



March 27, 2014

**TO:** Honorable Mayor and City Council

**FROM:** Edward C. Starr, City Manager 

**SUBJECT:** WEEKLY REPORT: March 21-27, 2014

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➤ ***CITY MANAGER/ADMINISTRATIVE SERVICES DEPARTMENTS***

- Negotiations over transferring ownership of Los Angeles/Ontario International Airport continue to falter, setting the stage for a potential court battle that may ultimately determine whether City of Ontario officials can take over management of the airport from Los Angeles World's Airport (LAWA).

In June 2013, the City of Ontario filed a lawsuit in Riverside County Superior Court seeking to wrest control of the airport from LAWA, which also operates Los Angeles International Airport and Van Nuys Airport. The lawsuit alleges LAWA has violated a decades-old agreement with Ontario to do its best to attract airline service to the airport. According to LAWA, the number of annual passengers using ONT has declined from 7.2 million in 2007 to 3.97 million in 2014.

Ontario and LAWA went into negotiations after the lawsuit was filed to negotiate an agreement that would transfer ownership away from LAWA. However, to date, negotiations have failed to produce any significant movement.

LAWA has offered to sell the airport to Ontario for \$475 million—LAWA's estimated investment in the airport. LAWA contends that a policy adopted by the Board of Airport Commissioners in December 2012 establishes the criteria for LAWA to consider a potential transfer of ONT, including that any transfer must protect LAWA's financial interests.

LAWA's official policy allows for consideration of a transfer of the airport to a "qualified entity representing the cities and counties in the service area of the airport...however, LAWA will only consider such a transfer in exchange for fair compensation for assets transferred and reasonable protections for airport workers, including City of Los Angeles employees."

In their counter proposal, Ontario officials offered to assume all debts and liabilities for the airport and pay costs of assuming ownership. Contending that ONT is at a crisis point that requires new management, Ontario officials argue LAWA should transfer the airport to the city's control without requiring a sale.

LAWA contends the decline stems from the effects of the Great Recession, which has prompted air carriers to reduce flights and relocate service to larger airports such as LAX.

A June 6, 2014, court date has been set for the case.

- In July 2008, the California Legislature approved and adopted Assembly Bill 811, the Contractual Assessments: Energy Efficiency Improvements Act, authorizing cities and counties to establish voluntary contractual assessment programs to fund conservation and renewable energy projects. In May 2013, the San Bernardino Association of Governments (SANBAG) Board of Directors voted to adopt a Property Assessed Clean Energy Financing Program, which becomes the basis for the Home Energy Renovation Opportunity (HERO) Financing Program.

HERO is a privately funded, public-private partnership that empowers homeowners to make their properties more energy efficient by providing them with low-cost, tax-deductible loans for energy-efficient property improvement projects.

HERO has received many awards, including the Southern California Association of Governments (SCAG) President's Award for Excellence and the United States Green Building Council (USGBC) California Top 10 Green Building Policies for Municipalities.

HERO uniquely provides financing for approved energy- and water-efficient, renewable energy products. HERO finances 100 percent of the cost to purchase and install eligible products. HERO offers low, fixed interest rates, flexible payment terms (including 5/10/15/20 years for most products), and repayments are made through property tax assessments. Additionally, if the property is sold before the HERO loan is paid in full, the remaining payments can be passed on to the new property owner.

The repayment of the HERO loan is included in the property owner's property tax bill, which is delivered and collected by the County. A line item titled HERO Financing will be included in a property owner's property tax bill. If property tax payments are made through an impound escrow account, the lender of the property loan will adjust the monthly payment to include the amount due for the HERO loan.

More than 150,000 products are available to property owners with financing through the HERO Program. Among the most popular upgrades are whole-home heating and cooling systems (HVAC), solar power panel installations, energy-saving windows, and roofing and insulation.

HERO is available to homeowners in over 93 communities across California and has enabled more than 5,500 homeowners to make energy-efficient upgrades by providing them access to more than \$100 million in financing. While the program is a win for homeowners, it has also helped create more than 1,600 jobs and generate more than \$350 million in economic stimulus.

More than 1,300 contractors in the state have registered as part of HERO. All registered contractors are provided with comprehensive training to promote excellent service and accurate information for their customers.

To learn more about HERO and to apply, visit [www.HEROProgram.com](http://www.HEROProgram.com), call 855-HERO-411 (855-437-6411), or call a participating contractor.

➤ **COMMUNITY DEVELOPMENT DEPARTMENT**

- Last Friday, Rep. Gloria Negrete McLeod honored outstanding women from communities in the 35th Congressional District (Bloomington, Chino, Fontana, Montclair, Ontario, Pomona, and Rialto). This recognition was celebrated during Women's History Month. I am proud to report the 2014 Woman of the Year from Montclair is Planning Commission Chair Tenice Johnson.

"It was an honor and a pleasure to meet with the 2014 Woman of the Year awardees today and to recognize their outstanding work and leadership in the Inland Empire," said Rep. Negrete McLeod. "Each woman honored today has worked tirelessly to make this community a better place. They serve as model citizens for all of us, and especially young women throughout the 35th Congressional District. It was my pleasure to recognize their extraordinary work and capabilities."

Tenice, who has been a Montclair resident since 1991 and a member of the Planning Commission since 1999, is Operations Manager at Magan Medical Clinic. She has served on the Board of Directors of Neighborhood Partnership of Montclair, where she addressed the housing

needs of low- and moderate-income residents, as well as seniors. She has also invested time supporting our youth as a team mom for the Montclair Golden Girls, Montclair Warriors All-American Cheer Squad, and Montclair Youth Basketball.

Congratulations, Tenice!



Tenice Johnson is pictured third from the right in this photo with Congresswoman McLeod and the other honorees.

➤ **FIRE DEPARTMENT**

- No new information to report.

➤ **HUMAN SERVICES DEPARTMENT**

- Yesterday, the Senior Center held a combined March and April birthday party at the Community Center for 260 guests. They had a surprise visit from the "Easter Bunny" and enjoyed a lunch of ham with all the trimmings, plus cake and ice cream. Seniors were encouraged to wear an "Easter" hat for a hat contest, and they dyed eggs and participated in a coloring contest.

Photos are included on Page 14.

➤ **POLICE DEPARTMENT**

- On Tuesday, Officer Kristopher Kelley returned from a year-long deployment to Guantanamo Bay, Cuba. Kristopher is a Sergeant First Class in the Army in a Reserve Military Police unit. Kristopher and his unit worked at Guantanamo Bay during the 9/11 terror attack hearings of *Khalid Sheik Mohammed, Walid Bin Attash, Ramzi Bin al Shibh, Ali Abdul Aziz Ali, and Mustafa Ahmed Adam al Hawsawi*. During his deployment, Officer Kelley kept Montclair in his thoughts and sent a keepsake United States Flag that was flown for 9 minutes, 11 seconds on August 20, 2013, during the 9/11 terror attack hearings.

Kristopher was met (and surprised) at Ontario International Airport by members of the Montclair Police Department, as well as his fiancée Kelly, where he and members of his unit received applause from bystanders within the terminal in appreciation of their service to our country.

Kristopher expressed he is glad to be home and is anxious to get right back to work serving the citizens of Montclair.

Welcome back, Kristopher, and thank you for your service to the United States of America!



Front row, left to right: Officer Courtnie Mair, Officer Chris Fisher and daughter, Officer Kristofer Kelley, Chief Mike deMoet, Officer Andy Graziano. Back row, left to right: Lt. Brandon Kumanski, Officer Brian Blyther, Officer Eric Ruziecki, Reserve Officer Keith Dow, Officer Kyle Hurd, and Officer Michael Lang.



➤ **PUBLIC WORKS DEPARTMENT**

- Sycamore Park, Montclair's newest community park, was constructed as part of the new Paseos Housing Development project. The park's design is a new hybrid style. Residents will enjoy the lavish design that includes drought-tolerant plants, trees, a large turf area, seat walls, decorative lighting, and a water feature. In rainy weather, the park receives water run-off from surrounding rooftops and streets. The rain water will drain towards the park and filter through the vegetation and eventually into the City-owned storm drain system at the southern end of the park.

As with all new landscape projects, Sycamore Park is currently under an establishment and maintenance contract with the contractor hired by the Paseos. It is expected that the park and all maintenance responsibilities will be turned over to the City on May 1.

While the majority of City median islands and parkway landscape maintenance is performed by Mariposa Landscape, staff prepared and advertised a contract specifically for the landscape maintenance of this new park. On March 6, staff received and opened bid proposals from two contractors. The low bidder, Southern California Landscape, Inc. submitted a bid proposal with an annual maintenance rate of \$11,000. Southern California Landscape, Inc. is expected to begin its Sycamore Park maintenance services on May 1, 2014.



Sycamore Park

Check out additional photos of the Paseos landscaping:







➤ **SUCCESSOR REDEVELOPMENT AGENCY/MONTCLAIR HOUSING CORPORATION**

- Despite a surge in new car sales, the fleets of automobiles in the United States are aging. According to an article by Kyle Stock in the *Bloomberg BusinessWeek*, the average vehicle on the road in the country is 11.4 years old, meaning it was made right before U.S. troops rolled into Iraq for the second time.

All those aging vehicles have not necessarily been as much of a boon as one might think for parts retailers. At four of the biggest U.S. parts stores—AutoZone, O’Reilly Automotive, Advance Auto Parts and Pep Boys—the average annual increase in same-store sales in the past 10 years is only about 2.3 percent. The do-it-yourself car repair market at large has grown at a 2.8 percent rate during that time, according to the *The Wall Street Journal*.

The trouble is that cars have become pretty reliable. People drive them for more than a decade simply because they can, according to Michael Karesh, who runs Truedelta.com, a Web service that tracks auto reliability for about 91,000 members. "We stop covering cars when they turn 16, and some members are not happy with this," he says. "They don't see these cars as all that old!"

Meanwhile, fewer vehicles are cruising U.S. roads. From 2009 to 2011, the number of registered cars shrank by 5 percent. Also, safety measures such as bumper cameras, adaptive cruise control, and lane-guidance technology have helped reduce the number of accidents. This means

fewer auto parts are needed.

The growth in the car parts business these days takes some deft executive steering. So, how can auto parts companies survive and make a profit? For one thing, some companies are focusing on selling to professional mechanics. Fixing a car these days requires a lot more technical expertise than it did years ago. Kyle Stock says, "A degree from MIT helps—that's what each of the guys on public radio's *Car Talk* show has. Ten years ago, computer diagnostics were already the norm, and getting a wrench on an oil filter was starting to require the skills of a Cirque du Soleil acrobat."

Some auto parts companies, such as AutoZone, have pushed into new markets in Brazil and Mexico. Overall, AutoZone has added almost 1,000 new locations to bring total locations to 5,200. It has also spent some returns to buy back its own stock shares—as effective as any operational strategy at raising per-share profit numbers.

Parts retailers also must keep a perspective on all the new cars gliding out of sales lots: For every new car, there's a new used car. "While new car sales have been very strong these past two years, we have seen those traded-in vehicles being resold to new owners who are repairing and enhancing their quote unquote new vehicle," AutoZone Chief Executive Officer William Rhodes said during a conference call with analysts this week.

The parts market is always "a bull story," says Bloomberg Industries analyst Kevin Tynan. "There are roughly 250 million cars on the road and somebody has to take care of them."

- California renters must earn more than triple the minimum wage to afford a 2-bedroom apartment, underscoring a housing shortage throughout the state, according to a study recently published by the National Low Income Housing Coalition. A worker earning the minimum wage—\$8 per hour in California—would have to work for 130 hours a week to afford a 2-bedroom apartment. Across the nation, minimum wage workers cannot afford a 1- or 2-bedroom apartment at fair market rent, the study found. The coalition's president, Sheila Crowley, said, "Raising the federal minimum wage would help ease the burden."

The same sentiments were echoed by California State Sen. Mark DeSaulnier (D-Concord), who introduced SB 391, the Homes and Jobs Act, which would create a permanent state fund for affordable housing.

With the dissolution of redevelopment agencies in 2012, affordable housing programs across the state have suffered a loss of over \$1 billion a year in tax increment financing. The dissolution further exacerbated the shortage of affordable housing throughout the state, and its affects will continue to be felt in the coming years.

Currently, many low-income workers need family members to pitch in to absorb high rents. A California family needs 3.3 full-time minimum wage earners to afford a 2-bedroom apartment, the coalition said in its annual Out of Reach report.

The National Low Income Housing Coalition defines affordable housing as spending 30 percent or less of gross income on rent and utilities. Nationally, to afford a 2-bedroom apartment, a worker must earn \$18.92 an hour, much higher than the \$7.25 federal minimum wage. The only state more expensive than California is Hawaii, where workers must earn \$31.54 an hour. The District of Columbia is also more expensive than the Golden State.

An estimated 61 percent of California renters cannot afford a 2-bedroom apartment. A minimum wage increase could alleviate some of the pressure, but not all. In July, California's minimum wage will rise to \$9 an hour and climb to \$10 an hour in 2016.

California renters, however, must earn \$26.04 an hour, or about \$54,000 annually, to afford a 2-bedroom apartment, the report said. A year earlier, workers could have taken home \$25.78 an hour while working a 40-hour week.

No market is more expensive than San Francisco and the Bay Area. A worker there needs to earn \$37.62 an hour to afford a 2-bedroom apartment.

ECS:spa

"Our greatest weakness lies in giving up. The most certain way to succeed is always to try just one more time." ~ Thomas A. Edison

# MARCH 2014

	
27-28	City-County Conference Lake Arrowhead Resort

# APRIL 2014



01	City Manager's Staff Meeting City Hall Conference Room	9:00 a.m.
02	Community Action Committee Meeting Council Chambers	7:00 p.m.
03	Taco Night Montclair Youth Center	6:00 p.m.
07	City Council Workshop Council Chambers	5:45 p.m.
07	City Council Meeting Council Chambers	7:00 p.m.
09	Prism Award Luncheon Ontario Convention Center	11:30 a.m. - 1:30 p.m.
09	Oversight Board Meeting Council Chambers	6:00 p.m.
14	Planning Commission Meeting Council Chambers	7:00 p.m.
15	City Manager's Staff Meeting City Hall Conference Room	9:00 a.m.
17	Safety Committee Meeting City Hall Conference Room	9:00 a.m.
17	Public Works Committee Meeting City Hall Conference Room	2:00 p.m.
19	Easter Eggstravaganza Montclair Community Center	9:00 a.m. - 11:00 a.m.
20	<b>Easter Sunday</b>	
21	Code Enforcement Committee Meeting City Hall Conference Room	6:00 p.m.
21	City Council Meeting Council Chambers	7:00 p.m.
22	Online to College Celebration City Hall Lobby	6:00 p.m.
24	Strategic Planning Session Montclair Senior Center	4:00 p.m. - 8:00 p.m.
28	Planning Commission Meeting Council Chambers	7:00 p.m.
29	City Manager's Staff Meeting City Hall Conference Room	9:00 a.m.

# Senior Center

## March & April Birthday Party

