may be asserted or claimed by any person or entity arising in any way out of the City's activities under this Sublease or breach of this Sublease, the City's use or sublease of the Subleased Property, the City's violation of any permit issued by state and federal agencies and applicable to the Subleased Property, including without limitation a Section 404 Permit from the U.S. Army Corps of Engineers, a Section 401 Water Quality Certification from the California Regional Water Quality Control Board, a Fish and Game Section 1602 Permit from the California Department of Fish and Game, an Irvine Ranch Water District Subarea Master Plan and a National Pollution Discharge Elimination System Permit, or that in any way relates to the existing physical or environmental condition of the Subleased Property (specifically including any residual contamination that may now or in the future exist on the Subleased Property) (herein, "Claims" or "Liabilities"), whether or not there is concurrent passive negligence on the part of HF or any HF-Related Party, but excluding such Claims or Liabilities to the extent they arise from the active negligence or willful misconduct of HF or any HF-Related Party. In connection therewith:

5.1 The City shall defend any action or actions filed in connection with any such Claim or Liability, and shall pay all costs and expenses, including attorneys' fees incurred in connection therewith except to the extent such Claims or Liabilities arise from the active negligence or willful misconduct of HF or any HF-Related Party. The City shall promptly pay any final judgment rendered against HF, or any HF-Related Party for any such Claim or Liability except to the extent such Claims or Liabilities arise from the active negligence or willful misconduct of HF, or any HF-Related Party. In the event judgment is entered against the City and HF in part because of the concurrent active negligence or willful misconduct of HF or any HF-Related Party an apportionment of liability to pay such judgment, including attorneys' fees and expert witness fees, shall be made by a court of competent jurisdiction.

5.2 In the event HF or any HF-Related Party is made a party to any action or proceeding filed or prosecuted for any such Claim or Liability arising out of the City's use of the Subleased Property, or arising out of this Sublease, the City shall pay to HF, or such HF-Related Party(ies), any and all reasonable costs and expenses incurred by HF, or such HF-Related Party(ies) in such action or proceeding, together with reasonable attorneys' fees and expert witness fees, except to the extent any Claims or Liabilities arise from the active negligence or willful misconduct of HF, or any HF-Related Party.

5.3 The City agrees that HF, and HF-Related Parties have no liability to any of the Subleased Property Users should any DON Remediation Work or other work undertaken by the DON on one or more portions of the Base Property interfere with the



City's or any Subleased Property User's use of, or operations or activities within, the Subleased Property.

5.4 The City shall have no claim against HF, and/or HF-Related Party on account of any entry onto the Subleased Property by any of the Governmental Authorities, for the purposes of carrying out any of the DON Remediation Work, nor shall any such entry render HF, or any HF- Related Party liable to the City.

5.5 HF and the HF-Related Parties shall each be listed as a separate additional insured party on each and every insurance policy required of the City or any of its contractors or sub-lessees with respect to the Subleased Property.

5.6 Except as otherwise expressly provided in this Sublease, effective as of the Effective Date, City and City's successors in interest, assigns, representatives, attorneys, transferees, employees, affiliates, officers, directors, partners, and administrators, hereby fully and forever release, acquit and discharge HF and the HF-Related Parties from any and all claims, demands, damages, costs, attorneys' fees, losses, rights, and causes of action of *any* character, nature, and kind, whether known or unknown, suspected or unsuspected, matured or contingent, which City now has or hereafter may have against HF and/or the HF-Related Parties by reason of any occurrence, matter, or thing relating to or arising out of any environmental or hazardous material conditions on the Subleased Property.

5.6.1 Except as set forth herein, it is the intention of the parties hereto that the foregoing release shall be effective as a bar to all demands, liens, assignments, contracts, covenants, actions, suits, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, controversies, judgments, orders and liabilities of any character, nature and kind, known or unknown, suspected or unsuspected regarding hazardous material conditions on the Subleased Property. In furtherance of this intention, and with respect to the matters released in the preceding sentence only, City expressly, knowingly and voluntarily waives (except as otherwise expressly provided for in this Sublease) to the fullest extent permitted by law, all provisions, rights and benefits conferred upon them by the provisions of section 1542 of the California Civil Code, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his settlement with the debtor.

City expressly consents that, with respect to the Subleased Property, this release shall be given full force and effect in acceptance with each and all of its express terms and provisions, relating to unknown and unsuspected claims, demands, causes of action, if any, to the same effect as those terms and provisions relating to any other claims, demands and causes of action hereinabove specified.

Notwithstanding the foregoing, nothing stated in this Paragraph 5.6 shall (i) release or be deemed to release HF from its executory obligations arising expressly under this Sublease, or (ii) be construed in any way, to apply to, or to limit, any obligations required pursuant to the ARDA, ARMIA or the Agua Chinon / D5 Exchange Letter Agreement. Further, notwithstanding anything in this Paragraph 5.6 to the contrary, HF agrees to use commercially reasonable efforts to cooperate with the City, at no cost to HF, in enforcing any remediation obligations of the DON pursuant to any of the Laws and Agreements or pursuant to any governmental statute, regulation, or order imposing

remediation obligations on the DON with respect to the Subleased Property; provided that in no event shall HF be required to cooperate with City in connection with any litigation involving the DON.

By initialing below, City acknowledges that it has read and understands the nature and effect of the environmental and hazardous material releases given herein and of the waiver of Civil Code Section 1542 and has been advised by legal counsel of the nature and effect of such releases and waiver or has knowingly chosen not to consult legal counsel in this regard:

City  
Initials \_\_\_\_\_

6. Satisfaction of Agua Chinon / D5 Exchange Letter Agreement. HF's performance of its obligation to transfer a fee interest in the Subleased Property to the City pursuant to this Sublease and subsequent grant deed substantially in the form of the HF Grant Deed is deemed to be and shall constitute satisfactory performance by HF of its obligations under Section 1 of the Agua Chinon / D5 Exchange Letter Agreement with respect to the transfer of the Subleased Property to the City.

7. Insurance. City shall procure and, throughout the Term of this Sublease, City shall maintain and keep in full force and effect, at City's sole cost and expense, the following insurance coverages, with commercially acceptable deductibles: (1) a Commercial General Liability policy covering all liability arising out of and in connection with the use of the Subleased Property and all areas appurtenant thereto, which shall have a per occurrence limit of at least One Million Dollars (\$1,000,000) and an aggregate limit of at least Two Million Dollars (\$2,000,000); (2) Workers' Compensation insurance, including Employer's Liability coverage, in compliance with statutory requirements, and a Waiver of Subrogation in favor of HF; (3) Automobile Liability insurance covering all owned and hired automobiles of City, which shall have a per occurrence limit of at least One Million Dollars (\$1,000,000) and an aggregate limit of at least Two Million Dollars (\$2,000,000); and (4) Fire and Casualty insurance covering fire and other property casualty, including without limitation, extended coverage, special extended perils (all-risk coverage), vandalism, malicious mischief, and sprinkler leakage insurance, insuring the Subleased Property and any and all other improvements affixed to the Subleased Property (together with any and all furniture, furnishings, fixtures, equipment, inventory, supplies and other personal property belonging to City and located in, on or about the Subleased Property), in an amount equal to one hundred percent (100%) of the actual replacement value thereof, and shall include a Waiver of Subrogation in favor of HF. Each of the foregoing coverages shall name HF as an additional insured (except for the Workers' Compensation coverage) and shall be primary and non-contributing with any other insurance coverage available to HF. In the event liquor is to be served or sold at any event on the Subleased Property, (i) the Commercial General Liability policy shall include host liquor liability coverage, which shall have a per occurrence limit of at least One Million Dollars (\$1,000,000) and an aggregate limit of at least Ten Million Dollars (\$10,000,000), shall name HF as an additional insured, and shall be primary and non-contributing with any other insurance available to HF, and (ii) the Commercial General Liability policy for the vendor providing or serving any alcohol on the Subleased Property shall include host liquor liability coverage, which shall have a per occurrence limit of at least One Million Dollars (\$1,000,000) and an aggregate limit of at least Five Million Dollars (\$5,000,000), shall name HF as an additional insured, and shall be primary and non-contributing with any other insurance available to HF. All general liability insurance and property damage insurance shall insure performance by City of the indemnity and defense provisions in this Sublease. The Commercial General Liability policy shall be written on an occurrence basis and shall include, at a minimum, bodily injury, property

damage, personal injury, advertising injury and contractual liability. The limits of insurance liability shall not limit City's indemnification obligations under this Sublease. Each insurance policy required hereunder shall be evidenced by a certificate of insurance and Additional Insured Endorsement. If City fails to procure or cause to be procured and maintained, said insurance, HF may, but shall not be required to, procure and maintain same, but at the expense of the City. Insurance required hereunder shall be placed with and issued by companies rated A-; VII or better in "Best's Key Rating Guide", except that in the case of insurance obtained by City, insurance may be obtained through the California Insurance Pool Authority, a multi-agency insurance pool. No policy shall be cancelable or subject to reduction of coverage prior to the end of the Term except after (30) days' prior written notice to HF. Notwithstanding any other provision of this Sublease to the contrary, City shall not be entitled to possession or use of the Subleased Property unless and until Certificate(s) of Insurance evidencing the existence of said insurance are delivered to HF no later than one full business day prior to the commencement of the Term.

8. Miscellaneous

8.1 Notices. All notices, transmittals of documentation and other writings required or permitted to be delivered or transmitted to either of the parties under this Sublease shall be personally served or delivered by reputable overnight courier that provides a written receipt with the time and date of delivery, and addressed as follows:

If to City: City of Irvine  
One Civic Center Plaza  
P.O. Box 19575  
Irvine, CA 92623  
Attention: City Manager

With a copy to: Rutan & Tucker, LLP  
611 Anton Blvd., Suite 1400  
Costa Mesa, CA 92626  
Attention: Jeff Melching, Esq.

If to HF: Heritage Fields El Toro, LLC  
25 Enterprise, 3<sup>rd</sup> Floor  
Aliso Viejo, CA 92656  
Attn: General Counsel

With a copy to: Samuels, Green & Steel, LLP  
19800 MacArthur Blvd., Suite 1000  
Irvine, CA 92612  
Attn: Loren Deters, Esq.

or such other addresses any party may direct to the other party in writing. All such notices and communications shall be deemed to have been duly given when delivered if personally delivered or delivered by overnight courier.

8.2 Assignment. City shall not transfer, assign, sublet, license, or hypothecate all or any part of this Sublease or City's interest in the Subleased Property (collectively, "Assign" or "Assignment") without HF's prior written consent, which may be withheld in HF's sole discretion. No Assignment, permitted or otherwise, shall relieve City of its covenants and obligations under this Sublease. Any attempted Assignment of this Sublease by City without HF's consent shall be void and of no force or effect. HF's consent

to one Assignment shall not be deemed to constitute consent to any subsequent Assignment by City or any other party.

8.3 No Third Party Beneficiaries. Nothing expressed in this Sublease is intended or shall be construed to give any person, other than the parties hereto and their respective authorized successors and assigns, any legal or equitable right, remedy or claim under or in respect to this Sublease or any of the provisions contained herein. This Sublease and each and every condition and provision hereof are intended to be for the sole and exclusive benefit of HF and the City, and their respective authorized successors and assigns, and for the benefit of no other person or entity.

8.4 Governing Law. This Sublease shall be governed by and construed in accordance with the laws of the State of California applicable to subleases made and to be performed within the State.

8.5 Waiver; Remedies. No failure on the part of either party hereto to insist upon or demand the strict performance by the other party of any covenant, term, condition or promise of this Sublease, or to exercise any right or remedy as a result of any breach of the Sublease, shall constitute a continuing waiver of any such breach or of any such covenant, term, condition, promise, right or remedy. No waiver of any breach shall in any way affect, alter or modify this Sublease, but each and every covenant, term, condition and promise of this Sublease shall continue in full force and effect. No single or partial exercise of any right, remedy, power or privilege under this Sublease shall preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege under this Sublease.

8.6 Status of the Parties. Nothing in this Sublease shall be construed to make the parties joint venturers or partners, or to create any relationship of principal and agent, and the parties specifically disavow such relationships.

8.7 Interpretation. This Sublease has been negotiated at arms' length between persons sophisticated and knowledgeable in the matters addressed herein, and both parties have had the opportunity to consult with legal counsel of such party's choosing regarding this Sublease. Accordingly, any rule of law (including California Civil Code § 1654) or legal decision that would require interpretation of this Sublease against the drafter hereof is not applicable and is waived.

8.8 Entire Agreement. This Sublease, in conjunction with the ARDA, ARMIA and Agua Chinon / D5 Exchange Letter Agreement is intended by the parties as a final expression of their agreement and is intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect to the subject matter contained herein. There are no restrictions, promises warranties or undertakings relating to the subject matter of this Sublease, other than those set forth or referred to herein and in the ARDA, ARMIA and Agua Chinon / D5 Exchange Letter Agreement. City acknowledges that the "City Property" (defined in the ARMIA) over which a "Temporary License" (defined in the ARMIA) is granted to HF pursuant to Section 3.6 of the ARMIA shall include the Subleased Property.

8.9 Warranty of Authority. Each officer of HF and the City affixing his or her signature below thereby warrants and represents that he or she has the full legal authority to bind his or her respective party to all of the terms, conditions and provisions of this Sublease; that his or her respective party has the full legal right, power, capacity and authority to enter into this Sublease and perform all the obligations herein; and that no other approvals or consents are necessary in connection therewith.



8.10 Modifications. Neither this Sublease nor any provision hereof may be changed, waived, discharged or terminated except by a writing signed by the parties.

8.11 Headings. The headings in this Sublease are for convenience of reference only, and shall not limit or otherwise affect the meaning of this Sublease.

8.12 Successors and Assigns. This Sublease shall inure to the benefit of, and be binding up on, HF, the City, and their respective successors and assigns.

8.13 Limitation on HF's Liability. Notwithstanding anything contained in this Sublease to the contrary, the obligations of HF under this Sublease (including any actual or alleged breach or default by HF) do not constitute personal obligations of the individual partners, directors, officers, members or shareholders of HF, and City shall not seek recourse against the individual partners, directors, officers, members or shareholders of HF, or any of their personal assets for satisfaction of any liability with respect to this Sublease. In addition, in consideration of the benefits accruing hereunder to City and notwithstanding anything contained in this Sublease to the contrary but subject to the last sentence in this Section 8.13, City hereby covenants and agrees for itself and all of its successors and assigns that the liability of HF for its obligations under this Sublease (including any liability as a result of any actual or alleged failure, breach or default hereunder by HF), shall be limited solely to, and City's and its successors' and assigns' sole and exclusive remedy shall be against, HF's interest in the Subleased Property, and no other assets of HF. Notwithstanding the foregoing, the limitations on HF's liability described in the foregoing sentence shall not apply to any actual or alleged failure, breach or default by HF under any other agreement between HF and the City including, without limitation, the ARDA, ARMIA and the Agua Chinon / D5 Exchange Letter Agreement, irrespective of whether any such actual or alleged failure, breach or default, any such actions or failures to act, or any such construction work involve or pertain to the Subleased Property, or any portion thereof.

8.14 Exhibits. This Sublease contains the following exhibits, attached hereto and made a part hereof by this reference:

A. Legal Description of Subleased Property

[signatures appear on next page]

IN WITNESS WHEREOF, the parties hereto have entered into this Sublease as of the date first written above.

CITY OF IRVINE,  
a California charter city

By: \_\_\_\_\_  
Sean Joyce  
Its: City Manager

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:  
RUTAN & TUCKER, LLP

\_\_\_\_\_  
City Attorney

HERITAGE FIELDS EL TORO, LLC,  
a Delaware limited liability company

By: Heritage Fields El Toro Sole Member LLC,  
a Delaware limited liability company  
Its: Sole Member

By: Heritage Fields LLC,  
a Delaware limited liability company  
Its: Sole Member

By: Five Point Heritage Fields, LLC,  
a Delaware limited liability company  
Its: Administrative Member

By: Five Point Operating Company, LP,  
a Delaware limited partnership  
Its: Sole Member

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Title: \_\_\_\_\_

**EXHIBIT "A"**

**LEGAL DESCRIPTION**

**Lot J**

In the City of Irvine, County of Orange, State of California, being Lot J of Tract No. 17880, filed in Book 945, Pages 1 through 15, inclusive, of Miscellaneous Maps, in the Office of the County Recorder of said county.

Containing an area of 34,693 square feet, more or less.

Subject to covenants, conditions, reservations, restrictions, rights, rights of way and easements of record, if any.



**EXHIBIT "C"**

**GRANT DEED FROM CITY TO HFET**

**[see attached]**

RECORDED AT THE REQUEST OF  
AND WHEN RECORDED RETURN TO:

Heritage Fields El Toro, LLC  
25 Enterprise, 3<sup>rd</sup> Floor  
Aliso Viejo, California 92656  
Attn: General Counsel

---

(Space Above Line for Recorder's Use)

**GRANT DEED**

(Agua Chinon Exchange Parcels: City to HFET)

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the CITY OF IRVINE, a California charter city ("Grantor"), hereby grants to HERITAGE FIELDS EL TORO, LLC, a Delaware limited liability company ("Grantee"), that certain real property (the "Property") located in the City of Irvine, County of Orange, State of California, described in the legal description attached hereto as Exhibit "A" and the depiction attached hereto as Exhibit "B", each incorporated herein by this reference.

TOGETHER WITH all buildings, facilities, roadways, rail lines, and other infrastructure, including those MCAS El Toro storm drainage systems, sewer systems, and the electrical, natural gas, telephone, and water utility distribution systems located thereon, and any other improvements on the Property, with the exception of Buildings 416, 627 and 628 and the electrical, natural gas, telephone, and water utility distribution systems located on or within Buildings 416, 627 and 628; all hereditaments and tenements therein and reversions, remainders, issues, profits, privileges and other rights belonging or related thereto, except insofar as any such rights belong or are related to Buildings 416, 627 and 628 and any utility distribution systems located thereon; and all rights to minerals, gas, oil, and water.

GRANTEE HEREBY COVENANTS AND AGREES, for itself and on behalf of its successors and assigns as to all or any portion of the Property, that it shall be bound by the terms, reservations, easements, covenants, conditions, restrictions and agreements set forth in that certain Quitclaim Deed and Environmental Restriction Pursuant to Civil Code Section 1471, dated July 12, 2005, from the United States of America, acting by and through the Department of the Navy ("United States"), to Heritage Fields LLC, a Delaware limited liability company, Grantee's predecessor-in-interest, recorded on July 12, 2005 as Instrument No. 2005000536290 in the Official Records of Orange County, California (the "Government Quitclaim").

GRANTOR HEREBY ASSIGNS TO GRANTEE, all rights, title and interests in and to all covenants, representations and warranties set forth in the Government Quitclaim and held by Grantor to the fullest extent such covenants, representations and warranties are assignable and apply to the Property.

Subject to all matters of record and all matters that would be disclosed by an inspection and survey of the Property.

Dated: \_\_\_\_\_, 2018.

“Grantor”

CITY OF IRVINE, a California charter city

By: \_\_\_\_\_

Its: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:  
RUTAN & TUCKER, LLP

\_\_\_\_\_  
City Attorney

[signatures continued on next page]

“Grantee”

HERITAGE FIELDS EL TORO, LLC,  
a Delaware limited liability company

By: Heritage Fields El Toro Sole Member LLC,  
a Delaware limited liability company  
Its: Sole Member

By: Heritage Fields LLC,  
a Delaware limited liability company  
Its: Sole Member

By: Five Point Heritage Fields, LLC,  
a Delaware limited liability company  
Its: Administrative Member

By: Five Point Operating Company, LP,  
a Delaware limited partnership  
Its: Sole Member

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Title: \_\_\_\_\_

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

STATE OF CALIFORNIA       )  
  )  
COUNTY OF ORANGE       )

On \_\_\_\_\_, 2018, before me, \_\_\_\_\_, a 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(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

(SEAL)

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

STATE OF CALIFORNIA       )  
  )  
COUNTY OF ORANGE       )

On \_\_\_\_\_, 2018, before me, \_\_\_\_\_, a 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(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

(SEAL)

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**Parcel H-20**

For the purposes of this description of Parcel H-20 the centerline of "CHINON" is described as follows:

That portion of Parcel 2 in the City of Irvine, County of Orange, State of California, as described in a Quitclaim Deed recorded July 12, 2005 as Instrument No. 2005000536290 of Official Records, also being those portions of Lots 275 and 276, Block 154 and Lots 281 and 282, Block 155 of Irvine's Subdivision as shown on a map recorded in Book 1, Page 88 of Miscellaneous Record Maps, both in the office of the County Recorder of said county described as follows:

**Commencing** at the well monument with 2-1/4" brass cap stamped "LS 8639" marking the northeasterly terminus of that certain course shown along the centerline of Chinon on the map of Tract No. 17880, filed in Book 945, Pages 1 through 15, inclusive, of Miscellaneous Maps, in the office of the County of Recorder of said county, said course shown on said map as "N59°07'23"E 586.47'"; thence along said centerline of Chinon the following two (2) courses:

- 1) South 59°07'23" West 586.47 feet to a curve concave northwesterly having a radius of 2500.00 feet and
- 2) southwesterly 331.74 feet along said curve through a central angle of 7°36'11" to a point on the Boundary of said Tract No. 17880;

thence southwesterly 386.20 feet along the continuation of said curve through a central angle of 8°51'04"; thence South 75°34'38" West 711.08 feet to a curve concave southeasterly having a radius of 1200.00 feet; thence southwesterly 1150.03 feet along said curve through a central angle of 54°54'35"; thence South 20°40'03" West 630.10 feet to a curve concave easterly having a radius of 1180.00 feet; thence southerly 496.83 feet along said curve through a central angle of 24°07'27"; thence South 3°27'24" East 547.76 feet to a curve concave northwesterly having a radius of 700.00

*Revised July 11, 2017*  
April 7, 2017  
WO No. 1855-692X  
Page 1 of 5  
H&A Legal No. 9053  
By: J. Kinnie  
Checked By: R. Wheeler

**EXHIBIT "A"**

**LEGAL DESCRIPTION**

feet; thence southwesterly 846.79 feet along said curve through a central angle of 69°18'40"; thence South 65°51'16" West 65.40 feet to the **Point of Terminus**.

**Parcel H-20 (continued)**

That portion of Parcel 2 in the City of Irvine, County of Orange, State of California, as described in a Quitclaim Deed recorded July 12, 2005 as Instrument No. 2005000536290 of Official Records, also being those portions of Lot 276, Block 154 and Lot 281, Block 155 of Irvine's Subdivision as shown on a map recorded in Book 1, Page 88 of Miscellaneous Record Maps, both in the office of the County Recorder of said county described as follows:

**Commencing** at the well monument with 2-1/4" brass cap stamped "LS 8639" marking the northeasterly terminus of that certain course shown along the centerline of Chinon on the map of Tract No. 17880, filed in Book 945, Pages 1 through 15, inclusive, of Miscellaneous Maps, in the office of the County of Recorder of said county, said course shown on said map as "N59°07'23"E 586.47"; thence along said centerline of Chinon the following two (2) courses:

- 1) South 59°07'23" West 586.47 feet to a curve concave northwesterly having a radius of 2500.00 feet and
- 2) southwesterly 331.74 feet along said curve through a central angle of 7°36'11" to a point on the Boundary of said Tract No. 17880;

thence along the centerline of Chinon as herein described the following four (4) courses:

- 1) southwesterly 386.20 feet along the continuation of said curve through a central angle of 8°51'04",
- 2) South 75°34'38" West 711.08 feet to a curve concave southeasterly having a radius of 1200.00 feet,

*Revised July 11, 2017*  
April 7, 2017  
WO No. 1855-692X  
Page 2 of 5  
H&A Legal No. 9053  
By: J. Kinnie  
Checked By: R. Wheeler



## EXHIBIT "A"

### LEGAL DESCRIPTION

3) southwesterly 1150.03 feet along said curve through a central angle of 54°54'35" and

4) South 20°40'03" West 373.95 feet;

thence perpendicular South 69°19'57" East 90.00 feet to a point in the westerly line of Parcel H-3 as described in a Grant Deed recorded November 15, 2011 as Instrument No. 2011000580796 of said Official Records, said point being the **True Point of Beginning**; thence continuing North 69°19'57" West 94.02 feet to a curve concave southerly having a radius of 84.00 feet; thence westerly 9.62 feet along said curve through a central angle of 6°33'38" to a non-tangent curve concave northerly having a radius of 526.00 feet, a radial line to the beginning of said curve bears South 16°13'47" East; thence westerly 37.47 feet along said curve through a central angle of 4°04'53" to a non-tangent curve concave southeasterly having a radius of 94.00 feet, a radial line to the beginning of said curve bears North 12°15'40" West; thence westerly and southwesterly 97.81 feet along said curve through a central angle of 59°37'07"; thence South 18°07'13" West 53.25 feet to a curve concave easterly having a radius of 1420.00 feet; thence southerly 202.48 feet along said curve through a central angle of 8°10'12" to a reverse curve concave westerly having a radius of 90.00 feet; thence southerly 18.51 feet along said curve through a central angle of 11°46'53"; thence South 21°43'54" West 43.28 feet to a curve concave northwesterly having a radius of 130.00 feet; thence southwesterly 66.46 feet along said curve through a central angle of 29°17'36"; thence South 51°01'30" West 133.48 feet to a curve concave northwesterly having a radius of 380.00 feet; thence southwesterly 66.37 feet along said curve through a central angle of 10°00'27"; thence South 61°01'57" West 36.26 feet to a curve concave southeasterly having a radius of 430.00 feet; thence southwesterly 88.04 feet along said curve through a central angle of 11°43'52" to a reverse curve concave northwesterly having a radius of 300.00 feet; thence southwesterly 56.30 feet along said curve through a central angle of 10°45'07"; thence South 60°03'12" West 106.63 feet to a curve concave northerly having a radius of 150.00 feet; thence westerly 79.49 feet along said curve through a central angle of 30°21'47" to a reverse curve concave southerly having a radius of 140.00 feet; thence westerly and southwesterly 83.37 feet along said curve through a central angle of 34°07'06" to a compound curve concave southeasterly having a

*Revised July 11, 2017*

*April 7, 2017*

*WO No. 1855-692X*

*Page 3 of 5*

*H&A Legal No. 9053*

*By: J. Kinnie*

*Checked By: R. Wheeler*

## EXHIBIT "A"

### LEGAL DESCRIPTION

radius of 1020.00 feet; thence southwesterly 249.30 feet along said curve through a central angle of 14°00'13" to a compound curve concave southeasterly having a radius of 80.00 feet; thence southwesterly 24.73 feet along said curve through a central angle of 17°42'35"; thence South 24°35'05" West 37.23 feet to a curve concave northwesterly having a radius of 80.00 feet; thence southwesterly 21.83 feet along said curve through a central angle of 15°38'16"; thence South 40°13'21" West 82.75 feet; thence South 6°20'27" East 55.89 feet to a non-tangent curve concave southwesterly having a radius of 2654.00 feet, a radial line to the beginning of said curve bears North 40°42'33" East; thence southeasterly 81.27 feet along said curve through a central angle of 1°45'16" to a point on the southeasterly line of Parcel I-3 as described in a Grant Deed recorded November 15, 2011 as Instrument No. 2011000580797 of Official Records, in said office of the County Recorder, said point being on a non-tangent curve concave southeasterly having a radius of 703.00 feet, a radial line of said curve to said point bears North 64°56'56" West; thence along said southeasterly line northeasterly 451.29 feet along said curve through a central angle of 36°46'51" to the southwesterly corner of said Parcel H-3; thence along said westerly line the following three (3) courses:

- 1) non-tangent from said curve North 54°40'28" East 658.37 feet to a curve concave northwesterly having a radius of 550.00 feet,
- 2) northeasterly 326.44 feet along said curve through a central angle of 34°00'25" and
- 3) North 20°40'03" East 172.96 feet to the **True Point of Beginning**.

Containing an area of 3.673 acres, more or less.


Subject to covenants, conditions, reservations, restrictions, rights, rights of way and easements of record, if any.

As shown on Exhibit "B", attached hereto and by this reference made a part hereof.

*Revised July 11, 2017*  
April 7, 2017  
WO No. 1855-692X  
Page 4 of 5  
H&A Legal No. 9053  
By: J. Kinnie  
Checked By: R. Wheeler

**EXHIBIT "A"**

**LEGAL DESCRIPTION**

  
\_\_\_\_\_  
Jason R. Kinnie, L.S. No. 7090  
Date: 07-11-2017

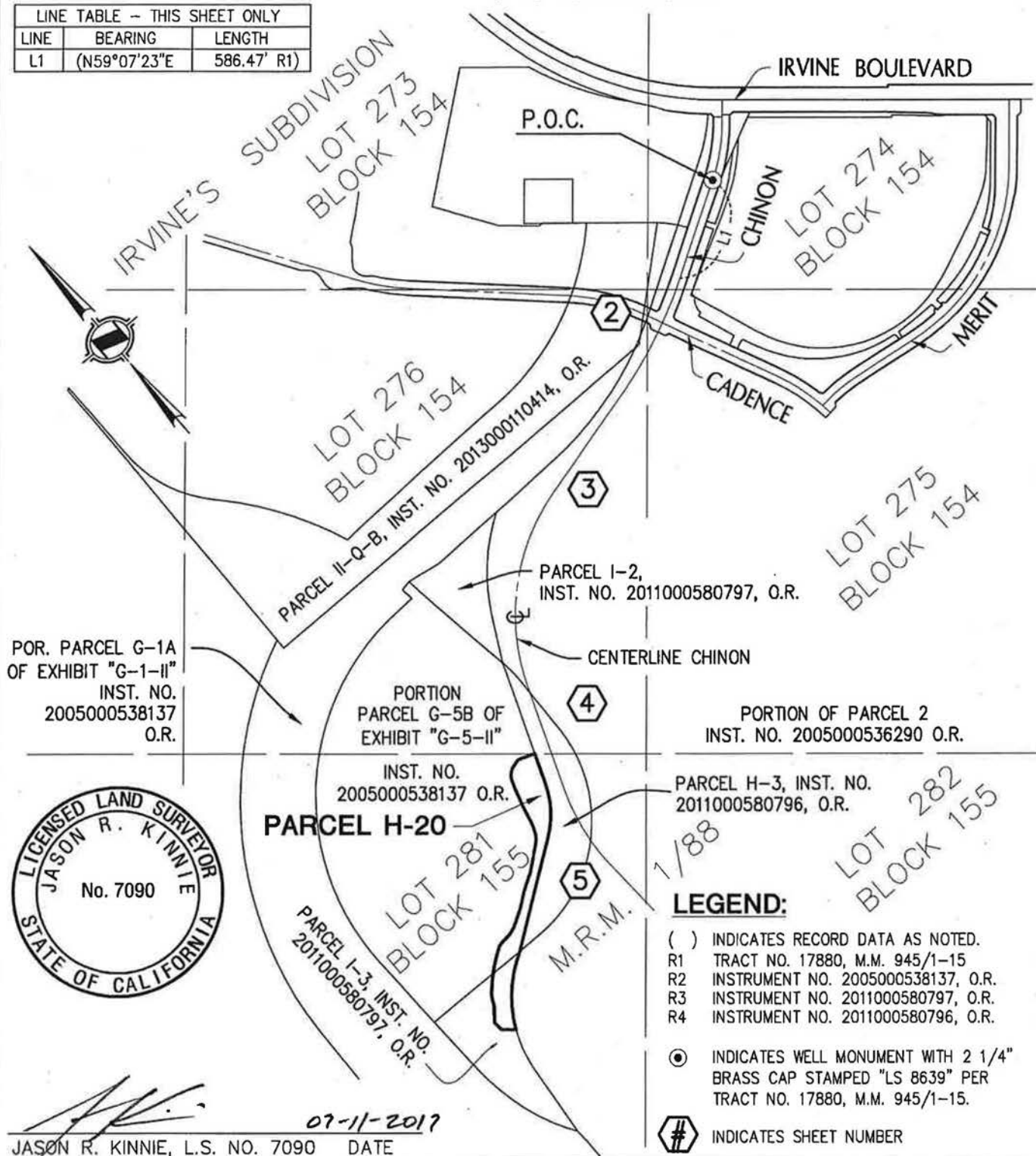


*Revised July 11, 2017*  
April 7, 2017  
WO No. 1855-692X  
Page 5 of 5  
H&A Legal No. 9053  
By: J. Kinnie  
Checked By: R. Wheeler

# EXHIBIT "B"

Sketch to Accompany Legal Description

LINE TABLE - THIS SHEET ONLY		
LINE	BEARING	LENGTH
L1	(N59°07'23"E	586.47' R1)



07-11-2017  
JASON R. KINNIE, L.S. NO. 7090 DATE

**HUNSAKER & ASSOCIATES**  
IRVINE, INC.  
PLANNING ■ ENGINEERING ■ SURVEYING  
Three Hughes • Irvine, CA 92618 • PH: (949) 583-1010 • FX: (949) 583-0759

## EXHIBIT "B"

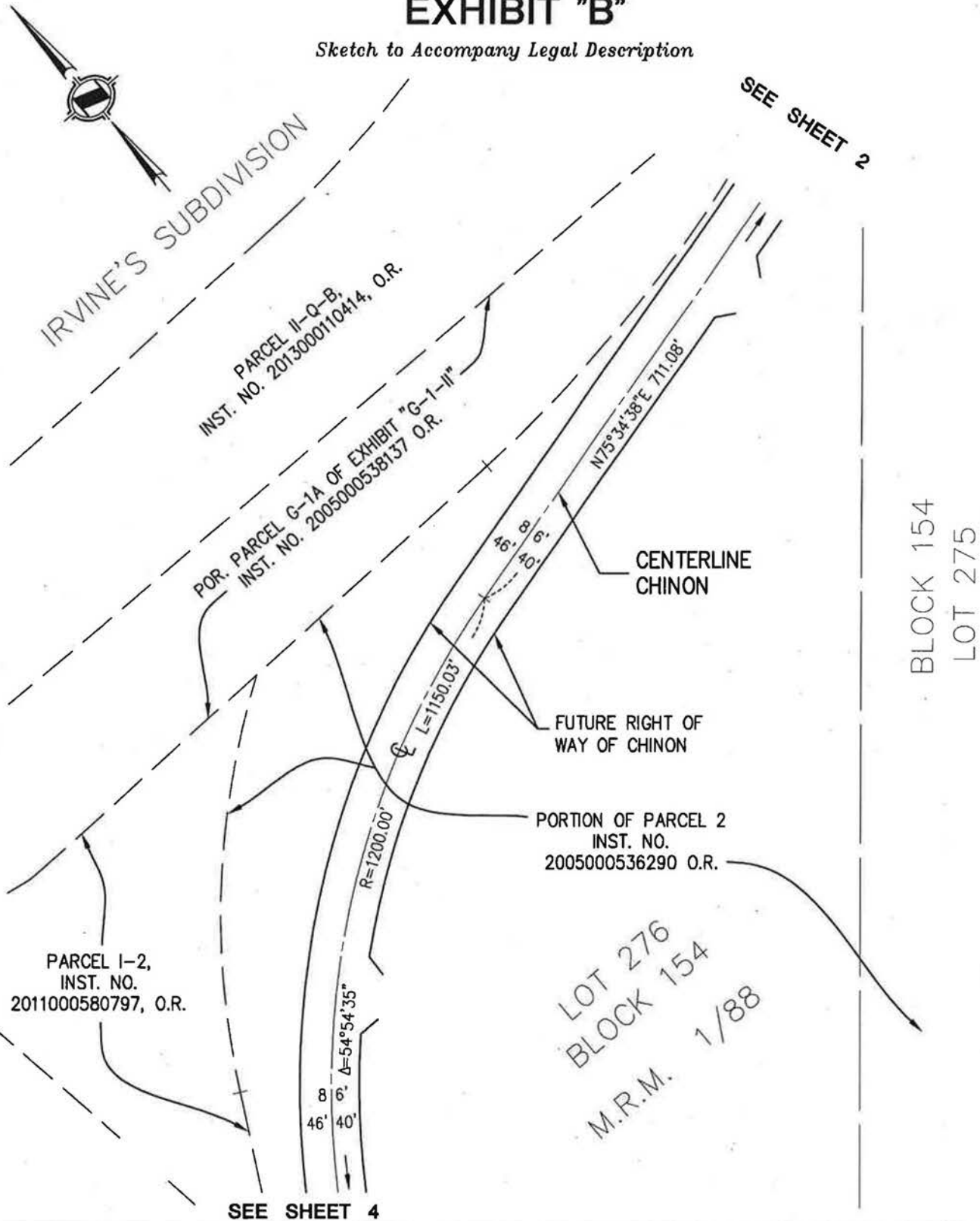
CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

DATE: 4/10/17	REV. DATE: 5/15/17	DWG: K. VO	CK'd By: J. KINNIE	SCALE: 1"=800'	W.O. 1855-692X
I:\HeritageFields\LD\9053-D5-COI to HFET\SHT01.dwg				H&A LEGAL No. 9053	SHEET 1 OF 5



# EXHIBIT "B"

Sketch to Accompany Legal Description



**HUNSAKER & ASSOCIATES**  
IRVINE, INC.

PLANNING ■ ENGINEERING ■ SURVEYING

Three Hughes • Irvine, CA 92618 • PH: (949) 583-1010 • FX: (949) 583-0759

## EXHIBIT "B"

CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

DATE: 4/10/17	REV. DATE: 5/15/17	DWG: K. VO	CK'd By: J. KINNIE	SCALE: 1"=200'	W.O. 1855-692X
I:\HeritageFields\LD\9053-D5-COI to HFET\SHT03.dwg				H&A LEGAL No. 9053	SHEET 3 OF 5



**EXHIBIT "B"**

### Sketch to Accompany Legal Description

**SEE SHEET 3**

CURVE TABLE			
CURVE	DELTA	RADIUS	LENGTH
C4	4°04'53"	526.00'	37.47'
C5	59°37'07"	94.00'	97.81'

PARCEL 1-2,  
INST. NO.  
2011000580797, O.R.

PORTION OF PARCEL 2  
INST. NO.  
2005000536290 O.R. -

FUTURE RIGHT OF  
WAY OF CHINON

CENTERLINE  
CHINON

POR. PARCEL G-5B  
OF EXHIBIT "G-5-II"  
INST. NO.  
2005000538137 O.R.

PARCEL H-3  
INST. NO.  
2011000580796, O.R.

T.P.O.B.  
PCL. H-20

N69°19'57"W 94.02'

$$\Delta = 6^{\circ}33'38''$$
$$R=84.00' \quad L=9.62'$$

N14°06'25"E RAD R=84'

N16°13'47"W RAD R=526'

N12°08'54"W RAD R=526'

N12°15'40"W RAD R=94'

N18°07'13"E 53.25'

$$\Delta = 8^{\circ}10'12''$$

R=1420.00' L=202.48'

**PARCEL H-20**  
3.673 AC.

N80°02'59"W  
-----  
RAD PRC

$$\Delta = 11^{\circ}46'53''$$

$$R = 90.00' \quad L = 18.51'$$

N21°43'54"E 43.28'

**SEE SHEET 5**



HUNSAKER & ASSOCIATES  
IRVINE, INC.

**PLANNING ■ ENGINEERING ■ SURVEYING**

Three Hughes • Irvine, CA 92618 • PH: (949) 583-1010 • FX: (949) 583-0759

**EXHIBIT "B"**

CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

DATE: 4/10/17

REV. DATE 7/11/17

.DWG K. VO

CK'd  
By: J. KINNIE

**SCALE:** 1"=200'

**W.O. 1855-692X**

I:\HeritageFields\LD\9053-D5-COI to HFET\SHT04.dwg

H&amp;A LEGAL No. 9053

**SHEET 4 OF 5**



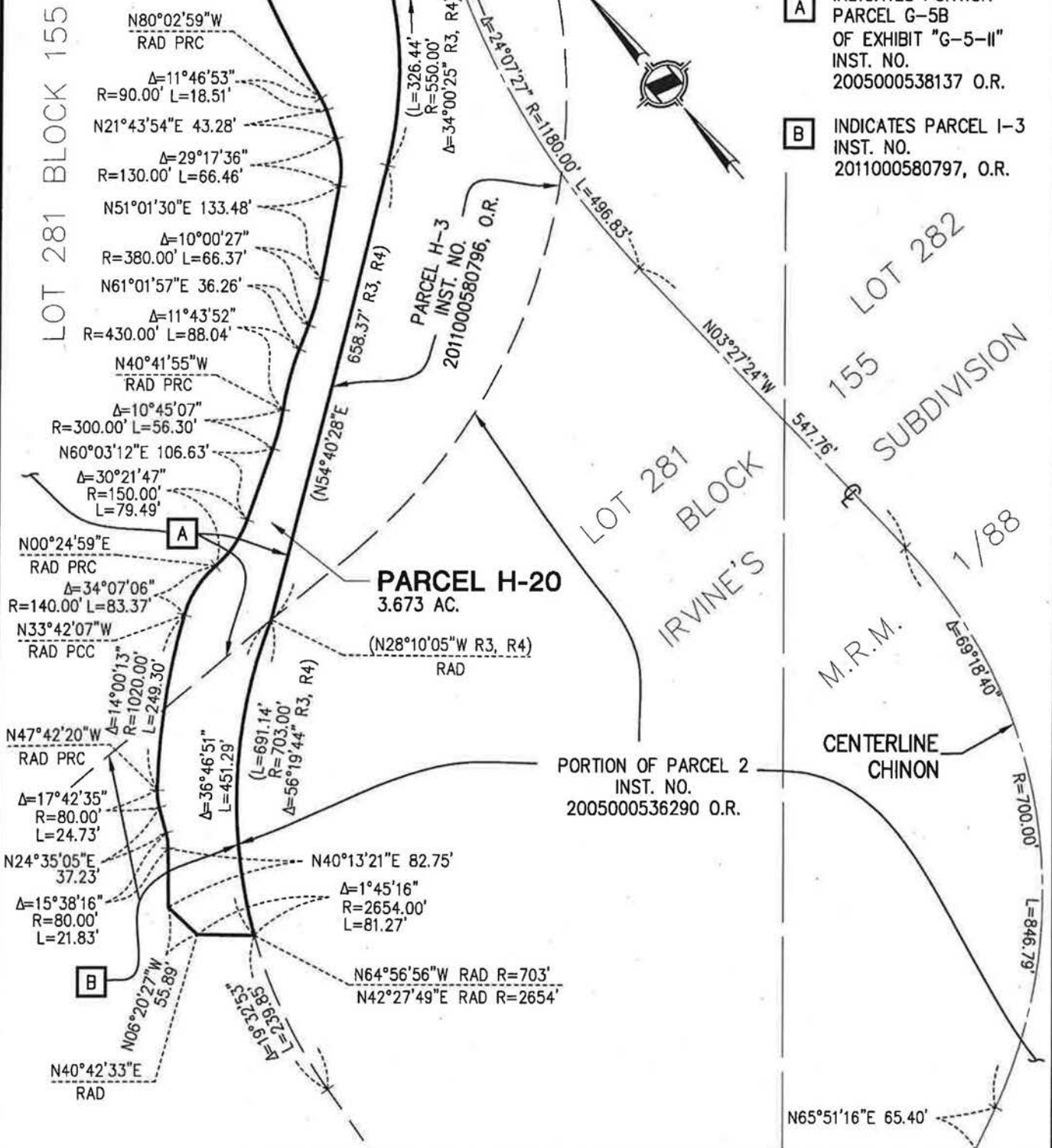
# EXHIBIT "B"

Sketch to Accompany Legal Description

SEE SHEET 4

**A** INDICATES PORTION  
PARCEL G-5B  
OF EXHIBIT "G-5-II"  
INST. NO.  
2005000538137 O.R.

**B** INDICATES PARCEL I-3  
INST. NO.  
2011000580797, O.R.



**HUNSAKER & ASSOCIATES**  
IRVINE, INC.  
PLANNING ■ ENGINEERING ■ SURVEYING  
Three Hughes • Irvine, CA 92618 • PH: (949) 583-1010 • FX: (949) 583-0759

## EXHIBIT "B"

CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

DATE: 4/10/17	REV. DATE: 7/11/17	.DWG: K. VO	CK'd By: J. KINNIE	SCALE: 1"=200'	W.O. 1855-692X
I:\HeritageFields\LD\9053-D5-COI to HFET\SHT05.dwg				H&A LEGAL No. 9053	SHEET 5 OF 5

**EXHIBIT "D"**

**TERMINATION AND RELEASE FROM DENSITY BONUS AGREEMENT**

**[see attached]**

RECORDED AT THE REQUEST OF  
AND WHEN RECORDED RETURN TO:

City of Irvine  
Community Development Department  
One Civic Center Plaza  
Irvine, CA 92623-9575  
Attn: Director of Community Development

---

(Space Above For Recorder's Use)

This Termination and Release is recorded at the request  
and for the benefit of the City of Irvine and is exempt  
from the payment of a recording fee pursuant to  
Government Code Sections 6103 and 27383.

**TERMINATION AND RELEASE FROM**  
**DENSITY BONUS AGREEMENT**  
**(Termination and Release of Parcels Transferred to City)**

This Termination and Release from Density Bonus Agreement (hereinafter "Termination and Release") is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2018, by and between the City of Irvine, a California municipal corporation (hereinafter "City"), and Heritage Fields El Toro, LLC, a Delaware limited liability company (hereinafter "Developer"). City and Developer are hereinafter sometimes referred to collectively as the "Parties."

**RECITALS**

A. On or about August 11, 2009, City and Developer entered into that certain Density Bonus Agreement recorded on September 9, 2009 as Instrument No. 2009000482561 in the Official Records of Orange County, California, as amended by that certain First Amendment to Density Bonus Agreement dated September 13, 2011, which was recorded in the official records of Orange County on November 16, 2011, as Document No. 2011000584018, and that certain Second Amendment to Density Bonus Agreement dated December 10, 2013, which was recorded in the official records of Orange County on February 6, 2014, as Document No. 2014000048890 (as amended, the "Density Bonus Agreement").

B. Concurrent with the execution and delivery of this Termination and Release, Developer will convey to City certain parcels within the Density Bonus Agreement Land Area that are described on attached Exhibit "A" and depicted on attached Exhibit "B" (the "Fee Conveyance Parcels"). In addition, concurrently herewith, Developer will convey to City certain lease in furtherance of conveyance interests over the lot described on attached Exhibit "C" (the "LIFOC Parcel"). The Fee Conveyance Parcels and the LIFOC Parcel are referred to collectively as the "Termination and Release Property." In connection with those conveyances, the Parties desire to terminate and release the Termination and Release Property from the terms and conditions of the Density Bonus Agreement, as further set forth in this Termination and Release.

## COVENANTS

NOW, THEREFORE, in consideration of the above recitals, which are incorporated herein by this reference, and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

### 1. DEFINITIONS AND ATTACHMENTS

1.1 Definitions. In addition to the capitalized terms that may be defined elsewhere in this Termination and Release, all capitalized terms not otherwise defined in this Termination and Release shall have the same meanings as set forth in the Density Bonus Agreement.

1.2 References and Other Terms. Any reference to any document shall include such document both as originally executed and as it may from time to time be amended. References herein to "Article," "Section," "Subsection," "Exhibit," or "Attachment" shall be construed as references to this Termination and Release unless a different document is named. References to "this Article" "this Section" or "this Subsection" shall be construed to mean the same Article, Section or Subsection in which the reference appears. The terms "including" and "include" shall mean "including (include) without limitation" unless specifically limited to items or events therein listed.

1.3 Attachments. All Attachments to this Termination and Release are by this reference incorporated into and made a part hereof.

### 2. TERMINATION AND RELEASE

2.1 General. From and after the date that this Termination and Release is recorded against the Termination and Release Property, the Termination and Release Property shall not be bound or burdened by any of the provisions set forth or referred to in the Density Bonus Agreement.

2.2 Duty to Cooperate. Developer shall cooperate in executing any further or additional documents, in recordable form if necessary, as may be reasonably requested by any existing or prospective owner or holder of a mortgage or deed of trust of, in, or to the Termination and Release Property (or portion thereof) to confirm said Termination and Release from the Density Bonus Agreement. The form of any such additional documents shall be prepared by such existing or prospective owner or holder at no cost to Developer and shall be subject to Developer's approval, which shall not be unreasonably withheld or delayed.

2.3 No Release from Affordable Housing Obligations. Nothing in this Termination and Release terminates or releases, or shall be deemed or construed to terminate or release, the Developer from its obligations to develop, use, and maintain the Affordable Units on the other portions of the Density Bonus Agreement Land Area, as set forth and required by the

Density Bonus Agreement. Nothing in this Termination and Release terminates or releases, or shall be deemed or construed to terminate or release, any portion of the Density Bonus Agreement Land Area that is not described herein as the Termination and Release Property, unless said portion of the Density Bonus Agreement Land Area has a separate Termination and Release (in a form substantially similar to this document) recorded against said property. Nothing in this Termination and Release terminates or releases, or shall be deemed or construed to terminate or release, any portion of the Density Bonus Agreement Land Area from a Regulatory Agreement and/or Affordable Housing Covenant recorded against those portions of the Property that are the locations of the Affordable Units, as set forth in and required by the Density Bonus Agreement.

2.4 Limitation of Applicability of Release. This Termination and Release shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the construction or operation of work on the Density Bonus Agreement Land Area or any portion thereof. This Termination and Release is not a notice of completion as referred to in Civil Code Section 3093.

[signatures begin on next page]

IN WITNESS WHEREOF, the Parties hereto have executed this Termination and Release on the day and year set forth in the preamble above.

"CITY"

CITY OF IRVINE, a California municipal corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:  
RUTAN & TUCKER, LLP

\_\_\_\_\_  
City Attorney



"DEVELOPER"

HERITAGE FIELDS EL TORO, LLC,  
a Delaware limited liability company

By: Heritage Fields El Toro Sole Member LLC,  
a Delaware limited liability company  
Its: Sole Member

By: Heritage Fields LLC,  
a Delaware limited liability company  
Its: Sole Member

By: Five Point Heritage Fields, LLC,  
a Delaware limited liability company  
Its: Administrative Member

By: Five Point Operating Company, LP,  
a Delaware limited partnership  
Its: Sole Member

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Title: \_\_\_\_\_

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

STATE OF CALIFORNIA       )  
  )  
COUNTY OF ORANGE       )

On \_\_\_\_\_, 2018, before me, \_\_\_\_\_, a 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(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

(SEAL)

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

STATE OF CALIFORNIA       )  
  )  
COUNTY OF ORANGE       )

On \_\_\_\_\_, 2018, before me, \_\_\_\_\_, a 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(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

(SEAL)

EXHIBIT "A"  
TO TERMINATION AND RELEASE  
FROM DENSITY BONUS AGREEMENT

Legal Description of Fee Conveyance Parcels

[Attached hereto]

## EXHIBIT "A"

### LEGAL DESCRIPTION

#### Parcel I-20

For the purposes of this description of Parcel I-20 the centerline of "CHINON" is described as follows:

That portion of Parcel 2 in the City of Irvine, County of Orange, State of California, as described in a Quitclaim Deed recorded July 12, 2005 as Instrument No. 2005000536290 of Official Records, also being those portions of Lots 275 and 276, Block 154 and Lots 281 and 282, Block 155 of Irvine's Subdivision as shown on a map recorded in Book 1, Page 88 of Miscellaneous Record Maps, both in the office of the County Recorder of said county described as follows:

**Commencing** at the well monument with 2-1/4" brass cap stamped "LS 8639" marking the northeasterly terminus of that certain course shown along the centerline of Chinon on the map of Tract No. 17880, filed in Book 945, Pages 1 through 15, inclusive, of Miscellaneous Maps, in the office of the County of Recorder of said county, said course shown on said map as "N59°07'23"E 586.47'"; thence along said centerline of Chinon the following two (2) courses:

- 1) South 59°07'23" West 586.47 feet to a curve concave northwesterly having a radius of 2500.00 feet and
- 2) southwesterly 331.74 feet along said curve through a central angle of 7°36'11" to a point on the Boundary of said Tract No. 17880 said point referred to hereon as **Point A**;

thence southwesterly 386.20 feet along the continuation of said curve through a central angle of 8°51'04"; thence South 75°34'38" West 711.08 feet to a curve concave southeasterly having a radius of 1200.00 feet; thence southwesterly 1150.03 feet along said curve through a central angle of 54°54'35"; thence South 20°40'03" West 630.10 feet to a curve concave easterly having a radius of 1180.00 feet; thence southerly 496.83 feet along said curve through a central angle of 24°07'27"; thence South 3°27'24" East 547.76 feet to a curve concave northwesterly having a radius of 700.00

*Revised July 11, 2017*  
April 7, 2017  
WO No. 1855-692X  
Page 1 of 3  
H&A Legal No. 9052  
By: J. Kinnie  
Checked By: R. Wheeler

**EXHIBIT "A"**

**LEGAL DESCRIPTION**

feet; thence southwesterly 846.79 feet along said curve through a central angle of 69°18'40"; thence South 65°51'16" West 65.40 feet to the **Point of Terminus**.

**Parcel I-20 (continued)**

That portion of Parcel 2 in the City of Irvine, County of Orange, State of California, as described in a Quitclaim Deed recorded July 12, 2005 as Instrument No. 2005000536290 of Official Records, also being those portions of Lots 275 and 276, Block 154 of Irvine's Subdivision as shown on a map recorded in Book 1, Page 88 of Miscellaneous Record Maps, both in the office of the County Recorder of said county lying northerly and northwesterly of a line parallel with and distant 46.00 feet northerly and north of the herein described centerline of Chinon, lying southwesterly of the southwesterly line of Cadence and shown on said Tract No. 17880, lying southeasterly of the southeasterly line of Parcel G-1A of Exhibit "G-1-II" as described in a Grant Deed recorded July 12, 2005 as Instrument No. 2005000538137 of said Official Records, as shown on the map of Record of Survey No. 2011-1042, filed in Book 254, Pages 21 through 36, inclusive, of Records of Survey in said office of the County Recorder, lying southeasterly of the southeasterly line of Parcel I-2 as described in a Grant Deed recorded November 15, 2011 as Instrument No. 2011000580797 of said Official Records, lying southeasterly of the northwesterly line of Parcel H-3 as described in a Grant Deed recorded November 15, 2011 as Instrument No. 2011000580796 of said Official Records and lying northeasterly of a line that bears South 69°19'57" East and passes through a point distant southwesterly 373.95 feet from the northerly terminus of the course described as "South 20°40'03" West 630.10 feet" along the herein described centerline of Chinon.

**Excepting therefrom** that portion of said Parcel 2 described as follows:

**Commencing** at the above described **Point A**; thence along said Boundary of Tract No. 17880, radial to the centerline of Chinon, North 23°16'26" W 46.00 feet to a point on a curve, concave northwesterly and having a radius of 2454.00 feet, said curve being concentric with and 46.00 feet northwesterly from herein described centerline of Chinon, a radial line through said point bears

*Revised July 11, 2017*

*April 7, 2017*

WO No. 1855-692X

Page 2 of 3

H&A Legal No. 9052

By: J. Kinnie

Checked By: R. Wheeler

**EXHIBIT "A"**

**LEGAL DESCRIPTION**

South 23°16'26" East, said point being the **True Point of Beginning**; thence southwesterly 44.50 feet along said curve through a central angle of 1°02'20" to a point of cusp with a curve, concave northwesterly and having a radius of 160.00 feet; a radial line through said point of cusp bears South 22°14'06" East; thence northeasterly 23.06 feet along said curve through a central angle of 8°15'24" to a reverse curve concave southeasterly having a radius of 171.00 feet; thence northeasterly 21.54 feet along said curve through a central angle of 7°13'04" to a point on said Boundary of Tract No. 17880; thence along said Boundary of Tract No. 17880, radial to said curve South 23°16'26" East 3.00 feet to the **True Point of Beginning**.

Containing an area of 4.362 acres, more or less.


**Lot I**

In the City of Irvine, County of Orange, State of California, being Lot I of Tract No. 17880, filed in Book 945, Pages 1 through 15, inclusive, of Miscellaneous Maps, in the Office of the County Recorder of said county.

Containing an area of 29,434 square feet, more or less.

Subject to covenants, conditions, reservations, restrictions, rights, rights of way and easements of record, if any.

As shown on Exhibit "B", attached hereto and by this reference made a part hereof.

  
\_\_\_\_\_  
Jason R. Kinnie, L.S. No. 7090  
Date: 07-11-2017



Revised July 11, 2017  
April 7, 2017  
WO No. 1855-692X  
Page 3 of 3  
H&A Legal No. 9052  
By: J. Kinnie  
Checked By: R. Wheeler

EXHIBIT "B"  
TO TERMINATION AND RELEASE  
FROM DENSITY BONUS AGREEMENT

Depiction of Fee Conveyance Parcels

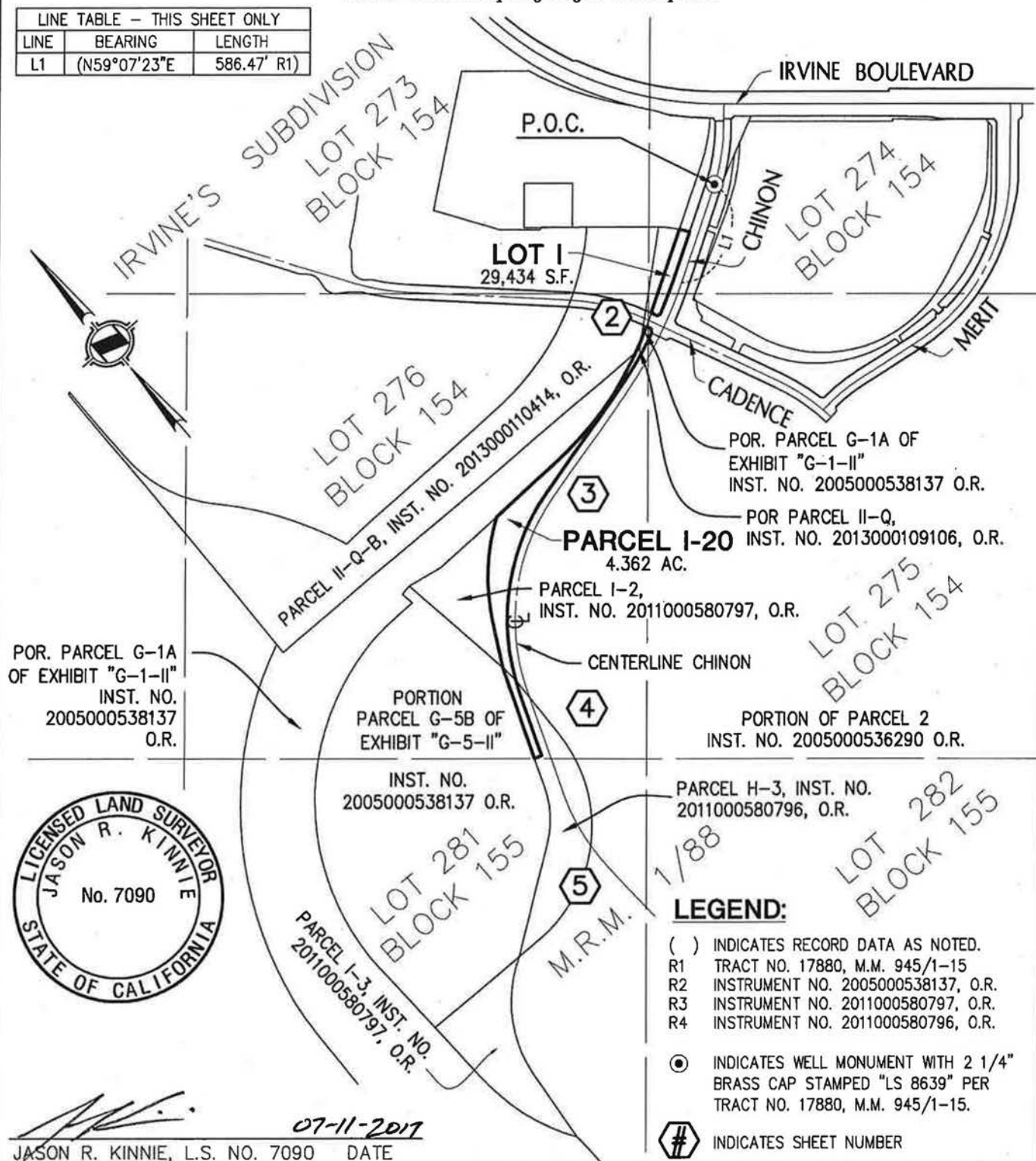
[Attached hereto]



# EXHIBIT "B"

Sketch to Accompany Legal Description

LINE TABLE - THIS SHEET ONLY		
LINE	BEARING	LENGTH
L1	(N59°07'23"E	586.47' R1)



## LEGEND:

( ) INDICATES RECORD DATA AS NOTED.  
R1 TRACT NO. 17880, M.M. 945/1-15  
R2 INSTRUMENT NO. 2005000538137, O.R.  
R3 INSTRUMENT NO. 2011000580797, O.R.  
R4 INSTRUMENT NO. 2011000580796, O.R.

⊙ INDICATES WELL MONUMENT WITH 2 1/4" BRASS CAP STAMPED "LS 8639" PER TRACT NO. 17880, M.M. 945/1-15.

# INDICATES SHEET NUMBER

JASON R. KINNIE, L.S. NO. 7090 DATE 07-11-2017

**HUNSAKER & ASSOCIATES**  
**IRVINE, INC.**  
PLANNING • ENGINEERING • SURVEYING  
Three Hughes • Irvine, CA 92618 • PH: (949) 583-1010 • FX: (949) 583-0759

## EXHIBIT "B"

CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

DATE: 4/10/17	REV. DATE: 6/28/17	DWG: K. VO	CK'd By: J. KINNIE	SCALE: 1"=800'	W.O. 1855-692X
I:\HeritageFields\LD\9052-D5-HFET to COI\SHT01.dwg				H&A LEGAL No. 9052	SHEET 1 OF 6

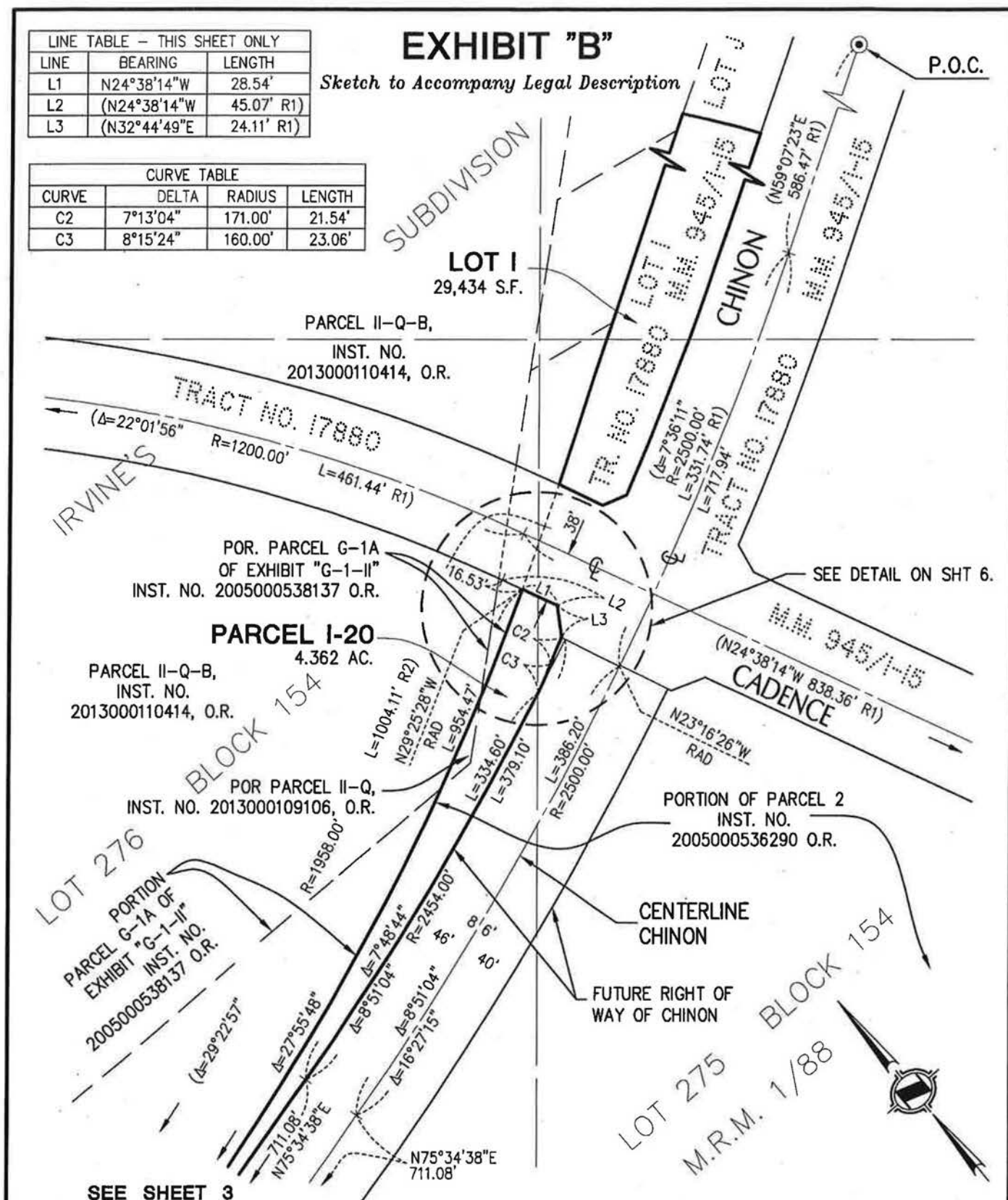
LINE TABLE - THIS SHEET ONLY		
LINE	BEARING	LENGTH
L1	N24°38'14"W	28.54'
L2	(N24°38'14"W	45.07' R1)
L3	(N32°44'49"E	24.11' R1)

CURVE TABLE			
CURVE	DELTA	RADIUS	LENGTH
C2	7°13'04"	171.00'	21.54'
C3	8°15'24"	160.00'	23.06'

## EXHIBIT "B"

*Sketch to Accompany Legal Description*

P.O.C.



**LOT 1**  
29,434 S.F.

PARCEL II-Q-B,  
INST. NO.  
2013000110414, O.R.

TRACT NO. 17880

POR. PARCEL G-1A  
OF EXHIBIT "G-1-II"  
INST. NO. 2005000538137 O.R.

**PARCEL I-20**  
4.362 AC.

PARCEL II-Q-B,  
INST. NO.  
2013000110414, O.R.

POR PARCEL II-Q,  
INST. NO. 2013000109106, O.R.

PARCEL G-1A OF  
EXHIBIT "G-1-II"  
INST. NO.  
2005000538137 O.R.

PORTION OF PARCEL 2  
— INST. NO. —  
2005000536290 O.R.

CENTERLINE  
CHINON

## FUTURE RIGHT OF WAY OF CHINON

**SEE SHEET 3**



**HUNSAKER & ASSOCIATES**  
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**EXHIBIT "B"**

CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

DATE: 4/10/17

REV. DATE 6/28/17

.DWG K. VO

CK'd  
By: J. KINNIE

**SCALE:** 1"=100'

**W.O. 1855-692X**

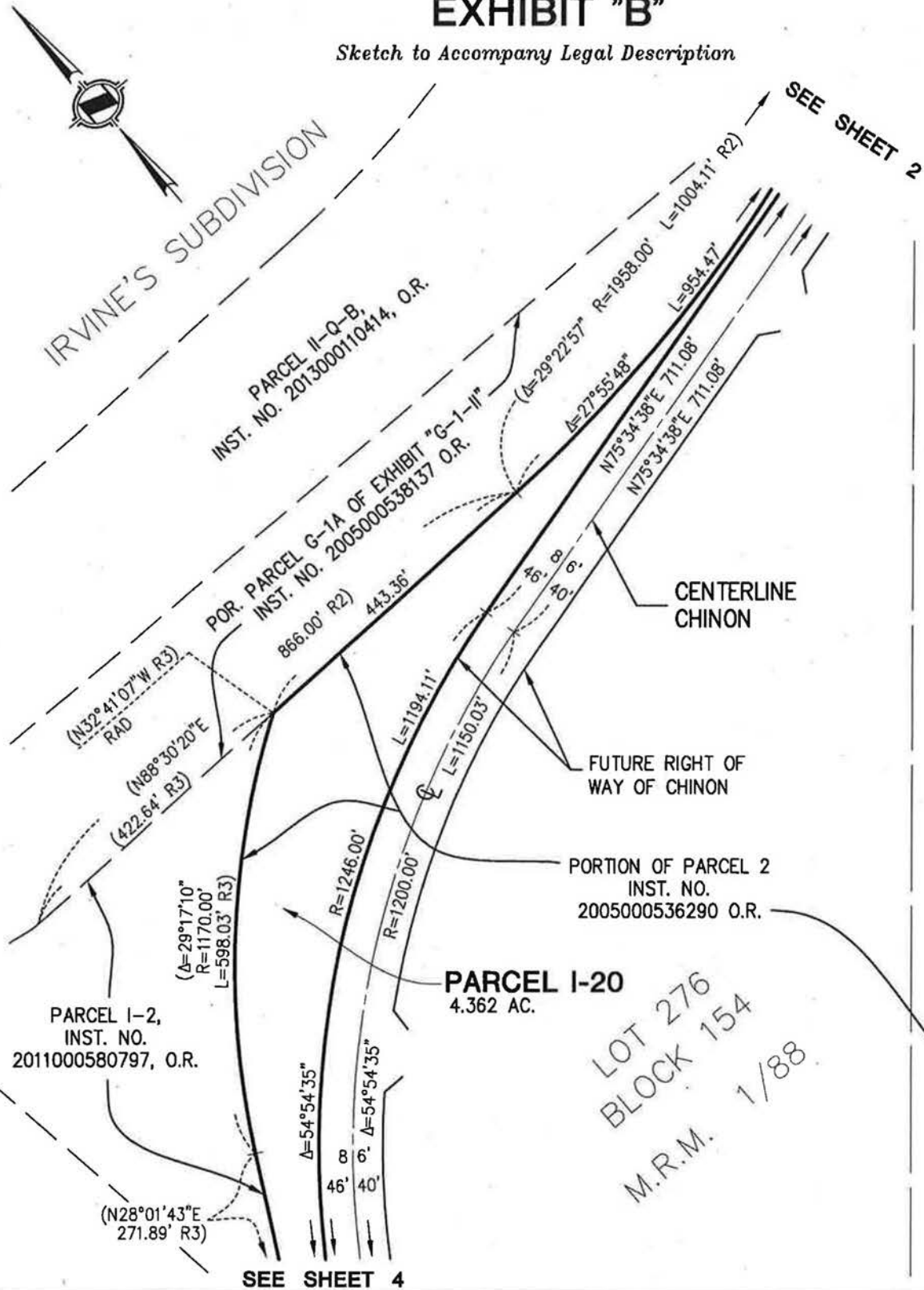
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H&amp;A LEGAL No. 9052

**SHEET 2 OF 6**

# EXHIBIT "B"

Sketch to Accompany Legal Description



BLOCK 154  
LOT 275

LOT 276  
BLOCK 154  
M.R.M. 1/88



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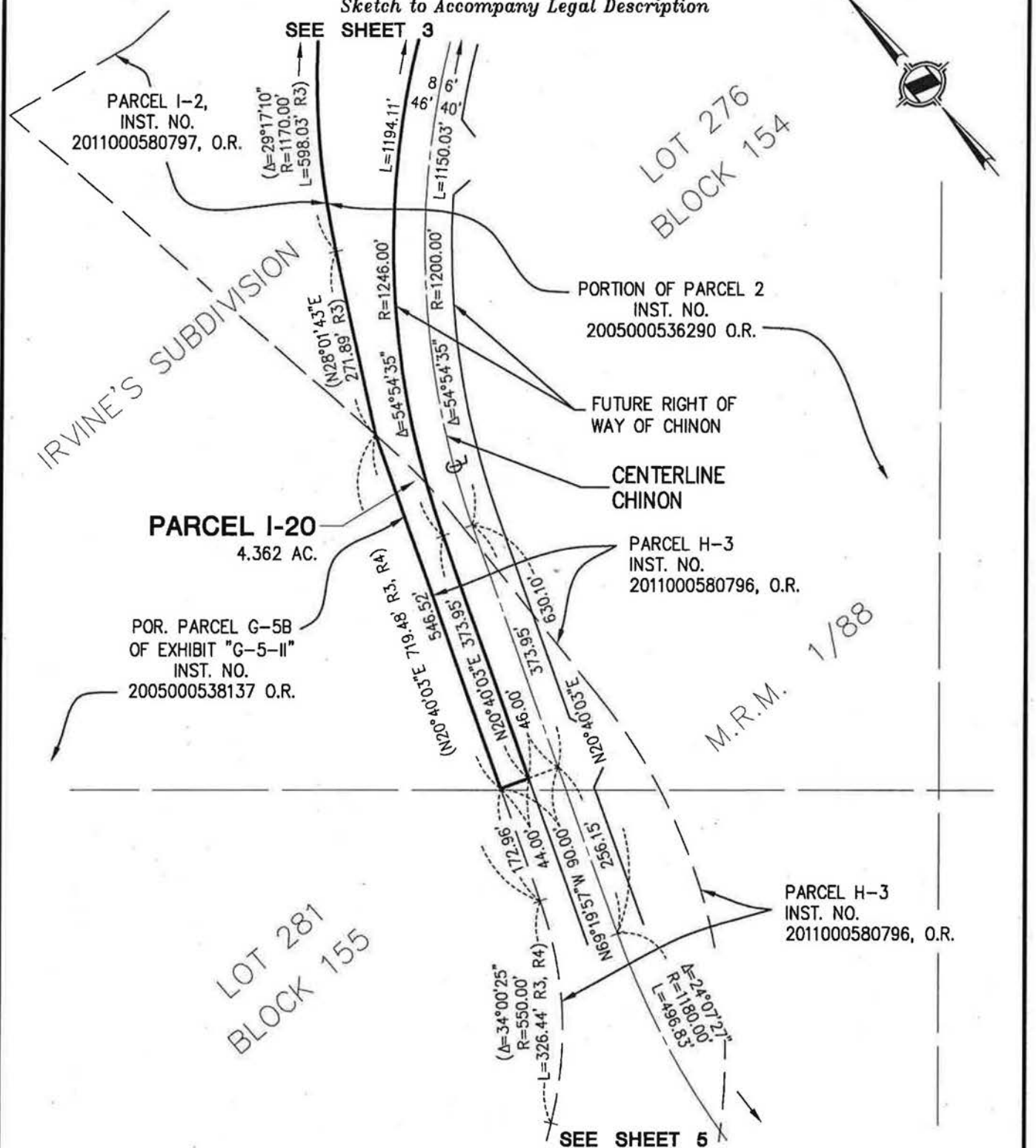
## EXHIBIT "B"

CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

DATE: 4/10/17	REV. DATE: 5/18/17	DWG: K. VO	CK'd By: J. KINNIE	SCALE: 1"=200'	W.O. 1855-692X
I:\HeritageFields\LD\9052-D5-HFET to COI\SHT03.dwg				H&A LEGAL No. 9052	SHEET 3 OF 6

# EXHIBIT "B"

Sketch to Accompany Legal Description



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**EXHIBIT "B"**

CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

DATE: 4/10/17	REV. DATE: 5/18/17	.DWG: K. VO	CK'd By: J. KINNIE	SCALE: 1"=200'	W.O. 1855-692X
I:\HeritageFields\LD\9052-D5-HFET to COI\SHT04.dwg				H&A LEGAL No. 9052	SHEET 4 OF 6

# EXHIBIT "B"

Sketch to Accompany Legal Description

SEE SHEET 4

IRVINE'S SUBDIVISION

PORTION PARCEL G-5B  
OF EXHIBIT "G-5-II"  
INST. NO.  
2005000538137 O.R.

PARCEL H-3  
INST. NO.  
2011000580796, O.R.

LOT 281  
BLOCK

LOT 282  
155

M.R.M.  
1/88

CENTERLINE  
CHINON

PORTION OF PARCEL 2  
INST. NO.  
2005000536290 O.R.

PARCEL I-3  
INST. NO.  
2011000580797, O.R.

N65°51'16"E 65.40'



**HUNSAKER & ASSOCIATES**  
IRVINE, INC.  
PLANNING ■ ENGINEERING ■ SURVEYING  
Three Hughes • Irvine, CA 92618 • PH: (949) 583-1010 • FX: (949) 583-0759

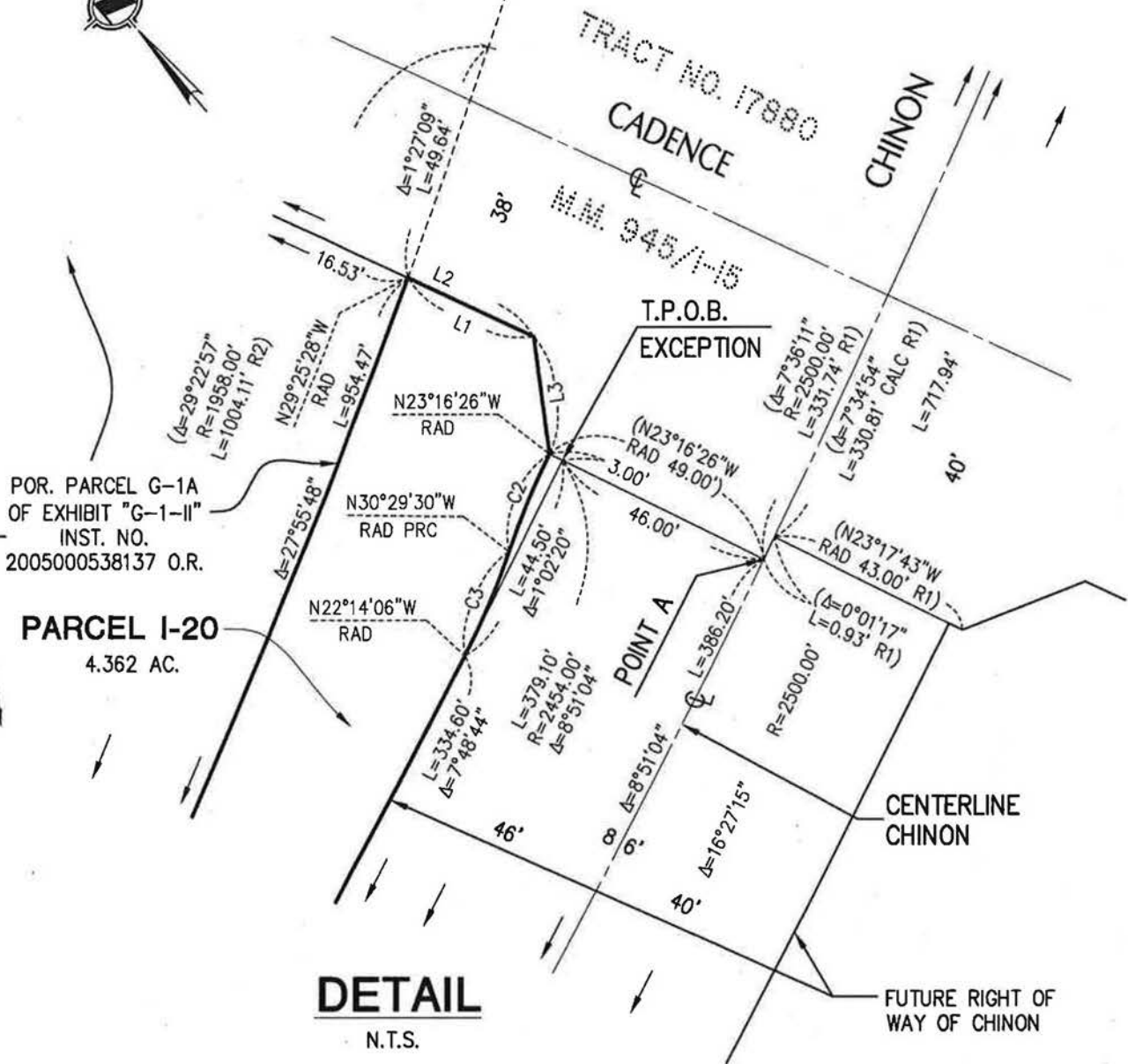
**EXHIBIT "B"**

CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

DATE: 4/10/17	REV. DATE: 5/12/17	.DWG: K. VO	CK'd By: J. KINNIE	SCALE: 1"=200'	W.O. 1855-692X
I:\HeritageFields\LD\9052-D5-HFET to COI\SHT05.dwg				H&A LEGAL No. 9052	SHEET 5 OF 6

# EXHIBIT "B"

Sketch to Accompany Legal Description



LINE TABLE - THIS SHEET ONLY		
LINE	BEARING	LENGTH
L1	N24°38'14"W	28.54'
L2	(N24°38'14"W	45.07' R1)
L3	(N32°44'49"E	24.11' R1)

CURVE TABLE			
CURVE	DELTA	RADIUS	LENGTH
C2	7°13'04"	171.00'	21.54'
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**HUNSAKER & ASSOCIATES**  
IRVINE, INC.  
PLANNING ■ ENGINEERING ■ SURVEYING  
Three Hughes • Irvine, CA 92618 • PH: (949) 583-1010 • FX: (949) 583-0759

## EXHIBIT "B"

CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

DATE: 5/12/17	REV. DATE: 5/18/17	DWG: K. VO	CK'd By: J. KINNIE	SCALE: N.T.S.	W.O. 1855-692X
I:\HeritageFields\LD\9052-D5-HFET to COI\SHT06.dwg				H&A LEGAL No. 9052	SHEET 6 OF 6



**EXHIBIT "C"**  
**TO TERMINATION AND RELEASE**  
**FROM DENSITY BONUS AGREEMENT**


**Legal Description of LIFOC Parcel**

**Lot J**

In the City of Irvine, County of Orange, State of California, being Lot J of Tract No. 17880, filed in Book 945, Pages 1 through 15, inclusive, of Miscellaneous Maps, in the Office of the County Recorder of said county,

Containing an area of 34,693 square feet, more or less.

Subject to covenants, conditions, reservations, restrictions, rights, rights of way and easements of record, if any.

  
Robert L. Wheeler IV, L.S. No. 8639  
Date: 06/28/17



June 28, 2017  
WO No. 1835-692X  
Page 1 of 1  
H&A Legal No. 9141  
By: K. Vo  
Checked By: R. Wheeler



**EXHIBIT “E”**

**TITLE INSTRUCTION LETTER**

**[see attached]**

\_\_\_\_\_, 2018

VIA E-MAIL

FIRST AMERICAN TITLE COMPANY  
1250 Corona Pointe Court, Suite 201  
Corona, CA 92879  
Attn: Mr. Mark Wardle

Re: Agua Chinon and GPN District 5 Land Exchange

Dear Mark:

This letter shall constitute joint recording instructions by the City of Irvine ("City") and Heritage Fields El Toro, LLC ("HFET"). The City is represented in this transaction by Allison LeMoine-Bui, Esq. of Rutan & Tucker, LLP and HFET is represented by Loren Deters, Esq. of Samuels, Green & Steel LLP. The City and HFET shall be referred to individually herein as a "Party" and jointly as the "Parties."

You will receive, or you have received, the following under separate cover from the Parties (collectively, the "Documents"):

- 1) One Grant Deed (GPN District 5 Exchange Parcels: HFET to City) (the "Grant Deed to City"), executed and acknowledged by HFET and City;
- 2) One Grant Deed (Agua Chinon Exchange Parcels: City to HFET) (the "Grant Deed to HFET"), executed and acknowledged by City;
- 3) One Tax Statement Affidavit executed by HFET (the "HFET Affidavit");
- 4) One Preliminary Change of Ownership Report executed by HFET and relating to the property received by HFET (the "HFET PCOR");
- 5) One Preliminary Change of Ownership Report executed by the City and relating to the property received by the City (the "City PCOR"); and

6) One Termination and Release from Density Bonus Agreement, executed and acknowledged by HFET and City (the "Termination of DBA").

When you have received all of the Documents, and you have complied with the separate title instruction letters to be provided to you by the City and HFET (the "Separate Title Instruction Letters"), you are then authorized to do the following **in the following order**:

1) Record the Termination of DBA in the Official Records of Orange County ("Official Records");

2) Record the Grant Deed to HFET in the Official Records (and submit the HFET Affidavit and the HFET PCOR);

3) Record the Grant Deed to City in the Official Records (and submit the City PCOR);

4) Deliver the Title Policies requested in the Separate Title Instruction Letters; and

5) Deliver to both Parties conformed copies of the recorded Termination of DBA, Grant Deed to HFET and Grant Deed to City.

Please invoice HFET for the recording costs and the cost of the title insurance policy issued to HFET. The City is responsible for the cost of its title insurance policy. By separate letter HFET will provide you with a check for the transfer taxes payable in connection with recordation of the Grant Deed to HFET.

This Letter may be signed in multiple counterparts. This Letter may be modified only in writing signed by the undersigned.

Very truly yours,

Allison LeMoine-Bui, Esq.  
Rutan & Tucker, LLP

Loren A. Deters, Esq.  
Samuels, Green & Steel LLP

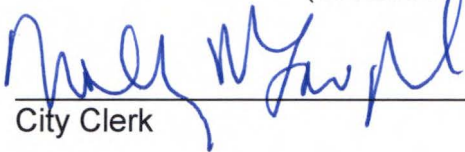
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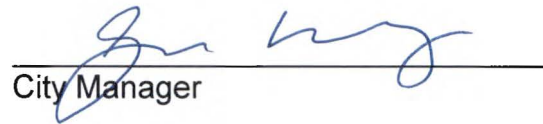


## REQUEST FOR CITY COUNCIL ACTION

**MEETING DATE:** FEBRUARY 27, 2018

**TITLE:** SECOND READING AND ADOPTION OF ORDINANCE NOS. 18-01 AND 18-02 APPROVING A CITYWIDE ZONE CHANGE TO AMEND APPLICABLE SECTIONS OF ZONING ORDINANCE SECTION 3-39 "CANNABIS RELATED USES, COMMERCIAL CANNABIS ACTIVITIES, DELIVERIES, AND CULTIVATION PROHIBITED" TO ALLOW CANNABIS TESTING LABORATORIES (00728989-PZC)

  
\_\_\_\_\_  
City Clerk

  
\_\_\_\_\_  
City Manager

### RECOMMENDED ACTION

- 1) Read by title only, second reading and adoption of ORDINANCE NO. 18-01 – AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, AMENDING CHAPTER 3-39 OF THE IRVINE ZONING CODE (ENTITLED CANNABIS RELATED USES, COMMERCIAL CANNABIS ACTIVITIES, DELIVERIES, AND CULTIVATION PROHIBITED) AND OTHER RELATED ZONING CODE SECTIONS TO ALLOW CANNABIS TESTING LABORATORIES IN CERTAIN ZONING DISTRICTS (SECTIONS 1-2-1, 3-3-1, 3-37-29, 3-37-33, AND 3-37-34)
- 2) Read by title only, second reading and adoption of ORDINANCE NO. 18-02 – AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, ADDING DIVISION 22 TO TITLE 4 OF THE IRVINE MUNICIPAL CODE PERMITTING CANNABIS TESTING LABORATORIES CONSISTENT WITH THIS DIVISION AND THE CITY'S ZONING CODE

### EXECUTIVE SUMMARY

On January 23, 2018, the City Council introduced for first reading two ordinances approving a citywide zone change to amend applicable sections of Zoning Ordinance Section 3-39 "Cannabis Related Uses, Commercial Cannabis Activities, Deliveries, and Cultivation Prohibited" to allow cannabis testing laboratories (00728989-PZC). Second reading and adoption of said ordinances was placed on the February 13, 2018 City Council agenda and continued to the February 27, 2018 meeting by a vote of 3-0-2 (Mayor Wagner and Councilmember Lalloway absent).

After introduction, modifications were made to both ordinances. Ordinance No. 18-01 was modified to amend Sections 3-37-33.-5.4(B)(4) and 3-37-34.- 5.5(B)(4) of the Irvine Zoning Code as follows (noted in bold, underline and strikethrough):

**Sec. 3-37-33. – 5.4 General Industrial**

B. *Permitted Uses.*

4. Cannabis testing laboratory (not allowed within ~~1000~~ **600** feet of schools or residences)

**Sec. 3-37-34. – 5.5 Medical and Science.**

B. *Permitted Uses.*

4. Cannabis testing laboratory (not allowed within ~~1000~~ **600** feet of schools or residences)

Ordinance No. 18-02 was modified to amend Sections 4-22-107(1)(d), and Section 4-22-107(1)(m), of the Irvine Municipal Code as follows (noted in bold, underline and strikethrough):

**Section 4-22-107 Cannabis Testing Laboratory Permit Application and Renewal Requirements.**

1(d). Certification from the Community Development Director or his/her designee(s) that the proposed laboratory is located at least ~~1000~~ **600** feet away from any parcel zoned for residential purposes and at least ~~1000~~ **600** feet away from any school (whether public, private, or charter, including pre-school, transitional kindergarten, and K-12), commercial day care center, or youth center.

1(m). A copy of the testing laboratory's certificate(s) of accreditation and/or application(s) for certificate(s) of **ISO/IEC 17025** accreditation, in compliance with state law. In the event the applicant only provides evidence of an **ISO/IEC** application, the applicant must demonstrate **a good faith effort towards receiving final accreditation approval within a reasonable amount of time. Failure to do so may be a basis for permit suspension or revocation, or denial of a request for permit renewal.** ~~that he/she has obtained final approval of a certificate of accreditation prior to commencing operations.~~

The motion to introduce Ordinance Nos. 18-01 and 18-02 for first reading **as amended** carried by the following vote:

AYES: 4 COUNCILMEMBERS: Fox, Lalloway, Shea and Wagner

NOES: 0 COUNCILMEMBERS: None

ABSENT: 1 COUNCILMEMBERS: Schott

ABSTAIN: 0 COUNCILMEMBERS: None

Unless otherwise directed by a Member of the City Council, the vote at second reading will reflect the same vote as at the first reading. However, if a Councilmember was absent at first reading, his or her vote cast at second reading will be reflected. If a Councilmember is not present at the second reading/adoption, the vote will be reflected as absent.

**REPORT PREPARED BY** Molly McLaughlin, City Clerk

**ATTACHMENTS:**

1. City Council Ordinance No. 18-01
2. City Council Ordinance No. 18-02



CITY COUNCIL ORDINANCE NO. 18-01

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA AMENDING CHAPTER 3-39 OF THE IRVINE ZONING CODE (ENTITLED CANNABIS RELATED USES, COMMERCIAL CANNABIS ACTIVITIES, DELIVERIES, AND CULTIVATION PROHIBITED) AND OTHER RELATED ZONING CODE SECTIONS TO ALLOW FOR CANNABIS TESTING LABORATORIES IN CERTAIN ZONING DISTRICTS (SECTIONS 1-2-1, 3-3-1, 3-37-29, 3-37-33, and 3-37-34)

WHEREAS, on October 9, 2015, Governor Brown signed three bills into law (AB 266, AB 243, and SB 643), which collectively are known as the Medical Marijuana Regulation and Safety Act ("MMRSA") and which established a comprehensive state licensing scheme for commercial uses related to medicinal cannabis; and

WHEREAS, pursuant to the authority granted by the MMRSA, the City adopted Ordinance No. 16-01, and thereby prohibited all commercial marijuana activities, regardless of whether those activities related to medicinal or recreational uses; and

WHEREAS, since the adoption of Ordinance No. 16-01, the voters passed Proposition 64 or the Adult Use of Marijuana Act ("AUMA") in November 2016, which established a similar state licensing scheme for adult use (i.e., non-medicinal) marijuana facilities; and

WHEREAS, after the passage of the AUMA, the Legislature adopted and the Governor signed into law SB 94, which is known as the Medicinal and Adult Use Cannabis Regulation and Safety Act (the "MAUCRSA"); and

WHEREAS, the MAUCRSA effectively consolidates the regulatory scheme provided for by the MMRSA (relating to medicinal marijuana) with the regulatory scheme provided for by the AUMA (relating to non-medicinal marijuana) to provide for one licensing structure for all cannabis related uses; and

WHEREAS, under the MAUCRSA, cities retain their ability to regulate medicinal and adult use commercial cannabis related uses; and

WHEREAS, the City Council continues to find that commercial cannabis activities, as defined by Business & Professions Code section 26001, subdivision (i), other than testing laboratories, can adversely affect the health, safety and well-being of City residents; and

WHEREAS, citywide prohibition of both medicinal and adult use commercial cannabis activities, other than testing laboratories, is proper and necessary to avoid the risks of criminal activity, degradation of the natural environment, malodorous smells and indoor electrical fire hazards that may result from such activities; and

WHEREAS, the City Council also finds that testing laboratories for either medicinal or adult use marijuana shall be permitted in certain zoning districts in the City, as set forth below, and subject to the regulations contained in Title 4, Division 22 of the Irvine Municipal Code; and

WHEREAS, the Planning Commission held a duly noticed public hearing on December 7, 2017 at which time it considered all evidence presented, both written and oral, and at the of the hearing, voted to adopt a resolution recommending that the City Council adopt this ordinance; and

WHEREAS, the City Council held a duly noticed public hearing on this Ordinance on January 23, 2018 at which it considered all evidence presented, both written and oral; and

NOW, THEREFORE, the City Council of the City of Irvine, California DOES HEREBY ORDAIN as follows:

SECTION 1. Recitals. The foregoing recitals are true and correct and are incorporated herein as though set forth in full.

SECTION 2. Authority. This Ordinance is adopted pursuant to the authority granted by the California Constitution and State law, including but not limited to Article XI, Section 7 of the California Constitution, and the MAUCRSA.

SECTION 3: No Changes to Permitted Uses. Nothing in this Ordinance shall be interpreted to allow any land use which is not expressly listed as permitted or conditionally permitted within the City's Zoning Code.

SECTION 4: CEQA Determination. In adopting this Ordinance, the City Council finds that the project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Title 14 California Code of Regulations Sections 15061(b)(3) and 15378, in that it can be seen with certainty that the adoption of the Zoning and Municipal Code amendments propose no activity that may have a significant effect on the environment and will not cause a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In addition, the adoption of the proposed ordinance is exempt under the California Environmental Quality Act pursuant to Business & Professions Code section 26055(h), because, if approved, the companion ordinance to this Zone Text Amendment will require all applicants to comply with CEQA prior to the issuance of the cannabis permit.

SECTION 5: Severability. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each and every section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more section, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared unconstitutional.

SECTION 6. Effective Date. This Ordinance shall become effective thirty (30) days after its passage and adoption. Within 15 days of the date of adoption of this Ordinance, the City Clerk shall post a copy of said Ordinance in places designated for such posting and shall certify to the same. The City Clerk shall certify the passage of this Ordinance and shall cause the same to be published as required by law.

SECTION 7. The following findings required by Section 2-38-7 of the City of Irvine Zoning Code for approval of a Zone Change have been made as follows:

1. The proposed Zone Change is consistent with the City of Irvine General Plan.

The purpose of the zone change is to allow cannabis testing laboratories as a permitted use in specific zoning districts. These laboratories would be limited to the following zoning districts, 5.1 IBC Multi-Use, 5.4 General Industrial, and 5.5 Medical and Science. Cannabis testing laboratories in these zoning districts and in the corresponding general plan land use designations are considered appropriate since this limits the opportunity to be located near sensitive land uses, such as schools and residences. Furthermore, these uses are more likely to be located in an existing research and development areas where similar testing of a product is being conducted as part of an established business. As such, this zone change is consistent with the goals and objectives of the City of Irvine General Plan.

2. The proposed Zone Change is consistent with any applicable concept plan.

This finding does not apply to the proposed zone change as there is not an applicable concept plan for a text amendment to the zoning code.

3. The proposed Zone Change meets all the requirements set forth within Division 8 for the dedication of permanent open space through a specified phased implementation program for affected planning areas and zoning districts.

This project is not subject to the phased permanent open space dedication implementation program set forth in Division 8-1.

4. The proposed Zone Change is in the best interest of the public health, safety and welfare of the community.

The City-initiated Zone Change is consistent with all applicable provisions of the Zoning Ordinance and is determined to be in the best interests of the health, safety and welfare of the community. The environmental impacts of the proposed Zone Change application are exempt from California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15061(b) (3), which provides that CEQA applies only to projects that have the potential to cause a significant effect on the environment, and where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. In addition, the adoption of the proposed ordinance is exempt under the California Environmental Quality Act pursuant to Business & Professions Code section 26055(h), because, if approved, the companion ordinance to this Zone Text Amendment will require all applicants to comply with CEQA prior to the issuance of the cannabis permit.

Therefore, the proposed Zone Change is consistent with and in the best interest of the public health, safety and welfare of the community.

5. Based upon information available at the time of approval, adequate sewer and water lines, utilities, sewage treatment capacity, drainage facilities, police protection, fire protection/emergency medical care, vehicular circulation and school facilities will be available to serve the area affected by the proposed City-initiated Zone Change when development occurs.

The proposed project does not include any specific development. The zone change is limited to a text amendment which would allow cannabis testing laboratories. These labs could be included with existing research and development businesses as both land uses include the testing of a product. As such the need for infrastructure would be minimal.

6. If the proposed Zone Change affects land located within the coastal zone, the proposed Zone Change will comply with the provisions of the land use plan of the certified local coastal program.

A small portion of the 5.1 Irvine Business Complex zone is located within the coastal zone. This portion of the zoning district will not be included in the zone change; therefore, no changes to the local coastal plan are required.

**SECTION 8.** Based on the above findings, the City Council of the City of Irvine DOES HEREBY APPROVE Zone Change 00728989-PZC amending the City's Zoning Ordinance as depicted in Exhibit A.

SECTION 9. Nothing in this Ordinance shall be construed to allow persons to engage in conduct that violates the law, endangers others, causes a public nuisance, allows the illegal use or diversion of Cannabis, or allows any activity relating to Cannabis that is otherwise illegal under state or local law.

PASSED AND ADOPTED by the City Council of the City of Irvine at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_ 2018.

\_\_\_\_\_  
MAYOR OF THE CITY OF IRVINE

ATTEST:

\_\_\_\_\_  
CITY CLERK OF THE CITY OF IRVINE

STATE OF CALIFORNIA    )  
COUNTY OF ORANGE    ) SS  
CITY OF IRVINE            )

I, Molly McLaughlin, City Clerk of the City of Irvine, HEREBY DO CERTIFY that the foregoing Ordinance was introduced for first reading on the 23rd day of January 2018, and duly adopted at a regular meeting of the City Council of the City of Irvine held on the \_\_\_\_ day of \_\_\_\_\_ 2018.

AYES:                   COUNCILMEMBERS:

NOES:                   COUNCILMEMBERS:

ABSENT:                COUNCILMEMBERS:

\_\_\_\_\_  
CITY CLERK OF THE CITY OF IRVINE

## **Zoning Code Section 1-2-1**

### **Adding definition for cannabis testing laboratory:**

*Camouflage facility:* A wireless communication facility utilizing effective and appropriate camouflage design techniques such that the antennae and accessory wireless equipment are not visible or not readily visible.

*Cannabis testing laboratory:* a laboratory, facility, or entity in the state that offers or performs tests of cannabis or cannabis products and that is both of the following: (1) Accredited by an accrediting body that is independent from all other persons involved in commercial cannabis activity in the state; and, (2) Licensed by the bureau

*Canopy:* A fixed structure of any material and any length, projecting from and connected to a building and/or columns and posts from the ground, or supported by a frame extending from the building and/or posts from the ground.

### **Amending the definition for research and development:**

*Research and development:* Uses engaged in the research, analysis, development and/or testing of a product, not to include cannabis testing laboratories.

- **CHAPTER 3-3. - LAND USE MATRIX**
- **Sec. 3-3-1. - Land use matrix.**

Update the City's land use matrix to allow cannabis testing laboratories in the 5.1 Irvine Business Complex<sub>1</sub>, the 5.4 General Industrial<sub>2</sub>, and in the 5.5 Medical and Science Zones<sub>2</sub>. This use would be prohibited in all other zones.

<sub>1</sub>Cannabis testing laboratories are not allowed in the coastal zone.

<sub>2</sub>Cannabis testing laboratories are not allowed within 600 feet of schools or residences.



## **Zoning Code Sections**

### **Chapter 3-39**

#### **CANNABIS RELATED USES, COMMERCIAL CANNABIS ACTIVITIES, DELIVERIES, AND CULTIVATION PROHIBITED**

##### **Sec. 3-39-1 Definitions**

“Cannabis” shall means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from marijuana. “Cannabis” also means “marijuana” as defined by Section 11018 of the Health and Safety Code as enacted by Chapter 1407 of the Statutes of 1972. The term “Cannabis” shall also have the same meaning as set forth in Business & Professions Code § 26001(f), as may be amended from time to time. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this chapter, “cannabis” does not mean “industrial hemp” as defined by Section 81000 of the Food and Agricultural Code or Section 11018.5 of the Health and Safety Code.

“Caregiver” or “Primary Caregiver” shall have the same meaning as set forth in Health & Safety Code § 11362.7, as may be amended from time to time.

“Commercial Cannabis Activity” shall have the same meaning as set forth in Business & Professions Code § 26001(i), as may be amended from time to time. Commercial Cannabis Activity includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, delivery or sale of cannabis and cannabis products.

“Cooperative” shall mean two or more persons collectively or cooperatively cultivating, using, transporting, possessing, administering, delivering, or making available marijuana, with or without cultivation.

“Cultivation” or “Cultivate” shall have the same meaning as set forth in Business & Professions Code § 26001(l), as may be amended from time to time.

“Delivery” shall have the same meaning as set forth in Business & Professions Code § 26001(p), as may be amended from time to time.

“Dispensary” shall mean and refer to any premises where Cannabis or Medicinal Cannabis or Cannabis Products are offered, either individually or in any combination, for retail sale or Delivery to consumers, customers, patients, or primary caregivers. For purposes of this Chapter, Dispensary shall also include a Cooperative. Dispensary shall not include the following uses: (1) a clinic licensed pursuant to Chapter 1 of Division 2 of the California Health & Safety Code; (2) a health care facility licensed pursuant to Chapter 2 of Division 2 of the California Health and Safety Code; (3) a residential care facility for persons with chronic life threatening illnesses licensed pursuant to Chapter 3.01 of Division 2 of the California Health and Safety Code; (4) a residential care facility for the elderly licensed pursuant to Chapter 3.2 of Division 2 of the California Health and Safety Code; (5) a residential hospice or home health agency licensed pursuant to Chapter 8 of Division 2 of the California Health and Safety Code.

“Medical Cannabis” or “Cannabis” shall have the same meaning as set forth in Business & Professions Code § 26001(ai), as may be amended from time to time.

“Medicinal and Adult Use Cannabis Regulation and Safety Act” or “MAUCRSA” shall mean and refer to Senate Bill 94, signed into law on June 27, 2017, as the same may be amended from time to time.

“Testing Laboratory” shall have the same meaning as set forth in Business & Professions Code section 26001(as), as may be amended from time to time.

“Qualifying Patient” or “Qualified Patient” shall have the same meaning as set forth in Health and Safety Code section 11362.7 as may be amended from time to time.

### **Sec. 3-39-2 Prohibition.**

Except as set forth in Subsection (F) of this Chapter, all Cannabis related uses, including but not limited to the manufacture, sale, delivery, distribution, processing, and cultivation of Cannabis, and all other Commercial Cannabis Activities for which a State license is required under the MAUCRSA are prohibited in all zones throughout the City, regardless of whether the Commercial Cannabis Activity relates to medicinal or adult use marijuana. Accordingly, the City shall not issue any permit, or process any license or other entitlement for any Cannabis related use or any other activity for which a State license is required under the MAUCRSA.

- A. Adult Use Cannabis Related Uses. Except as set forth in subsection (F) of this Chapter, all adult use Cannabis related uses, including but not limited to the manufacture, sale, delivery, distribution, processing, and cultivation of Cannabis, are expressly prohibited in all zones and all specific plan areas in the City, regardless of whether the Cannabis related use related to medicinal or adult use marijuana. No person shall establish, operate, conduct, permit or allow any Cannabis related use anywhere within the City.
- B. Medical Cannabis Uses. Except as set forth in subsection (F) of this Chapter, all Medical Cannabis related uses, including but not limited to the manufacture, sale, delivery, distribution, processing, and cultivation of Cannabis, are expressly

prohibited in all zones and all specific plan areas in the City, regardless of whether such uses qualify as Commercial Cannabis Activities under the MAUCRSA. No person shall establish, operate, conduct, permit or allow any Medical Cannabis related land use anywhere within the City.

- C. Commercial Cannabis Activities. Except as set forth in subsection (F) of this Chapter, all Commercial Cannabis Activities, including but not limited to the manufacture, sale, delivery, distribution, processing, and cultivation of Cannabis, are expressly prohibited in all zones and all specific plan areas in the City, regardless of whether such uses relate to medicinal or adult use marijuana. No person shall establish, operate, conduct, permit or allow a Commercial Cannabis Activity anywhere within the City.
- D. Cannabis Deliveries. Except as set forth in subsection (F) of this Chapter, all Deliveries of Cannabis and Medical Cannabis are expressly prohibited in the City. No person shall conduct any Deliveries of Cannabis or Medical Cannabis that either originate or terminate at any location within the City.
- E. Cannabis Cultivation. The commercial Cultivation of Cannabis is expressly prohibited in all zones and all specific plan areas in the City, regardless of whether the cultivation is related to medicinal or adult use marijuana.
- F. Cannabis Testing Laboratories. Cannabis Testing Laboratories shall only be permitted in the following zoning districts in the City: 5.1 IBC Multi-Use, 5.5 Medical and Science, and 5.4 General Industrial and upon the issuance of both (1) a valid permit issued by the City pursuant Title 4 - Public Safety of the City's Municipal Code and (2) a valid state license. Cannabis Testing Laboratories shall not be permitted in any other zoning district in the City.

### **Sec. 3-39-3 Public Nuisance**

Any use or condition cause, or permitted to exist, in violation of any provision of this Chapter 3-39 shall be, and is hereby declared to be, a public nuisance and may be summarily abated by the City pursuant to California Code of Civil Procedure Section 731 or any other remedy available at law.

### **Sec. 3-39-4 Civil Penalties**

In addition to any other enforcement permitted by the City's Zoning and/or Municipal Codes, the City Attorney may bring a civil action for injunctive relief and civil penalties against any person who violates any provision of this Chapter. In any civil action that is brought pursuant to this Chapter, a court of competent jurisdiction may award civil penalties and costs to the prevailing party.

**Sec. 3-37-29. - 5.1 IBC Multi-Use.**

A. *Intent.* The Multi-Use land use district is intended as an area in which a wide variety of uses are allowed. Specific institutional uses, particularly those proposed to serve the needs of the residential and employee populations of this district, such as schools, parks, libraries and theaters, are especially encouraged in this area. Special provisions apply to several of the conditional commercial uses in this area which generate high levels of traffic.

B. *Permitted uses.*

GLU <sup>1</sup> Category	Use
35	Accessory use
36	Agriculture (interim use)
29	Cannabis testing laboratory (not allowed in the coastal zone or within the IBC Residential Overlay area)
35 <sup>T</sup>	Commercial recreation (under 1,500 square feet)

**Sec. 3-37-33. - 5.4 General Industrial.**

- A.        *Intent.* This category reserves an area for uses such as manufacturing, warehousing and service industries.**

(5.4)	Irvine Spectrum 2 (Planning Area 35)
	Irvine Spectrum 8 (Planning Area 40)
	Oak Creek (Planning Area 12)
(5.4A)	Irvine Spectrum 5 (Planning Area 34)
(5.4B)	Oak Creek (Planning Area 12)
	Irvine Spectrum 3 (Planning Area 32)
	Orange County Great Park (Planning Area 30)

- B.        *Permitted uses.* <sup>1</sup>**

1.        Accessory use.
2.        Agriculture (interim use).
3.        Alternative health care provider (permitted only in 5.4B).
4.        Cannabis testing laboratory (not allowed within 600 feet of schools or residences)
5.        Caretaker's quarters.
6.        Domestic animal care facility. <sup>8</sup>
7.        Emergency shelter.
8.        Industry, service.
9.        Manufactured structure permit (up to two years).
10.       Manufacturing, light.
11.       Miniwarehouse.
12.       Office, administrative, business, professional (permitted only in 5.4B).
13.       Office, design professionals (permitted only in Planning Areas 12, 13, 32, 34, 35). <sup>2</sup>

**Sec. 3-37-34. - 5.5 Medical and Science.**

- A. *Intent.* This category allows the development of a biomedical/high technology complex combining health care facilities and related businesses, medical research and education, general research and development, and light manufacturing and assembly in one master planned area.

(5.5)	Irvine Spectrum 4 (Planning Area 13)
(5.5A)	Irvine Spectrum 6 (Planning Area 31)
(5.5B)	Jamboree Business Center, East (Planning Area 10)
(5.5C)	Planning Area 17 (east of Laguna Canyon Road)
(5.5D)	Irvine Spectrum 8 (Planning Area 40)
(5.5E)	Reserved
(5.5F)	Planning Area 6 (Portola Springs)
(5.5G)	Planning Area 17 (west of Laguna Canyon Road)
(5.5H)	Planning Area 12 (Oakcreek)

- B. *Permitted uses.* <sup>1</sup>

1. Accessory use.
2. Agriculture (interim use).
3. Alternative health care provider.
4. Cannabis testing laboratory(not allowed within 600 feet of schools or residences)
5. Caretaker's quarters.
6. Emergency shelters.
7. Financial institution (except drive-thru).

CITY COUNCIL ORDINANCE NO. 18-02

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA ADDING DIVISION 22 TO TITLE 4 OF THE IRVINE MUNICIPAL CODE PERMITTING CANNABIS TESTING LABORATORIES CONSISTENT WITH THIS DIVISION AND THE CITY'S ZONING CODE

WHEREAS, on October 9, 2015, Governor Brown signed three Bills into law (AB 266, AB 243, and SB 643), which collectively are known as the Medical Marijuana Regulation and Safety Act ("MMRSA") and which established a comprehensive state licensing scheme for commercial uses related to medicinal cannabis; and

WHEREAS, pursuant to the authority granted by the MMRSA, the City adopted Ordinance No. 16-01, and thereby prohibited all commercial marijuana activities, regardless of whether those activities related to medicinal or recreational uses; and

WHEREAS, since the adoption of Ordinance No. 16-01, the voters passed Proposition 64 or the Adult Use of Marijuana Act ("AUMA") in November 2016, which established a similar state licensing scheme for adult use (i.e., non-medicinal) marijuana facilities; and

WHEREAS, after the passage of the AUMA, the Legislature adopted and the Governor signed into law SB 94, which is known as the Medicinal and Adult Use Cannabis Regulation and Safety Act (the "MAUCRSA"); and

WHEREAS, the MAUCRSA effectively consolidates the regulatory scheme provided for by the MMRSA (relating to medicinal marijuana) with the regulatory scheme provided for by the AUMA (relating to non-medicinal marijuana) to provide for one licensing structure for all cannabis related uses; and

WHEREAS, under the MAUCRSA, cities retain their ability to regulate medicinal and adult use commercial cannabis related uses; and

WHEREAS, the City Council continues to find that commercial cannabis activities, as defined by Business & Professions Code section 26001 subdivision (i), other than cannabis testing laboratories, can adversely affect the health, safety and well-being of City residents; and

WHEREAS, citywide prohibition of both medicinal and adult use commercial cannabis activities, other than cannabis testing laboratories, is proper and necessary to avoid the risks of criminal activity, degradation of the natural environment, malodorous smells and indoor electrical fire hazards that may result from such activities; and

WHEREAS, the City Council also finds that cannabis testing laboratories for either medicinal or adult use marijuana shall be permitted in certain zoning districts in the City



subject to the issuance of a cannabis testing laboratory permit and subject to the regulations set forth below, and hereby adds Division 22 to Title 4 of the Irvine Municipal Code; and

**The City Council of the City of Irvine DOES HEREBY ORDAIN AS FOLLOWS:**

**SECTION 1.** The above recitations are true and correct and made a part of this Ordinance.

**SECTION 2:** Division 22 of Section 4 of the Irvine Municipal Code is hereby added to read as follows:

**Division 22 CANNABIS TESTING LABS**

**Section 4-22-101. Purpose and Intent**

It is the purpose and intent of this Division to regulate the testing of medicinal and adult-use cannabis and cannabis products in a responsible manner to protect the health, safety, and welfare of the residents of Irvine and to enforce rules and regulations consistent with state law. It is the further purpose and intent of this Division to require all commercial cannabis testing lab operators to obtain and renew annually a permit to operate within Irvine. Nothing in this Division is intended to authorize the possession, use, or provision of cannabis for purposes that violate state or federal law. Nothing in this Division shall be interpreted to allow any other commercial cannabis uses, other than cannabis testing laboratories that comply with the provisions contained herein. The provisions of this Division are in addition to any other permits, licenses and approvals which may be required to conduct business in the City, and are in addition to any permits, licenses and approval required under state, county, federal or other law.

**Section 4-22-102. Legal Authority**

Pursuant to Sections 5 and 7 of Article XI of the California Constitution, the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act (hereinafter “MAUCRSA”), any subsequent state legislation and/or regulations regarding same, the City of Irvine is authorized to adopt ordinances that establish standards, requirements and regulations for the licensing and permitting of commercial medicinal and adult-use cannabis activity. Any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the State of California, or any of its departments or divisions, shall be the minimum standards applicable in the City of Irvine to all commercial cannabis activity.

**Section 4-22-103. All Commercial Cannabis Uses Prohibited Except as Specifically Authorized by this Division.**

Except as specifically authorized in this Division, the commercial cultivation, dispensing, manufacture, processing, storing, laboratory testing, labeling, sale, delivery,

distribution or transportation (other than as provided under Bus. & Prof. Code section 26090(e)), of cannabis or cannabis product is expressly prohibited in the City of Irvine.

#### **Section 4-22-104. Compliance with all Laws.**

Nothing in this Division shall be construed as authorizing any actions that violate federal, state or local law with respect to the operation of a cannabis testing laboratories or any other commercial cannabis use. It shall be the responsibility of the owners and the operators of the cannabis testing laboratories to ensure that the cannabis testing laboratory is, at all times, operating in a manner compliant with all applicable federal, state and local laws, including for as long as applicable, the Compassionate Use Act ("Prop. 215"), the Medical Cannabis Program Act ("MMPA"), the 2008 Attorney General Guidelines for the Security and Non-Diversion of Cannabis for Medical Purposes ("AG Guidelines"), the Medical Marijuana Regulation and Safety Act ("MMRSA"), Proposition 64 or the Adult Use of Marijuana Act ("AUMA"), and the Medicinal and Adult Use Cannabis Regulation and Safety Act ("MAUCRSA") (collectively "the Medical Cannabis Collective Laws"), any subsequently enacted state law or regulatory, licensing, or certification requirements, and any specific, additional operating procedures or requirements which may be imposed as conditions of approval of the cannabis testing lab permit.

#### **Section 4-22-105 Definitions.**

When used in this Division, the following words shall have the meanings ascribed to them as set forth herein. Any reference to California statutes includes any regulations promulgated thereunder, and is deemed to include any successor or amended version of the referenced statute or regulatory provision.

*Applicant:* means an owner who is applying for a state license and City of Irvine license pursuant to this Division.

*Bureau:* shall mean the Bureau of Cannabis Control within the Department of Consumer Affairs, formerly named the Bureau of Marijuana Control, the Bureau of Medical Cannabis Regulation, and the Bureau of Medical Marijuana Regulation.

*Cannabis:* shall means all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from marijuana. "Cannabis" also means "marijuana" as defined by Section 11018 of the Health and Safety Code as enacted by Chapter 1407 of the Statutes of 1972. The term "Cannabis" shall also have the same meaning as set forth in Business & Professions Code § 26001 (f), as may be amended from time to time. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or

preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this chapter, "cannabis" does not mean "industrial hemp" as defined by Section 81000 of the Food and Agricultural Code or Section 11018.5 of the Health and Safety Code.

*Certificate of accreditation:* means a document issued by an accreditation body that attests to the laboratory's competence to carry out specific testing analysis and is required for issuance of a state license pursuant to 16 Cal. Code Regs. § 5702.

*Commercial cannabis activity:* "Commercial Cannabis Activity" shall have the same meaning as set forth in Business & Professions Code § 26001, as may be amended from time to time. Commercial Cannabis Activity includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, delivery or sale of cannabis and cannabis products.

*Cannabis testing laboratory or lab:* shall have the same meaning as set forth in Business & Professions Code section 26001(as), as may be amended from time to time.

*Cannabis testing lab permit:* means a regulatory permit issued by the City of Irvine pursuant to this Division to a cannabis testing lab, and is required before any commercial cannabis activity may be conducted in the City. The initial permit and annual renewal of a cannabis testing lab permit is made expressly contingent upon the business' ongoing compliance with all of the requirements of this Division and any regulations adopted by the City governing the commercial cannabis activity at issue.

*License or State License:* means a state license issued by the State of California, or one of its departments or divisions, under the MAUCRSA and any subsequent State of California legislation, relating to commercial cannabis activities.

*Licensee:* means any person holding a license under this division, regardless of whether the license held is an A-license or an M-license, and includes the holder of a testing laboratory license.

*Licensing authority:* means the state agency responsible for the issuance, renewal, or reinstatement of the license, or the state agency authorized to take disciplinary action against the licensee.

*Local jurisdiction:* means a city, county, or city and county.

*Owner:* shall have the same meaning as set forth in Business and Professions Code section 26001(a1).

#### **Section 4-22-106. Cannabis Testing Lab Permit Required to Operate Cannabis Testing Lab.**

No person may engage in any cannabis laboratory testing unless the person has obtained all of the following: (1) a valid cannabis testing laboratory permit issued by the City of Irvine; (2) a valid temporary or permanent cannabis testing laboratory license issued by the State of California; and (3) is currently in compliance with all applicable state and local laws and regulations pertaining to the commercial cannabis activities, including the duty to obtain any state or local licenses or permits. Any person who is an employee or who otherwise works within a cannabis testing laboratory must be legally authorized to do so under applicable state law. Any person who has a valid temporary cannabis testing laboratory license issued by the State must demonstrate that he/she has applied for a permanent cannabis testing laboratory license within thirty (30) days of the date of approval of the City permit or the City permit shall automatically be deemed null and void.

#### **Section 4-22-107 Cannabis Testing Laboratory Permit Application and Renewal Requirements.**

1. An application for a cannabis testing laboratory permit or permit renewal shall be made to the City Manager or his/her designee on a form provided for by the City Manager or his/her designee. Failure to disclose information fully and accurately could lead to the denial, revocation, or failure to renew a proposed application. To be deemed complete and submitted for City Manager review, an application must contain at least the following information:
  - a. Evidence that applicant has paid all fees established by resolution of the City Council, to cover all costs incurred by the City in the application process.
  - b. Evidence that the applicant has provided notice of the permit application to all property owners located within three hundred (300) feet of the proposed laboratory location.
  - c. Certification from the Community Development Director or his/her designee(s) certifying that the proposed laboratory is located on a site that meets all of the requirements of the City's Zoning Code, General Plan, and further that the applicant has complied with all requirements of the California Environmental Quality Act.
  - d. Certification from the Community Development Director or his/her designee(s) that the proposed laboratory is located at least 600 feet away from any parcel zoned for residential purposes and at least 600 feet away from any school (whether public, private, or charter, including pre-school, transitional kindergarten, and K-12), commercial day care center, or youth center.

- e. Evidence that the cannabis testing laboratory is authorized by the landowner to operate in the proposed location. In the event the proposed location will be leased from another person, the applicant shall be required to provide a signed and notarized statement from the owner of the property, acknowledging that the property owner has read this Division and consents to the operation of the cannabis testing lab on the owner's property.
- f. A storage and transportation plan approved by the Chief of Police or his/her designee, which describes in detail the procedures for safely and securely storing and transporting all cannabis, cannabis products, and any currency.
- g. A site inspection, and security and safety plan approved by the Chief of Police or his/her designee, that is sufficient to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis or cannabis products at the cannabis testing lab.
- h. A cannabis waste and discharge plan that ensures that cannabis sample remnants are disposed of in a manner that is consistent with state law, and is approved by the Chief of Police or his/her designee.
- i. A description of business structure of the applicant (i.e., corporation, partnership, etc.), a copy of all business formation documents and all documents filed with the secretary of state, and a list of every fictitious name business is operating under.
- j. The name of the primary contact for the Applicant, as well as the mailing & physical address of property, federal Employer Identification Number, and the legal business name of applicant.
- k. For all Owners: his or her name, percent ownership in the applicant as well as his or her title, mailing address, phone number, email address, copy of government issues identification, percent ownership in any other commercial cannabis activity, and social security number.
- l. For all Owners: a detailed description of any and all criminal convictions, the date of the criminal conviction(s), the date(s) of incarceration, probation, and/or parole. A conviction within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Convictions dismisses under Penal Code section 1203.4 or equivalent non-California law must also be disclosed. In addition, the applicant and all owners must complete a live scan and submit to a

criminal background check, which shall be reviewed and approved by the Chief of Police.

- m. A copy of the testing laboratory's certificate(s) of accreditation and/or application(s) for certificate(s) of ISO/IEC 17025 accreditation, in compliance with state law. In the event the applicant only provides evidence of an ISO/IEC application, the applicant must demonstrate a good faith effort towards receiving final accreditation approval within a reasonable amount of time. Failure to do so may be a basis for permit suspension or revocation, or denial of a request for permit renewal.
  - n. Whether the applicant or any of the testing lab owners has been denied a license or had a license suspended or revoked by the state or any other local jurisdiction. In the event a license has been denied, suspended or revoked, the applicant shall provide details relating to the type of license applied for, the name of the licensing authority denied, suspended or revoked, and the date of denial, suspension, or revocation.
  - o. A detailed list of all loans to, gifts to, and investments in the applicant, along with a list of all funds belonging to the applicant held in savings, checking or other accounts maintained by a financial institution.
  - p. A detailed list of every individual who has a financial interest in the cannabis testing laboratory, as defined by state law, who is not an owner as defined by Business and Professions Code 26001(a1).
  - q. For each and every owner, as that term is defined under Business & Professions Code section 26001(a1), as may be amended from time to time, attestation to the following: "Under penalty of perjury, I hereby do declare that the information contained within the application is complete, true, and accurate. I understand that any misrepresentation on this application is cause for its rejection, denial of a license, or revocation of a license."
  - r. Any other additional information requested by the City Manager or his or her designee.
2. The City Manager or his/her designee shall either deny or approve, conditionally approve, or deny the application within 60 days of the application being deemed complete. The City Manager's decision shall be final. The City Manager or his/her designee shall provide the applicant with written notice of his/her decision.
- a. If an application is denied, a new application may not be filed for one (1) year from the date of the denial.

- b. If a cannabis testing laboratory permit is approved or conditionally approved, it shall only be valid for a term of twelve (12) months, and shall expire at the end of the twelve (12) month period unless it is renewed as provided in Section 4-22-11. The cannabis testing lab permit shall not run with the land and shall not create any rights to continue with the use of the property as a cannabis testing laboratory, except as specifically set forth herein.
  - c. City Manager retains full authority to deny application for a permit or renewal in the event that he/she determines any of the following: (i) the applicant has not provided the information required on the application form pursuant to this Division; (ii) the application has falsified or misrepresented any part of the application; (iii) the applicant has previously failed to comply with the operating procedures set forth in Section 4-22-0008; or (iv) there is an overconcentration of testing lab facilities in the area which the applicant has proposed to locate the facility.
  - d. The City Manager, in his/her discretion, may refer the decision to permit, conditionally permit or deny any application for a permit or renewal to the City Council.
- 3. Prior to commencing operations, the cannabis testing laboratory and its owners and operators shall:
  - a. Obtain any and all required land use entitlements and approvals and comply any California Environmental Quality Act requirements related thereto.
  - b. Be subject to a mandatory building inspection, and obtain all required permits and approvals which would otherwise be required for any business of the same size and intensity operating in that zone. This includes but is not limited to obtaining any required building permit(s), certificates of occupancy, Fire Department approvals, Health Department approvals and other zoning and land use permit(s) and approvals.
  - c. If the City Manager or his/her designee determines it is necessary, enter into a community benefit agreement with the City setting forth the terms and conditions under which the cannabis testing lab facility will operate that are in addition to the requirements of this chapter, including, but not limited to, public outreach and education, community service, payment of fees and other charges as mutually agreed, and such other terms and conditions that will protect and promote the public health, safety and welfare.
  - d. Execute an agreement, in a form approved by the City Attorney, agreeing to indemnify, defend (at applicant's sole cost and expense), and hold the



City of Irvine, and its officers, officials, employees, representatives, and agents, harmless, from any and all claims, losses, damages, injuries, liabilities or losses which arise out of, or which are in any way related to, the City's issuance or failure to issue a cannabis testing laboratory permit, the City's decision to approve or its refusal to approve the operation of the cannabis testing lab or activity, to process used by the City in making its decision, or the alleged violation of any federal, state or local laws by the cannabis testing lab or any of its officers, employees or agents.

- e. Obtain and consistently maintain insurance at coverage limits, and with conditions thereon determined necessary and appropriate from time to time by the City Attorney.
- f. Reimburse the City of Irvine for all costs and expenses, including but not limited to attorney fees and costs, which the City of Irvine may be required to pay as a result of any legal challenge related to the City's approval or refusal to approve the applicant's cannabis testing lab permit, or related to the City's approval or failure to approve of a cannabis testing lab activity. The City of Irvine may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve any of the obligations imposed hereunder.
- g. Pay all fees and charges required by the City or any other local or State agency required for the operation of a cannabis testing laboratory.
- h. Comply with all state and local laws and regulations, including but not limited to the requirements of this Chapter and of the permit.
- i. Obtain a valid state license allowing for the operation of a cannabis testing laboratory.
- j. Apply for and obtain a City of Irvine business license.

#### **Section 4-22-008 Operational Requirements**

Each cannabis testing laboratory shall comply with each of the following operational requirements. Failure to do so may be grounds for permit suspension or revocation pursuant to Section 4-22-010, and/or denial of a permit renewal application.

1. Conform with the City's general plan, any applicable specific plans, master plans, and design requirements.
2. Comply with all applicable zoning and related development standards.

3. Be constructed in a manner that minimizes odors to surrounding uses, and promotes quality design and construction, and consistency with the surrounding properties.
4. Be adequate in size and shape to accommodate the yards, walls, fences, parking and loading facilities, landscaping and all items required for the development.
5. Be served by highways adequate in width and improved as necessary to carry the kind and quantity of traffic such use will generate.
6. Be provided with adequate electricity, sewerage, disposal, water, fire protection and storm drainage facilities for the intended purpose.
7. Continue to maintain sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis or cannabis products at the cannabis testing lab, consistent with state law and subject to the approval of the Chief of Police.
8. The cannabis testing lab shall cooperate with the City whenever the City Manager or his/her designee(s) makes a request, upon reasonable notice to the cannabis testing lab, to inspect or audit the effectiveness of any security plan or of any other requirement of this Division.
9. A cannabis testing lab shall notify the Chief of Police or his/her designee(s) within twenty-four (24) hours after discovering any of the following:
  - a. Significant discrepancies identified during inventory. The level of significance shall be determined by the regulations promulgated by the Chief of Police or his/her designee(s).
  - b. Diversion, theft, loss, or any criminal activity involving the cannabis testing lab or any agent or employee of the cannabis testing lab.
  - c. The loss or unauthorized alteration of records related to cannabis, registering qualifying patients, primary caregivers, or employees or agents of the cannabis testing lab.
  - d. Any other breach of security.
10. Pay all sales, use, business and other applicable taxes, and all license, registration, and other fees required under federal, state and local law. Each cannabis testing lab shall cooperate with City with respect to any reasonable request to audit the cannabis testing lab's books and records for the purpose of verifying compliance with this section, including but not limited to a verification of the amount of taxes required to be paid during any period.

11. Maintain accurate books and records in an electronic format, detailing all of the revenues and expenses of the business, and all of its assets and liabilities. Each cannabis testing lab shall allow City of Irvine officials to have access to the business's books, records, accounts, together with any other data or documents relevant to its permitted commercial cannabis activities, for the purpose of conducting an audit or examination. Books, records, accounts, and any and all relevant data or documents will be produced no later than twenty-four (24) hours after receipt of the City's request, unless otherwise stipulated by the City. The City may require the materials to be submitted in an electronic format that is compatible with the City's software and hardware.
12. Prohibit the consumption or sampling of cannabis by any testing lab employee, visitor, operator or vendor on the premises of the cannabis testing lab.
13. No cannabis or cannabis products or graphics depicting cannabis or cannabis products shall be visible from the exterior of any property issued a cannabis testing lab permit, or on any of the vehicles owned or used as part of the cannabis testing lab. No outdoor storage of cannabis or cannabis products is permitted at any time. Any and all signage and notices at the property must be consistent with state law and the City's Zoning Code.
14. Create a management inventory tracking system to track and report on all aspects of the cannabis testing lab including, but not limited to, such matters as cannabis tracking, inventory data, gross sales (by weight and by sale) and other information which may be deemed necessary by the City. The cannabis testing lab shall ensure that such information is compatible with the City's record-keeping systems. In addition, the system must have the capability to produce historical transactional data for review. Any system selected must be consistent with state law.
15. Provide the City Manager or his/her designee(s) with the name, telephone number (both land line and mobile, if available) of an on-site employee or owner to whom emergency notice can be provided at any hour of the day.
16. Prohibit any person under the age of twenty-one (21) years old from entering upon the cannabis testing laboratory premises or be employed by the laboratory. The entrance to the cannabis testing lab shall be clearly and legibly posted with a notice that no person under the age of twenty-one (21) years of age is permitted to enter upon the premises of the cannabis testing lab.
17. Display the original copy of the cannabis testing lab permit issued by the City and the State, as well as the City Business License inside the cannabis testing lab in a location readily-visible to the public.

18. Prohibit loitering by persons outside the facility both on the premises and within fifty (50) feet of the premises.
19. Conduct all testing in a manner pursuant to Business and Professions Code 26100 and subject to state and local law.
20. Prohibit the sale, dispensing, or consumption of alcoholic beverages on or about the premises of the cannabis testing lab, and prohibit the sale of all tobacco products on the premises of the cannabis testing lab.
21. The City Manager or his/her designee may develop other cannabis testing lab operational requirements or regulations as are determined to be necessary to protect the public health, safety and welfare.

#### **Section 4-22-009. Expiration of Cannabis Testing Lab Permits.**

Each cannabis testing lab permit issued pursuant to this Chapter shall expire twelve (12) months after the date of its issuance. Cannabis testing lab permits may be renewed as provided in Section 4-22-011.

#### **Section 4-22-010. Suspension or Revocation of Permits.**

Cannabis testing lab permits may be suspended or revoked by the City Manager for any violation of any State or local law, rule, regulation and/or standard, including but not limited to the requirements set forth in this Division, the City's Municipal Code, and the City's Zoning Code. Cannabis testing lab permits may be suspended or revoked by the City Manager if it is determined that the Applicant falsified or misrepresented information on its cannabis testing lab permit application and/or for its failure to comply with the operating requirements set forth in Section 4-22-008.

Suspension of a license issued by the State of California, or by any of its departments or divisions, shall immediately suspend the ability of a cannabis testing lab to operate within the City. The City may, in its sole and absolute discretion, reinstate the testing laboratory permit if the State of California, or its respective department or division, reinstates or reissues the State license. Should the State of California, or any of its departments or divisions, revoke or terminate the license of a cannabis testing lab, such revocation or termination shall also revoke or terminate the ability of a cannabis testing lab to operate within the City of Irvine.

The City Manager's determination to suspend or revoke a permit may be appealed pursuant to Section 4-22-012 *et seq.*

#### **Section 4-22-011. Renewal Applications.**

- (a) An application for renewal of a cannabis testing lab permit shall be filed at least sixty (60) calendar days prior to the expiration date of the current permit.
- (b) The renewal application shall contain all the information required for new applications, and shall be subject to the same site inspection and city staff approvals required for new applications.
- (c) The applicant shall pay a fee in an amount to be set by the City Council to cover the costs of processing the renewal permit application, together with any costs incurred by the City to administer the program created under this Division.
- (d) An application for renewal of a cannabis testing lab permit may be rejected for any reason, including but not limited to the following:
  - (1) The application is filed less than sixty (60) days before its expiration.
  - (2) The cannabis testing lab permit is suspended or revoked at the time of the application.
  - (3) The cannabis testing lab has not been in regular and continuous operation in the four (4) months prior to the renewal application.
  - (4) The cannabis testing lab has failed to conform to the requirements of this Division, or of any regulations adopted pursuant to this Division.
  - (5) The permittee fails or is unable to renew its State of California license.
  - (6) The City or State has determined that the permittee or applicant is in violation of the requirements of this Chapter, of the City's Municipal Code, or of the State rules and regulations, and the City or state has determined that the violation is grounds for termination or revocation of the cannabis testing lab permit.
- (e) The City Manager or his/her designee(s) is authorized to make all decisions concerning the issuance and/or renewal of a cannabis lab permit. In making the decision, the City Manager or his/her designee(s) is authorized to impose additional conditions to any permit, if it is determined to be necessary to ensure compliance with state or local laws and regulations or to preserve the public health, safety or welfare. Appeals from the decision of the City Manager or his/her designee(s) shall be handled pursuant to Section 4-22-012 *et seq.*

- (f) If a renewal application is rejected, a person may file a new application pursuant to this Chapter no sooner than one (1) year from the date of the rejection.

#### **Section 4-22-012. Appeals**

Unless specifically provided elsewhere to the contrary, whenever an appeal is provided for in this Division from a decision of the City Manager or his/her designee(s), the appeal shall be conducted as prescribed in this Division.

#### **Section 4-22-013. Written request for Appeal.**

- (a) Within ten (10) calendar days after the date of a decision of the City Manager or his/her designee(s) to revoke, suspend or deny a permit, or to add conditions to a permit, the applicant may appeal such action by filing a written appeal with the City Clerk setting forth the reasons why the decision was not proper.
- (b) At the time of filing, the appellant shall pay the designated appeal fee, established by resolution of the City Council from time to time.

#### **Section 4-22-014. Appeal Hearing.**

- (a) Upon receipt of the written appeal, the City Clerk shall set the matter for a hearing before the City Council. The City Council shall hear the matter de novo, and shall conduct the hearing pursuant to the procedures set forth by the City.
- (b) The appeal shall be held within a reasonable time after the date of filing. The City shall notify the appellant of the time and location at least ten (10) days prior to the date of the hearing.
- (c) At the hearing, the appellant may present any information they deem relevant to the decision appealed. The formal rules of evidence and procedure applicable in a court of law shall not apply to the hearing.
- (d) At the conclusion of the hearing the City Council may affirm, reverse or modify the decision appealed. The decision of the City Council shall be final.

#### **Section 4-22-015 Change in information; updated registration form.**

Within ten (10) calendar days of any other change in the information provided in the cannabis testing lab permit application form or any change in status of compliance with the provisions of this Division, the applicant shall file an updated application form with

the City Manager or his/her designee(s) for review along with an application amendment fee.

**Section 4-22-016. Transfer of Cannabis Business Permit and Changes in Ownership Prohibited.**

- (a) The owner of a cannabis testing lab permit shall not transfer ownership or control of the cannabis testing lab permit to another person or entity.
- (b) Changes in ownership of a permittee's business structure or a substantial change in the ownership of a permittee business entity (changes that result in a change of more than 51 percent of the original ownership) are prohibited.
- (c) A permittee may change the form of business entity, provided that either the membership of the new business entity is substantially similar to original permit holder business entity (at least 51 percent of the membership is identical), provided the permit holder is required to notify the City Manager in writing of the change within ten (10) days of the change. Failure to comply with this provision is grounds for permit revocation.
- (d) Any attempt to transfer a cannabis testing lab permit or change the ownership of the permittee's business structure either directly or indirectly in violation of this section is hereby declared void, and such a purported transfer shall be deemed a ground for revocation of the permit.

**Section 4-22-017. Promulgation of Regulations, Standards and Other Legal Duties.**

In addition to any regulations adopted by the City Council, the City Manager or his/her designee is authorized to establish any additional rules, regulations and standards governing the issuance, denial or renewal of cannabis testing lab permits, the ongoing operation of cannabis testing labs and the City's oversight, or concerning any other subject determined to be necessary to carry out the purposes of this Chapter.

**Section 4-22-018. Fees Deemed Debt to City of Irvine.**

The amount of any fee, cost or charge imposed pursuant to this Chapter shall be deemed a debt to the City of Irvine that is recoverable via an authorized administrative process as set forth in the Municipal Code, or in any court of competent jurisdiction.

**Section 4-22-019. Permit Holder, Owners, Operators Responsible for Violations.**

The person to whom a permit is issued pursuant to this Chapter, as well as each and every owner and operator of a cannabis testing laboratory shall be responsible for all

violations of the laws of the State of California or of the regulations and/or the ordinances of the City of Irvine, whether committed by the permittee or any employee or agent of the permittee, which violations occur in or about the premises of the cannabis testing lab whether or not said violations occur within the permit holder's presence.

**Section 4-22-020. Inspection and Enforcement.**

- (a) The City Manager, Chief of Police or his/her designee(s) charged with enforcing the provisions of the Irvine Municipal Code, or any provision thereof, may enter the location of a cannabis testing lab at any time, without notice, and inspect the location of any cannabis testing lab as well as any recordings and records required to be maintained pursuant to this Division or under applicable provisions of State law.
- (b) It is unlawful for any person having responsibility over the operation of a cannabis testing lab, to impede, obstruct, interfere with, or otherwise not to allow, the City to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a cannabis testing lab under this Division or under state or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a cannabis testing lab under this Division or under state or local law.

**Section 4-22-021. Violations declared a public nuisance.**

Each and every violation of the provisions of this Division is hereby deemed unlawful and a public nuisance.

**Section 4-22-022. Each violation a separate offense.**

Each and every violation of this Chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the Irvine Municipal Code. Additionally, as a nuisance per se, any violation of this Chapter shall be subject to injunctive relief, any permit issued pursuant to this Chapter being deemed null and void, disgorgement and payment to the City of any monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or in equity. The City of Irvine may also pursue any and all remedies and actions available and applicable under state and local laws for any violations committed by the cannabis testing lab or persons related to, or associated with, the cannabis testing lab activity. Additionally, when there is determined to be an imminent threat to public health, safety or welfare, the City Manager, Chief of Police or his/her designee(s), may take immediate action to temporarily suspend a cannabis testing lab permit issued by the City, pending a hearing before the City Council.

**Section 4-22-023. Criminal Penalties.**



Each and every violation of the provisions of this Chapter may in the discretion of the District Attorney be prosecuted as a misdemeanor and upon conviction be subject to a fine not to exceed one thousand dollars (\$1,000) or imprisonment in the county jail for a period of not more than twelve (12) months, or by both such fine and imprisonment. Each day a violation is committed or permitted to continue shall constitute a separate offense.

**Section 4-22-024. Remedies cumulative and not exclusive.**

The remedies provided herein are not to be construed as exclusive remedies. The City is authorized to pursue any proceedings or remedies provided by law.

**SECTION 3:** CEQA Determination. In adopting this Ordinance, the City Council finds that the project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Title 14 California Code of Regulations Sections 15061(b)(3) and 15378, in that it can be seen with certainty that the Municipal Code amendments propose no activity that may have a significant effect on the environment and will not cause a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In addition, the adoption of the proposed ordinance is exempt under the California Environmental Quality Act pursuant to Business & Professions Code section 26055(h), because, if approved, it will require all applicants to comply with CEQA prior to the issuance of the cannabis testing lab permit.

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

PASSED AND ADOPTED by the City Council of the City of Irvine at a regular meeting held on the \_\_\_\_\_ day of \_\_\_\_\_ 2018.

\_\_\_\_\_  
MAYOR OF THE CITY OF IRVINE

ATTEST:

\_\_\_\_\_  
CITY CLERK OF THE CITY OF IRVINE

STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) SS  
CITY OF IRVINE )

I, Molly McLaughlin, City Clerk of the City of Irvine, HEREBY DO CERTIFY that the foregoing Ordinance was introduced for first reading on the 23rd day of January 2018, and duly adopted at a regular meeting of the City Council of the City of Irvine held on the \_\_\_\_ day of \_\_\_\_\_ 2018.

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

\_\_\_\_\_  
CITY CLERK OF THE CITY OF IRVINE

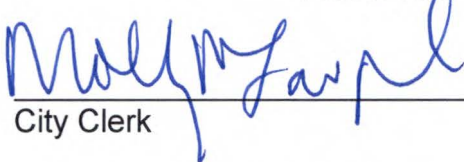
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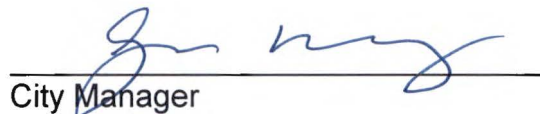


## REQUEST FOR CITY COUNCIL ACTION

**MEETING DATE:** FEBRUARY 27, 2018

**TITLE:** SECOND READING AND ADOPTION OF ORDINANCE NO. 18-03 APPROVING ZONE CHANGE (00672334-PZC) TO TEMPORARILY SUSPEND CERTAIN PROVISIONS IN DIVISION 7, SIGNS, OF THE ZONING ORDINANCE RELATED TO OFF-PREMISES ADVERTISING ON THE IRVINE AUTO CENTER'S ELECTRONIC FREEWAY SIGN AND ESTABLISHING A PILOT PROGRAM TO ALLOW LIMITED OFF-PREMISES ADVERTISING ON THE IRVINE AUTO CENTER'S ELECTRONIC FREEWAY SIGN, SUBJECT TO APPROVAL OF A TEMPORARY SIGN PERMIT; FILED BY THE AUTO CENTER COMMUNITY ASSOCIATION

  
City Clerk

  
City Manager

### RECOMMENDED ACTION

Read by title only, second reading and adoption of ORDINANCE NO. 18-03 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, APPROVING ZONE CHANGE (00672334-PZC) TO TEMPORARILY SUSPEND CERTAIN PROVISIONS IN DIVISION 7, SIGNS, OF THE ZONING ORDINANCE RELATED TO OFF-PREMISES ADVERTISING ON THE IRVINE AUTO CENTER'S ELECTRONIC FREEWAY SIGN AND ESTABLISHING A PILOT PROGRAM TO ALLOW LIMITED OFF-PREMISES ADVERTISING ON THE IRVINE AUTO CENTER'S ELECTRONIC FREEWAY SIGN, SUBJECT TO APPROVAL OF A TEMPORARY SIGN PERMIT; FILED BY THE AUTO CENTER COMMUNITY ASSOCIATION

### EXECUTIVE SUMMARY

On January 23, 2018, the City Council introduced for first reading an ordinance approving Zone Change 00672334-PZC to temporarily suspend certain provisions in Division 7, Signs, of the Zoning Ordinance related to off-premises advertising on the Irvine Auto Center's electronic freeway sign and establishing a pilot program to allow limited off-premises advertising on the Irvine Auto Center's electronic freeway sign, subject to approval of a temporary sign permit; filed by the Auto Center Community Association. After introduction, modifications were made to the language in Exhibit A of the Ordinance as follows (noted in bold, underline and strikethrough):

**Three Year Pilot Program for Sign Type #26A:** Subject to approval of a temporary sign permit pursuant to Chapter 2-29 of this Zoning Ordinance, the electronic, LED digital display on the pylon sign authorized as part of Sign Type #26A may display off-premises advertising up to 25 percent of the total time. The term of any temporary sign permit issued pursuant to this pilot program shall ~~not exceed six (6) months or the remaining term of this pilot program, whichever is less~~ **be one (1) year and any extension of the term of the temporary sign permit shall end coterminous with the expiration of the pilot program.** As a condition of approval of any temporary sign permit for off-premises advertising, the permit holder shall agree to allow the City of Irvine to use the electronic, LED digital display to display public service messages up to 10 percent of the total time. To the extent, this pilot program is inconsistent with any provision in the Zoning Ordinance, including without limitation the regulations relating to Sign Type #26A and Section 7-2-3.A.7 relating to “off-premises commercial messages,” the terms of this pilot program shall prevail during the term of the pilot program. The term of this pilot program shall end March 15, 2021. **Staff shall provide a report to the City Council as to the status of the pilot program at the end of each year of the pilot program.**

The motion to introduce Ordinance No. 18-03 **as amended** for first reading carried by the following vote:

AYES: 3 COUNCILMEMBERS: Fox, Shea and Wagner

NOES: 1 COUNCILMEMBERS: Lalloway

ABSENT: 1 COUNCILMEMBERS: Schott

ABSTAIN: 0 COUNCILMEMBERS: None

Unless otherwise directed by a Member of the City Council, the vote at second reading will reflect the same vote as at the first reading. However, if a Councilmember was absent at first reading, his or her vote cast at second reading will be reflected. If a Councilmember is not present at the second reading/adoption, the vote will be reflected as absent.

**REPORT PREPARED BY** Molly McLaughlin, City Clerk

## **ATTACHMENT**

City Council Ordinance No. 18-03

CITY COUNCIL ORDINANCE NO. 18-03

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, APPROVING ZONE CHANGE (00672334-PZC) TO TEMPORARILY SUSPEND CERTAIN PROVISIONS IN DIVISION 7, SIGNS, OF THE ZONING ORDINANCE RELATED TO OFF-PREMISES ADVERTISING ON THE IRVINE AUTO CENTER'S ELECTRONIC FREEWAY SIGN AND ESTABLISHING A PILOT PROGRAM TO ALLOW LIMITED OFF-PREMISES ADVERTISING ON THE IRVINE AUTO CENTER'S ELECTRONIC FREEWAY SIGN, SUBJECT TO APPROVAL OF A TEMPORARY SIGN PERMIT; FILED BY THE AUTO CENTER COMMUNITY ASSOCIATION

WHEREAS, subject to two narrow exceptions, Division 7, Signs, of the City of Irvine's Zoning Ordinance (the "Sign Ordinance") prohibits "off-premises commercial signs" on the basis that, left unchecked, off-premises commercial signs (such as billboards) detract from the visual environment, add to a sense of clutter, create driver confusion, distract drivers (creating potential safety hazards), contribute to traffic congestion, and discourage economic vitality; and

WHEREAS, the Auto Center Community Association has filed an application for Zone Change 00672334-PZC to amend the City's Sign Ordinance to allow off-premises advertising on the Irvine Auto Center's existing electronic freeway sign ("Sign Type #26A" in Chapter 7-3 of the Zoning Ordinance), and the proposed amendments to the Irvine Zoning Ordinance are attached hereto as Exhibit "A" and incorporated herein by this reference (the "Zone Change"); and

WHEREAS, in 1993, the City approved a zone change and granted approval to the Auto Center Community Association to construct an electronic freeway sign, provided the sign only display messages pertaining to the Irvine Auto Center, public service announcements, and Caltrans information, and those approvals are currently codified in Irvine's Zoning Ordinance at Section 7-3-1.B (Sign Type #26A) ; and

WHEREAS, in connection with its 1993 approvals, the City found that the electronic freeway sign: (1) encouraged the economic viability and visual vitality of the Irvine Auto Center, and (2) acted as an entry marker alerting freeway commuters that they have entered the City of Irvine; and

WHEREAS, since 1993, the internet has created monumental change in the retail market by significantly changing how consumers gather information about and shop for retail goods and durable goods, including automobiles; and

WHEREAS, particularly for automobile sales, the internet is capable of bringing a

virtual dealership to the customer, making it easier to comparison shop for the best price over wider regions than at any time in the past; and

WHEREAS, this shift in consumer behavior for the purchase of durable goods like automobiles has reduced the effectiveness of traditional automobile advertisements on the Irvine Auto Center's electronic freeway sign, resulting in a much more competitive marketplace; and

WHEREAS, succeeding in this new environment requires the Irvine Auto Center to think creatively to capture the attention of potential customers from a broader region; and

WHEREAS, monetizing the existing electronic freeway sign by selling off-premises advertisements can generate revenue for the Irvine Auto Center, and the Auto Center Community Association has committed to use this revenue to purchase other forms of advertisements in television, print, radio, and social formats to expand the Irvine Auto Center's marketing reach many times more than the stationary electronic freeway sign can; and

WHEREAS, circa 2014, the Auto Center Community Association began using its existing electronic freeway sign for off-premises advertising, and as a result, the City initiated a code enforcement action; and

WHEREAS, this Zone Change application seeks amendments to the City's Sign Ordinance to allow the Irvine Auto Center to continue to display off-premises advertising on its electronic freeway sign; and

WHEREAS, the Irvine Auto Center submitted documentation showing percentage increases in year-over-year auto sales since initiating off-premises advertising in 2014; and

WHEREAS, as set forth in more detail in Exhibit "A," the proposed Zone Change would temporarily suspend parts of Division 7, Signs of the Irvine Zoning Ordinance that prohibit off-premises commercial messages on Sign Type #26A and establish a pilot program to allow limited off-premises advertising on Sign Type #26A, subject to approval of a temporary sign permit; and

WHEREAS, the Zone Change is considered a "project" pursuant to the California Environmental Quality Act (CEQA); and

WHEREAS, it has been determined that the proposed Zone Change is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15301 (Class 1 – Existing Facilities) which, among other things, applies to the "permitting" and "minor alteration" of private structures that involve negligible or no expansion of use beyond the existing use, and the proposed Zone Change is also exempt from environmental review under CEQA Guidelines Section 15061(b)(3)'s "general rule" that CEQA applies only to projects that have the potential for causing a significant effect on the environment; and

WHEREAS, the Planning Commission of the City of Irvine held a duly-noticed public hearing on a prior version of the proposed Zone Change on February 2, 2017, March 2, 2017 and July 6, 2017 (which contemplated permanent amendments to the Irvine Zoning Ordinance to allow off-premises advertising on Sign Type #26A), and after considering information presented by the applicant, the Community Development Department, and other interested parties, the Planning Commission recommended that the City Council deny the application for that version of the proposed Zone Change; and

WHEREAS, the City Council of the City of Irvine held a duly-noticed public hearing on the prior version of the proposed Zone Change on August 8, 2017, September 26, 2017, November 14, 2017, December 11, 2017, and January 9, 2018 (which, again, contemplated permanent amendments to the Irvine Zoning Ordinance), and at that public hearing, the City Council considered information presented by the applicant, the Community Development Department, and other interested parties, and at each of those meetings, the City Council continued the public hearing on that version of the proposed Zone Change; and

WHEREAS, the City Council of the City of Irvine held a duly-noticed continued public hearing on the current version of the proposed Zone Change on January 23, 2018 (which contemplates a temporary pilot program, as opposed to permanent amendments to the Irvine Zoning Ordinance), and at that continued public hearing, the City Council considered information presented by the applicant, the Community Development Department, and other interested parties.

NOW, THEREFORE, the City Council of the City of Irvine DOES HEREBY ORDAIN as follows:

SECTION 1. The above recitals are true and correct and incorporated herein.

SECTION 2. Pursuant to Section 4 of the City of Irvine California Environmental Quality Act (CEQA) procedures and Article 5 of the CEQA Guidelines, it has been determined that the proposed Zone Change is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15301 (Class 1 – Existing Facilities) which, among other things, applies to the “permitting” and “minor alteration” of private structures that involve negligible or no expansion of use beyond the existing use. The Zone Change will allow off-premises advertising on an existing private structure — the Irvine Auto Center’s electronic freeway sign. The structure will not change; rather, the Zone Change will create a pilot program that temporarily allows off-premises commercial messages to be displayed on the sign’s electronic reader board, subject to approval of a temporary sign permit. The proposed Zone Change is also exempt from environmental review under CEQA Guidelines Section 15061(b)(3)’s “general rule” that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Here, it can be seen with certainty that there is no possibility that temporarily allowing a broader assortment of messages to be displayed on the sign, in and of itself, will have a significant effect on the environment.



SECTION 3. The findings required for approval of a Zone Change as set forth in Section 2-38-7 of the City of Irvine Zoning Ordinance have been made as follows:

A. The proposed Zone Change is consistent with the City of Irvine General Plan.

Irvine's General Plan establishes the City long-range vision. Holistically, the City's General Plan provides the urban design framework for the City. Components of this theme consist of a mix of land uses with unique image and character including natural and manmade features. Implementation of the General Plan's policies and standards through application of the Zoning Ordinance creates a cohesive yet diversified image and identity for the community. The Sign Ordinance's general prohibition against off-premises commercial signs furthers General Plan objectives and policies that signage encourage economic development, promote traffic safety, be appropriate to its surroundings, and contribute to the community's identity. In jurisdictions with less stringent standards, off-premises signage has detracted from the visual environment, added to a sense of clutter, created driver confusion, distracted drivers (creating potential safety hazards), contributed to traffic congestion, and discouraged economic vitality.

The Zone Change's temporary exception to the general prohibition against off-premises advertising is very narrowly tailored — it only applies to a single sign (*i.e.*, the Auto Center's electronic freeway sign) at large commercial center (449,715 square feet) on a large parcel (50.2 acres) that is situated on a heavily trafficked freeway (the I-5 freeway) at a gateway to the City (on the border of Irvine and Lake Forest). Under these circumstances, the Zone Change will not detract from the visual environment, add to a sense of clutter, create driver confusion, distract drivers, contribute to traffic congestion, or discourage economic vitality.

Moreover, the Zone Change is consistent with Objective A-2 and Policies (f) of both Objectives A-4 and A-5 of the Land Use Element of the General Plan, each of which encourage the creation of viable commercial centers, successful manufacturing areas, and dynamic employment centers. Temporarily allowing off-premises advertising on a single sign for a reasonable and limited amount of the sign's total on-air time (25 percent) is consistent with Objective A-2 and both Policies (f). An increased advertising reach is likely to lead to improved sales at the Irvine Auto Center. This has been demonstrated in the years since the Auto Center began its off-site advertising program circa 2014. In turn, this keeps the City's commercial centers vibrant and provides employment opportunities for area residents. Additionally, the applicant indicates that it plans to use the revenue it receives from offsite advertising to promote the Irvine Auto Center in different media formats (e.g., radio, television, print, internet/social, etc.). This, too, would promote business interests. The increased promotional activities (funded by offsite advertising) would likely result in year-over-year sales increases for the Irvine Auto Center and retain or improve regional employment opportunities for those engaged in automotive- and advertising-related professions.

- B. The proposed Zone Change is consistent with any applicable concept plan.

The project is not associated with a Concept Plan.

- C. The proposed Zone Change meets all the requirements set forth within division 8 for the dedication of permanent open space through a specified phased implementation program for affected planning areas and zoning districts.

The proposed amendment does not involve development that is required to dedicate open space.

- D. The proposed Zone Change is in the best interest of the public health, safety, and welfare of the community.

Irvine's general prohibition against off-premises commercial signs is critical to maintaining Irvine's high standard for community aesthetics. Irvine's Sign Ordinance recognizes that "signs and other graphics are an essential element of any community. As such, their location, number, size and design have a significant influence upon a community's visual environment and a resultant effect upon a viewer's perception of that community. With proper regulation, signs and other graphics may be designed and displayed to effectively communicate their message and add a sense of vitality and originality to a site while continuing to be appropriate to their surroundings. Signs so designed and displayed can contribute to community identity, promote traffic safety, encourage economic development, and help to create a community which is efficiently organized and visually attractive." As noted above, in jurisdictions with less stringent standards, off-premises signage has detracted from the visual environment, added to a sense of clutter, created driver confusion, distracted drivers (creating potential safety hazards), contributed to traffic congestion, and discouraged economic vitality.

However, temporarily allowing off-premises advertising on a single sign at large commercial center on a large parcel situated on a heavily trafficked freeway at a gateway to the City for a reasonable and limited amount of the sign's total on-air time will not detract from the visual environment, add to a sense of clutter, create driver confusion, distract drivers, contribute to traffic congestion or discourage economic vitality. The Auto Center Community Association has provided documentation that off-site advertising has increased sales at the Auto Center, and the Association has committed to continue to use the revues generated by off-site advertising to promote their businesses. Ensuring the economic viability of the Irvine Auto Center is in the best interest of the public health, safety, and welfare of the community. A vibrant economy is critically important to the City's success. This Zone Change supports those efforts by potentially providing improved sales tax revenue and job opportunities for people in fields related to advertising, vehicle sales, vehicle repair, or other retail fields.

- E. Based upon information available at the time of approval, adequate sewer and water lines, utilities, sewage treatment capacity, drainage facilities, police protection, fire protection/emergency medical care, vehicular circulation and school facilities will be available to serve the area affected by the proposed Zone Change when development occurs.

The proposed amendment does not involve development that would require new or modified supporting infrastructure.

- G. If the proposed Zone Change affects land located within the coastal zone, the proposed Zone Change will comply with the provisions of the land use plan of the certified local coastal program.

The proposed amendment applies to the Irvine Auto Center, which, pursuant to Attachment 2 of Irvine's 1982 certified Local Coast Plan, is not located in the coastal zone.

SECTION 4. That the City Clerk shall enter this Ordinance into the book of original Ordinances.

NOW, THEREFORE, based on the above findings, the City Council of the City of Irvine DOES HEREBY APPROVE Zone Change 00672334-PZC, amending the Zoning Ordinance's applicable text consistent with Exhibit "A."

PASSED AND ADOPTED by the City Council of the City of Irvine at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_, 2018.

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MAYOR OF THE CITY OF IRVINE

ATTEST:

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CITY CLERK OF THE CITY OF IRVINE

STATE OF CALIFORNIA    )  
COUNTY OF ORANGE    ) SS  
CITY OF IRVINE         )

I, MOLLY MCLAUGHLIN, City Clerk of the City of Irvine, HEREBY DO CERTIFY that the foregoing ordinance was introduced for first reading on the 23<sup>rd</sup> day of January, 2018, and duly adopted at a regular meeting of the City Council of the City of Irvine held on the \_\_\_\_ day of \_\_\_\_\_ 2018.

AYES:                   COUNCILMEMBERS:

NOES:                   COUNCILMEMBERS:

ABSENT:                COUNCILMEMBERS:

ABSTAIN:               COUNCILMEMBERS:

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CITY CLERK OF THE CITY OF IRVINE

## EXHIBIT A

*The regulations for “Sign Type #26A” set forth in Section 7-3-1.B of the Irvine Ordinance are hereby amended as follows:*

**Sign #26A:** One (1) 75-foot high, illuminated Auto Center identification pylon sign, located on Auto Center Drive adjacent to I-5 Freeway, maximum 1100 square feet per sign face, with a static Auto Center identification panel and a full color, electronic, LED digital display providing Auto Center information, public service messages, and Caltrans information, consistent with Caltrans regulations (e.g. minimum four [4] second message duration with instant transitions), with color light emitting diodes (red, green, and blue). Subject to Planning Commission approval.

**Three Year Pilot Program for Sign Type #26A:** Subject to approval of a temporary sign permit pursuant to Chapter 2-29 of this Zoning Ordinance, the electronic, LED digital display on the pylon sign authorized as part of Sign Type #26A may display off-premises advertising up to 25 percent of the total time. The term of any temporary sign permit issued pursuant to this pilot program shall be one (1) year and any extension of the term of the temporary sign permit shall end coterminous with the expiration of the pilot program. As a condition of approval of any temporary sign permit for off-premises advertising, the permit holder shall agree to allow the City of Irvine to use the electronic, LED digital display to display public service messages up to 10 percent of the total time. To the extent, this pilot program is inconsistent with any provision in the Zoning Ordinance, including without limitation the regulations relating to Sign Type #26A and Section 7-2-3.A.7 relating to “off-premises commercial messages,” the terms of this pilot program shall prevail during the term of the pilot program. The term of this pilot program shall end March 15, 2021. Staff shall provide a report to the City Council as to the status of the pilot program at the end of each year of the pilot program.

2.1

RECEIVED  
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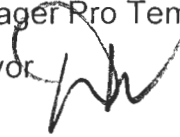
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CITY OF IRVINE  
CITY MANAGER'S OFFICE

# Memo

To: Grace Leung, City Manager Pro Tempore  
From: Donald P. Wagner, Mayor   
Date: February 20, 2018  
Re: **Proposed City Charter and General Plan Amendments**

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Please place on the February 27, 2018, City Council agenda a business item that will allow the City Council to consider and provide direction on two proposed good government ballot initiatives that would amend the City Charter and the General Plan to protect Irvine taxpayers. The Irvine City Council is authorized by the California Constitution, Irvine City Charter, and by state statute, to submit proposed amendment to the Irvine City Charter to the qualified electors of the City of Irvine at a special municipal election to be held the same date as the June 5, 2018, statewide primary election.

The first proposed amendment to the City Charter would increase the vote requirement necessary of the City Council from the current majority vote (in most cases) to a two-thirds vote of the total membership of the City Council for all measures that propose either general or special taxes.

The second City Charter Amendment would restrict special interest groups from manipulating the electorate to impose additional requirements on approved development projects that provide the City with specified fiscal benefits.

Resolutions and the proposed texts of the ballot measures are attached. Please include these with all materials otherwise to be made public in advance of the council meeting so as to provide the public with sufficient advanced notice to permit meaningful public input on these two good government measures at the meeting.

cc: City Council  
City Clerk  
City Attorney

CITY COUNCIL RESOLUTION NO. 18-\_\_

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

- (1) CALLING AND GIVING NOTICE OF THE HOLDING OF A SPECIAL MUNICIPAL ELECTION ON TUESDAY JUNE 5, 2018 TO COINCIDE WITH THE STATEWIDE PRIMARY ELECTION SCHEDULED FOR SUCH SAME DATE AND ORDERING THE SUBMISSION OF A PROPOSED AMENDMENT TO THE CITY CHARTER TO THE ELECTORS OF SAID CITY AT SAID ELECTION (MEASURE NO. \_\_ – REQUIRE 2/3 VOTE OF THE CITY COUNCIL TO PROPOSE TAXES); AND
- (2) REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF ORANGE TO CONSOLIDATE A SPECIAL MUNICIPAL ELECTION TO BE HELD ON JUNE 5, 2018 WITH THE STATEWIDE PRIMARY ELECTION TO BE HELD ON THE DATE PURSUANT TO SECTION 10403 OF THE ELECTIONS CODE

WHEREAS, a regularly scheduled Statewide Primary Election will be held in California on June 5, 2018. Under provisions of the laws relating to general law and charter cities in the State of California, the City Council is authorized to call a Special Municipal Election on the same date; and

WHEREAS pursuant to authority provided by Section 3 of Article XI of the Constitution of the State of California, Section XXX of the Irvine City Charter, and Section 1415(a)(2) of the Elections Code of the State of California, the City Council of the City of Irvine desires to submit to the qualified electors of the City of Irvine a proposed amendment to the Irvine City Charter that increases the vote requirement necessary for the City Council to present to the voters most City Council sponsored proposals that impose, increase or extend a tax, from the current majority vote (in most cases) to a two-thirds vote of the total membership of the City Council.

NOW, THEREFORE, the City Council of the City of Irvine DOES HEREBY RESOLVE as follows:

SECTION 1. Pursuant to Section 3 of Article XI of the California Constitution, Section 903 of the Irvine City Charter and Section 1415(a)(2) of the Elections Code of the State of California, there is called and ordered to be held in the



City of Irvine on Tuesday, June 5, 2018, a special municipal election for the purpose of submitting to the voters at said election the following question:

<b>MEASURE --</b> <b>REQUIRE 2/3 VOTE OF THE CITY COUNCIL TO PROPOSE TAXES.</b> Shall Section XXX be added to the Irvine City Charter to require at least a two-thirds vote of the total City Council membership in order to place City Council sponsored general or special tax proposals on a ballot for voter consideration?	Yes	
	No	

SECTION 2. The text of the proposed Charter Amendment (with additions to and deletions from the current Charter text indicated thereon) is set forth on Attachment No. 1 and is submitted to qualified electors of the City of Irvine for their approval or rejection at the Special Municipal Election to be held on June 5, 2018, within the boundaries of the City. The City Clerk shall keep one or more copies of the proposed measure available to the public for inspection at the office of the City Clerk. The measure shall be designated on the ballot by a letter printed on the left margin of the square containing the description of the measure as provided in the California Elections Code.

SECTION 2. That the ballots to be used at the June 5, 2018 election shall be in a form and content required by law.

SECTION 3. That the City Clerk is authorized, instructed and directed to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

SECTION 4. That the polls for the election shall be open at seven o'clock a.m. of the day of the election and shall remain open continuously until eight o'clock p.m. of the same day when the polls shall be closed pursuant to Elections Code Section 10242, except as provided in Section 14401 of the Elections Code of the State of California.

SECTION 5. That in all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 6. That the notice of the time and place of holding the election is hereby given and the City Clerk is hereby authorized, instructed and directed to give further or additional notice of the election, in such time, form and manner as required by law.

SECTION 7. Pursuant to the requirements of Section 10403 of the Elections Code, the Board of Supervisors of the County of Orange is hereby requested to consent

and agree to the consolidation of a Special Municipal Election with the Statewide Primary Election on Tuesday, June 5, 2018, for the purpose of submitting to the voters a Charter Amendment, as reflected by this Resolution calling an election for such purpose.

SECTION 8. The Orange County Registrar of Voters and/or the County Election Department is authorized to canvass the returns of the Special Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used.

SECTION 9. The Board of Supervisors is requested to issue instructions to the County Election Department to take any and all steps necessary for the holding of the consolidated election.

SECTION 10. The City of Irvine recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for any costs for services upon the presentation of a properly submitted bill.

SECTION 11. The City Clerk is hereby directed to file a certified copy of this resolution with the Board of Supervisors and the Registrar of Voters/Election Department of the County of Orange.

SECTION 12. The City Council determines, based on the entire record, that this action and the proposed ballot measure does not have the potential to have a physical effect on the environment and that there is no possibility that this action or the proposed ballot measure will have a significant effect on the environment. Therefore, pursuant to the California Environmental Quality Act (CEQA) and its implementing Guidelines (Cal. Pub. Res. Code § 21 065; 14 Cal. Code Regs. §§ 15060(c)(2), 15378(a)) this activity is not subject to CEQA. The City Council specifically finds, based on the record before it that the proposed ballot measure would not make revisions that involve physical impacts on the environment.

SECTION 13. The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

SECTION 14. That the City Clerk is authorized to administer said election and all reasonable and actual election expenses shall be paid by the City upon presentation of a properly submitted bill by the County of Orange.

PASSED AND ADOPTED by the City Council of the City of Irvine at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

---

MAYOR OF THE CITY OF IRVINE

CC RESOLUTION 18-XX

ATTEST:

\_\_\_\_\_  
CITY CLERK OF THE CITY OF IRVINE

STATE OF CALIFORNIA    )  
COUNTY OF ORANGE    ) SS  
CITY OF IRVINE         )

I, MOLLY MCLAUGHLIN, City Clerk of the City of Irvine, HEREBY DO CERTIFY that the foregoing resolution was duly adopted at a regular meeting of the City Council of the City of Irvine, held on the \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:

\_\_\_\_\_  
CITY CLERK OF THE CITY OF IRVINE



Attachment No. 1 to City Council Resolution Regarding  
Charter Amendment to  
Require 2/3 Vote of the City Council to Propose Taxes

CHARTER AMENDMENT MEASURE NO. \_\_\_\_

Section 1. Text of Charter Amendment. The City Charter of the City of Irvine is hereby amended as follows (underlining showing additions and ~~strike-through~~ showing deletions):

Section 904. City Council Sponsored Tax Proposals – 2/3 Vote Requirement.

Notwithstanding any conflicting provision of this Charter, no City Council sponsored proposal to impose, extend or increase a tax shall be presented at an election unless the ordinance or resolution proposing to impose, extend or increase such tax is approved by at least a two-thirds vote of the total members of the City Council. As used in this section, the term "tax" shall mean both a "general tax" and a "special tax" as defined in Article XIIC, Section 1, subdivisions (a) and (d), respectively, of the California Constitution.

Section 2: Ballot Description. As provided in Government Code section 34458.5, the following ballot description is included in this proposed Charter Amendment measure:

CHARTER AMENDMENT (Section 904): This Charter Amendment measure would amend the City Charter to add Section 904. Proposed Section 904 would require any tax proposal sponsored by the City Council that imposes, extends or increases a tax to be approved by at least a two-thirds vote of the total membership of the City Council in order to be presented to the voters at an election, whereas presently only a majority vote of the City Council is required to place most tax measures on the ballot for voter consideration. The term "tax" in proposed Section 904 means both "general" and "special" taxes as defined in Article XIIC of the California Constitution. A "general tax" is defined in the California Constitution as a tax imposed for general governmental purposes. A "special tax" is defined in the California Constitution as a tax imposed for specific purposes, including a tax imposed for a specific purpose which is placed into a general fund. This amendment does not give the City Council power to raise its compensation or that of other City officials without voter approval.

Section 3: Severability. It is the intent of the people that the provisions of this Charter Amendment measure are severable and that if any provision of this

Charter Amendment measure, or the application thereof to any person or circumstance, is held invalid such invalidity shall not affect any other provision or application of this Charter Amendment measure which can be given effect without the invalid provision or application.

Section 4: Effective Date. This Charter Amendment measure shall become effective in the manner allowed by law.

ADOPTED by the vote of the people of the City of Irvine on, \_\_\_\_\_ 2018 at a Special Municipal Election as certified by the City Council of the City of Irvine on the \_\_\_ day of June, 2018, and becomes effective 10 days thereafter on June \_\_, 2018.

ATTEST:

\_\_\_\_\_  
CITY CLERK OF THE CITY OF IRVINE

STATE OF CALIFORNIA    )  
COUNTY OF ORANGE    ) SS  
CITY OF IRVINE            )

I, MOLLY MCLAUGHLIN, City Clerk of the City of Irvine, HEREBY DO CERTIFY that the foregoing Charter Amendment was adopted by the voters of the City of Irvine as an initiative measure at an election held on June 5, 2018, as certified by the City Council of the City of Irvine on the \_\_\_ day of June, 2018, and that the ordinance becomes effective 10 days thereafter on June \_\_, 2018.

\_\_\_\_\_  
CITY CLERK OF THE CITY OF IRVINE

CITY COUNCIL RESOLUTION NO. 18-\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, SETTING PRIORITIES FOR FILING WRITTEN ARGUMENTS REGARDING A PROPOSED AMENDMENT TO THE CITY CHARTER TO THE ELECTORS OF SAID CITY AT SAID ELECTION (MEASURE NO. \_\_ - REQUIRE 2/3 VOTE OF THE CITY COUNCIL TO PROPOSE TAXES); AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS FOR A SPECIAL MUNICIPAL ELECTION TO BE HELD ON JUNE 5, 2018

WHEREAS, a Special Municipal Election is to be held in the City of Irvine, California on June 5, 2018, at which there will be submitted to the voters a proposal to approve a Charter Amendment of the City of Irvine requiring a 2/3 vote of the City Council to propose taxes, and, more specifically, to answer the following question:

<b>MEASURE --</b> <b>REQUIRE 2/3 VOTE OF THE CITY COUNCIL TO PROPOSE TAXES.</b> Shall Section XXX be added to the Irvine City Charter to require at least a two-thirds vote of the total City Council membership in order to place City Council sponsored general or special tax proposals on a ballot for voter consideration?	Yes	
	No	

NOW, THEREFORE, the City Council of the City of Irvine DOES HEREBY RESOLVE as follows:

SECTION 1. The City Council authorizes all members of the City Council to file (a) written argument(s) In Favor or Against the Measure, accompanied by the printed name(s) and signature(s) of the author(s) submitting it; or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers who is the author of the argument; or if submitted by an individual voter or any combination of voters who is/are eligible to vote on the measure, the printed name and signature of each individual, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code of the State of California.

The arguments shall be filed with the City Clerk, signed, with the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization and the printed name and signature of at least one of its principal officers who is the author of the argument. The arguments shall be accompanied by the Form of Statement To Be Filed By Author(s) of Argument.



SECTION 2. Per the Elections Code of the State of California, no argument shall exceed three hundred (300) words in length and shall not have more than five signatures. Arguments may be changed or withdrawn by their proponents until and including the date fixed by the City Clerk after which no arguments for or against the City measure may be submitted to the City Clerk.

SECTION 3. That the City Council directs the City Clerk to transmit a copy of the measure to the City Attorney, unless the organization or salaries of the office of the City Attorney are affected. The City Attorney shall prepare an impartial analysis of the proposed ballot measure pursuant to Elections Code section 9280. The impartial analysis of the measure shall show the effect of the measure on the existing law and the operation of the measure. The impartial analysis shall include a statement indicating whether the measure was placed on the ballot by a petition signed by the requisite number of voters or by the governing body of the City. In the event the entire text of the measure is not printed on the ballot, nor in the voter information portion of the sample ballot, there shall be printed immediately below the impartial analysis, in no less than 10-point type, the following: "The above statement is an impartial analysis of Ordinance or Measure \_\_. If you desire a copy of the ordinance or measure, please call the election official's office at 949-724-6205 and a copy will be mailed at no cost to you." The impartial analysis shall not exceed five hundred (500) words in length, and shall be filed by the date set by the City Clerk for the filing of direct arguments.

SECTION 4. The City Clerk is directed to fix and determine a reasonable date prior to the election after which no arguments for or against the City measure may be submitted for printing and distribution to the voters. If more than one argument for or against the City measure is submitted to the City Clerk, the City Clerk shall select one of the arguments for printing and distribution to the voters, according to the preferences and priorities set forth in the Elections Code as follows:

1. The City Council, or member or members of the City Council authorized by the City Council.
2. The individual voter, or bona fide association of citizens, or combination of voters and associations, who are the bona fide sponsors or proponents of the measure.
3. Bona fide associations of citizens.
4. Individual voters who are eligible to vote on the measure.

SECTION 5. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Irvine at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

\_\_\_\_\_  
MAYOR OF THE CITY OF IRVINE

ATTEST:

\_\_\_\_\_  
CITY CLERK OF THE CITY OF IRVINE

STATE OF CALIFORNIA    )  
COUNTY OF ORANGE    ) SS  
CITY OF IRVINE            )

I, MOLLY MCLAUGHLIN, City Clerk of the City of Irvine, HEREBY DO CERTIFY that the foregoing resolution was duly adopted at a regular meeting of the City Council of the City of Irvine, held on the \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

AYES:                   COUNCILMEMBERS:

NOES:                   COUNCILMEMBERS:

ABSENT:                COUNCILMEMBERS:

ABSTAIN:               COUNCILMEMBERS:

\_\_\_\_\_  
CITY CLERK OF THE CITY OF IRVINE



CITY COUNCIL RESOLUTION NO. 18-\_\_

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

- (1) CALLING AND GIVING NOTICE OF THE HOLDING OF A SPECIAL MUNICIPAL ELECTION ON TUESDAY JUNE 5, 2018 TO COINCIDE WITH THE STATEWIDE PRIMARY ELECTION SCHEDULED FOR SUCH SAME DATE AND ORDERING THE SUBMISSION OF A PROPOSED AMENDMENT TO THE CITY CHARTER TO THE ELECTORS OF SAID CITY AT SAID ELECTION (MEASURE NO. \_\_ – PROHIBITING THE IMPOSITION OF ADDITIONAL APPROVAL REQUIREMENTS ON FISCALLY BENEFICIAL PROJECTS); AND
- (2) REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF ORANGE TO CONSOLIDATE A SPECIAL MUNICIPAL ELECTION TO BE HELD ON JUNE 5, 2018 WITH THE STATEWIDE PRIMARY ELECTION TO BE HELD ON THE DATE PURSUANT TO SECTION 10403 OF THE ELECTIONS CODE

WHEREAS, a regularly scheduled Statewide Primary Election will be held in California on June 5, 2018. Under provisions of the laws relating to general law and charter cities in the State of California, the City Council is authorized to call a Special Municipal Election on the same date; and

WHEREAS pursuant to authority provided by Section 3 of Article XI of the Constitution of the State of California, Section 903 of the Irvine City Charter, and Section 1415(a)(2) of the Elections Code of the State of California, the City Council of the City of Irvine desires to submit to the qualified electors of the City of Irvine a proposed amendment to the Irvine City Charter that ensure there are no City procedures or requirements that would delay the important revenues to the City and its taxpayers from development projects deemed to provide a fiscal benefit to the City.

NOW, THEREFORE, the City Council of the City of Irvine DOES HEREBY RESOLVE as follows:

SECTION 1. Pursuant to Section 3 of Article XI of the California Constitution, Section 903 of the Irvine City Charter and Section 1415(a)(2) of the Elections Code of the State of California, there is called and ordered to be held in the

City of Irvine on Tuesday, June 5, 2018, a special municipal election for the purpose of submitting to the voters at said election the following question:

<b>MEASURE --</b> <b>PROHIBIT DELAY OF IMPORTANT REVENUES ON FISCALLY BENEFICIAL PROJECTS.</b> Shall Section 1009 be added to the Irvine City Charter to require that no City procedures or requirements shall delay the important revenues to the City and its taxpayers from development projects deemed to provide a fiscal benefit to the City?	Yes	
	No	

SECTION 2. The text of the proposed Charter Amendment (with additions to and deletions from the current Charter text indicated thereon) is set forth on Attachment No. 1 and is submitted to qualified electors of the City of Irvine for their approval or rejection at the Special Municipal Election to be held on June 5, 2018, within the boundaries of the City. The City Clerk shall keep one or more copies of the proposed measure available to the public for inspection at the office of the City Clerk. The measure shall be designated on the ballot by a letter printed on the left margin of the square containing the description of the measure as provided in the California Elections Code.

SECTION 2. That the ballots to be used at the June 5, 2018 election shall be in a form and content required by law.

SECTION 3. That the City Clerk is authorized, instructed and directed to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

SECTION 4. That the polls for the election shall be open at seven o'clock a.m. of the day of the election and shall remain open continuously until eight o'clock p.m. of the same day when the polls shall be closed pursuant to Elections Code Section 10242, except as provided in Section 14401 of the Elections Code of the State of California.

SECTION 5. That in all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 6. That the notice of the time and place of holding the election is hereby given and the City Clerk is hereby authorized, instructed and directed to give further or additional notice of the election, in such time, form and manner as required by law.

SECTION 7. Pursuant to the requirements of Section 10403 of the Elections Code, the Board of Supervisors of the County of Orange is hereby requested to consent and agree to the consolidation of a Special Municipal Election with the Statewide Primary Election on Tuesday, June 5, 2018, for the purpose of submitting to the voters a Charter Amendment, as reflected by this Resolution calling an election for such purpose.

SECTION 8. The Orange County Registrar of Voters and/or the County Election Department is authorized to canvass the returns of the Special Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used.

SECTION 9. The Board of Supervisors is requested to issue instructions to the County Election Department to take any and all steps necessary for the holding of the consolidated election.

SECTION 10. The City of Irvine recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for any costs for services upon the presentation of a properly submitted bill.

SECTION 11. The City Clerk is hereby directed to file a certified copy of this resolution with the Board of Supervisors and the Registrar of Voters/Election Department of the County of Orange.

SECTION 12. The City Council determines, based on the entire record, that this action and the proposed ballot measure does not have the potential to have a physical effect on the environment and that there is no possibility that this action or the proposed ballot measure will have a significant effect on the environment. Therefore, pursuant to the California Environmental Quality Act (CEQA) and its implementing Guidelines (Cal. Pub. Res. Code § 21 065; 14 Cal. Code Regs. §§ 15060(c)(2), 15378(a)) this activity is not subject to CEQA. The City Council specifically finds, based on the record before it that the proposed ballot measure would not make revisions that involve physical impacts on the environment.

SECTION 13. The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

SECTION 14. That the City Clerk is authorized to administer said election and all reasonable and actual election expenses shall be paid by the City upon presentation of a properly submitted bill by the County of Orange.

PASSED AND ADOPTED by the City Council of the City of Irvine at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

MAYOR OF THE CITY OF IRVINE

ATTEST:

\_\_\_\_\_  
CITY CLERK OF THE CITY OF IRVINE

STATE OF CALIFORNIA    )  
COUNTY OF ORANGE    ) SS  
CITY OF IRVINE         )

I, MOLLY MCLAUGHLIN, City Clerk of the City of Irvine, HEREBY DO CERTIFY  
that the foregoing resolution was duly adopted at a regular meeting of the City Council  
of the City of Irvine, held on the \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

AYES:                   COUNCILMEMBERS:

NOES:                   COUNCILMEMBERS:

ABSENT:                COUNCILMEMBERS:

ABSTAIN:               COUNCILMEMBERS:

\_\_\_\_\_  
CITY CLERK OF THE CITY OF IRVINE



ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE PEOPLE OF THE CITY  
OF IRVINE, CALIFORNIA, AMENDING THE CITY  
CHARTER OF THE CITY OF IRVINE TO PROHIBIT  
THE IMPOSITION OF ADDITIONAL APPROVAL  
BY THE ELECTORATE ON APPROVED  
DEVELOPMENT PROJECTS THAT PROVIDE THE  
CITY WITH SPECIFIED FISCAL BENEFITS

WHEREAS, the inherent powers of a charter city permit a city to adopt an ordinance proposing to regulate municipal land uses in order to facilitate the development of projects that provide a fiscal benefit to the City.

WHEREAS, the purpose of this Charter Amendment is to ensure there are no City procedures or requirements that would delay the important revenues to the City and its taxpayers from development projects deemed to provide a fiscal benefit to the City.

WHEREAS, to provide the City with the certainty necessary to ensure long-term fiscal growth and to avoid the need for future tax increases, it is appropriate to amend the Charter of the City of Irvine to place limitations on any City procedures or regulations, including any provisions in the Municipal Code, that would delay approved projects that would provide fiscal benefits to the City meeting the standards set forth in this Charter amendment.

WHEREAS, the Charter amendment would further the policy set forth in General Plan Land Use Element Objective A-5, Policy (c), to maintain a fiscally balanced General Plan that will generate revenue in excess of costs by a margin of 15 percent.

WHEREAS, the Charter amendment would advance the City's policy that funding be available for the City's long-term capital improvement and maintenance needs in furtherance of General Plan Land Use Element Objective A-5, Policy (c), including the improvement of the local transportation system and regional roadway network contemplated by General Plan Land Use Element Policy (d) of Objective M-3.

WHEREAS, the General Plan's Growth Management Element Objective M-7, Policy (c) and Objective M-8 reflect the necessity of maintaining fiscally sound land use policies and planning, which the Charter amendment seeks to facilitate.

WHEREAS, pursuant to Elections Code section 1415, and the inherent powers of a charter city, the City Council has determined to submit to the voters at a Special Municipal Election a ballot measure amending the City Charter of the City of Irvine to prohibit the imposition of additional approval by the electorate on approved development projects that would provide the City with a fiscal benefit by prohibiting the imposition of further approval by the electorate once such projects have been approved by the City.

NOW, THEREFORE, THE PEOPLE OF THE CITY OF IRVINE, CALIFORNIA,  
DO ORDAIN AS FOLLOWS:

SECTION 1. Findings. The above recitals are true and correct and incorporated herein.

SECTION 2. Amendment to the City Charter. Section 1009 is hereby added to the City Charter as follows (addition shown as underline):

Section 1009. – Projects providing a fiscal benefit to the City.

A legislative approval, of or related to any development project found by the City to provide a “fiscal benefit,” shall not require any further approval by the electorate after approval of the project by the City in accordance with the provisions of the Municipal Code as of the date of adoption of this Section. No Municipal Code provisions or City guidelines shall be inconsistent with this Charter provision. This provision is not intended to conflict with or alter the right of referendum provided by Section 903 and the California Constitution, or any other provisions in the City Charter.

For purposes of this Section, a development project that provides a “fiscal benefit” shall mean: (a) a project that when added to the City’s existing fiscal impact model does not interfere with or negatively impact the City’s goal that overall development in the City generates revenue in excess of costs by a margin of 15 percent or more, in compliance with General Plan Land Use Element Objective A-5, Policy (c); (b) a project that has already been considered and included in the City’s most recent fiscal impact model analysis which has been approved by the City prior to the date of adoption of this Section; or (c) a project that is the subject of a development agreement that was originally approved on or before the date of adoption of this Section, where the agreement recites, finds, or otherwise acknowledges that the City will receive a significant public benefit or benefits. For each development project for which an applicant requests that City staff make a determination of fiscal benefit to the City under Subsection (a) or (b) of this Section, the project applicant shall prepare a fiscal impact study as part of the project’s application for a legislative approval, or the project applicant shall be required to pay, at the time the application for a legislative approval is submitted, for a fiscal impact study to be prepared in coordination with the City Manager and reviewed by City staff, demonstrating compliance with the criteria in Subsection (a). At the time of the legislative approval(s) of or related to a development project, the City shall (A) ratify the fiscal impact study (by a majority vote, if applicable), and shall make a finding regarding the proposed project’s fiscal benefit based on the fiscal impact study, or (B) find that the project will remain the subject of the development agreement as set forth in Subsection (c). Any development project seeking to qualify



as a project that provides a fiscal benefit shall be reviewed and approved as required by the California Environmental Quality Act.

SECTION 3. Severability. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unenforceable by a court of competent jurisdiction, then the remaining portions of this Ordinance shall nonetheless remain in full force and effect. The People of the City of Irvine, California, hereby declare that they would have adopted each section, subsection, sentence, clause, phrase, or portion of this Ordinance irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions of this Ordinance be declared invalid or unenforceable.

SECTION 4. Effective Date. This Ordinance shall go into effect ten (10) days after the date on which the election results are declared by the City Council.

SECTION 5. Execution. The Mayor is hereby authorized to attest to the Ordinance by the voters of the City of Irvine by signing where indicated below. The Clerk is authorized to publish this Ordinance in compliance with law.

ADOPTED by the vote of the people of the City of Irvine on, \_\_\_\_\_ 2018 at a Special Municipal Election as certified by the City Council of the City of Irvine on the \_\_\_ day of June, 2018, and becomes effective 10 days thereafter on June \_\_, 2018.

ATTEST:

\_\_\_\_\_  
CITY CLERK OF THE CITY OF IRVINE

STATE OF CALIFORNIA    )  
COUNTY OF ORANGE    ) SS  
CITY OF IRVINE         )

I, MOLLY MCCLAUGHLIN, City Clerk of the City of Irvine, HEREBY DO CERTIFY that the foregoing Charter Amendment was adopted by the voters of the City of Irvine as an initiative measure at an election held on June 5, 2018, as certified by the City Council of the City of Irvine on the \_\_\_ day of June, 2018, and that the ordinance becomes effective 10 days thereafter on June \_\_, 2018.

\_\_\_\_\_  
CITY CLERK OF THE CITY OF IRVINE

CITY COUNCIL RESOLUTION NO. 18-\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, SETTING PRIORITIES FOR FILING WRITTEN ARGUMENTS REGARDING A PROPOSED AMENDMENT TO THE CITY CHARTER TO THE ELECTORS OF SAID CITY AT SAID ELECTION (MEASURE NO. \_\_ - PROHIBITING THE IMPOSITION OF ADDITIONAL APPROVAL REQUIREMENTS ON FISCALLY BENEFICIAL PROJECTS); AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS FOR A SPECIAL MUNICIPAL ELECTION TO BE HELD ON JUNE 5, 2018

WHEREAS, a Special Municipal Election is to be held in the City of Irvine, California on June 5, 2018, at which there will be submitted to the voters a proposal to approve a Charter Amendment of the City of Irvine requiring a 2/3 vote of the City Council to propose taxes, and, more specifically, to answer the following question:

<b>MEASURE --</b> <b>PROHIBIT DELAY OF IMPORTANT REVENUES ON FISCALLY BENEFICIAL PROJECTS.</b> Shall Section 1009 be added to the Irvine City Charter to require that no City procedures or requirements shall delay the important revenues to the City and its taxpayers from development projects deemed to provide a fiscal benefit to the City?	Yes	
	No	

NOW, THEREFORE, the City Council of the City of Irvine DOES HEREBY RESOLVE as follows:

SECTION 1. The City Council authorizes all members of the City Council to file (a) written argument(s) In Favor or Against the Measure, accompanied by the printed name(s) and signature(s) of the author(s) submitting it; or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers who is the author of the argument; or if submitted by an individual voter or any combination of voters who is/are eligible to vote on the measure, the printed name and signature of each individual, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code of the State of California.

The arguments shall be filed with the City Clerk, signed, with the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization and the printed name and signature of at least one of its



principal officers who is the author of the argument. The arguments shall be accompanied by the Form of Statement To Be Filed By Author(s) of Argument.

SECTION 2. Per the Elections Code of the State of California, no argument shall exceed three hundred (300) words in length and shall not have more than five signatures. Arguments may be changed or withdrawn by their proponents until and including the date fixed by the City Clerk after which no arguments for or against the City measure may be submitted to the City Clerk.

SECTION 3. That the City Council directs the City Clerk to transmit a copy of the measure to the City Attorney, unless the organization or salaries of the office of the City Attorney are affected. The City Attorney shall prepare an impartial analysis of the proposed ballot measure pursuant to Elections Code section 9280. The impartial analysis of the measure shall show the effect of the measure on the existing law and the operation of the measure. The impartial analysis shall include a statement indicating whether the measure was placed on the ballot by a petition signed by the requisite number of voters or by the governing body of the City. In the event the entire text of the measure is not printed on the ballot, nor in the voter information portion of the sample ballot, there shall be printed immediately below the impartial analysis, in no less than 10-point type, the following: "The above statement is an impartial analysis of Ordinance or Measure \_\_. If you desire a copy of the ordinance or measure, please call the election official's office at 949-724-6205 and a copy will be mailed at no cost to you." The impartial analysis shall not exceed five hundred (500) words in length, and shall be filed by the date set by the City Clerk for the filing of direct arguments.

SECTION 4. The City Clerk is directed to fix and determine a reasonable date prior to the election after which no arguments for or against the City measure may be submitted for printing and distribution to the voters. If more than one argument for or against the City measure is submitted to the City Clerk, the City Clerk shall select one of the arguments for printing and distribution to the voters, according to the preferences and priorities set forth in the Elections Code as follows:

1. The City Council, or member or members of the City Council authorized by the City Council.
2. The individual voter, or bona fide association of citizens, or combination of voters and associations, who are the bona fide sponsors or proponents of the measure.
3. Bona fide associations of citizens.
4. Individual voters who are eligible to vote on the measure.

SECTION 5. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Irvine at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

\_\_\_\_\_  
MAYOR OF THE CITY OF IRVINE

ATTEST:

\_\_\_\_\_  
CITY CLERK OF THE CITY OF IRVINE

STATE OF CALIFORNIA   )  
COUNTY OF ORANGE    ) SS  
CITY OF IRVINE         )

I, MOLLY MCLAUGHLIN, City Clerk of the City of Irvine, HEREBY DO CERTIFY that the foregoing resolution was duly adopted at a regular meeting of the City Council of the City of Irvine, held on the \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

AYES:                   COUNCILMEMBERS:

NOES:                   COUNCILMEMBERS:

ABSENT:                COUNCILMEMBERS:

ABSTAIN:               COUNCILMEMBERS:

\_\_\_\_\_  
CITY CLERK OF THE CITY OF IRVINE