



CITY OF STANTON
STANTON CITY HALL, 7800 KATELLA AVENUE, STANTON, CA

PLANNING COMMISSION REGULAR MEETING

WEDNESDAY, NOVEMBER 1, 2023 - 6:30 P.M.

AGENDA

In compliance with the American Disabilities Act, if you need special assistance to participate in this meeting, you should contact the Community Development Department at (714) 890-4210. Notification 48 hours prior to the Commission meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting.

1. CALL TO ORDER STANTON PLANNING COMMISSION REGULAR MEETING

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Chair Ash, Vice Chair Frazier, Commissioner Adams, Commissioner Sanchez, Commissioner Tran

4. APPROVAL OF MINUTES

None.

5. PUBLIC COMMENTS

This is the time for members of the public to address the Planning Commission on any non-agendized matters within the subject matter jurisdiction of the Planning Commission.

- Each speaker will have a maximum of three (3) minutes,
- The Commission cannot discuss or take action on these items.
- All speakers must fill out a REQUEST TO SPEAK card and submit it to the Secretary of the Commission.
- The Chair will call speakers to the microphone. Please state your name, slowly and clearly, for the record.

- When three (3) minutes has expired, please return to your seat as you will not be permitted to have additional time for comments.

6. CONSENT CALENDAR

None.

7. PUBLIC HEARING

7A. CONSIDER AN AMENDMENT TO THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF STANTON AND BONANNI DEVELOPMENT COMPANY III, LLC RELATED TO THE PAYMENT OF PUBLIC BENEFITS FOR THE "BIGSBY" DEVELOPMENT AT 12200 BEACH BOULEVARD

RECOMMENDED ACTION

That the Planning Commission of the City of Stanton hereby resolves as follows:

- Conduct a public hearing;
- Find the item exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines sections 15060(c)(2), 15061(b)(3), and 15378(b)(5). Additionally, the City Council previously found that the underlying development project was categorically exempt from environmental review pursuant to State CEQA Guidelines, section 15332, and
- Recommend the City Council adopt Resolution No. 2561 approving an amendment to the Development Agreement between the City of Stanton and Bonanni Development Company III, LLC

8. NEW BUSINESS

None.

9. OLD BUSINESS

None.

10. SPECIAL PRESENTATIONS

None.

11. PLANNING COMMISSION COMMENTS

At this time Commissioners may report on items not specifically described in the agenda which are of interest to the Commission provided no discussion or action may be taken except to provide staff direction to report back or to place the item on a future agenda.

12. DIRECTOR'S REPORT

None.

13. ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California, the foregoing agenda was posted at the Post Office, Stanton Family Resource Center and City Hall, not less than 72 hours prior to the meeting. Dated this 26th day of October 2023.



Crystal Landavazo
Community & Economic Development Director



CITY OF STANTON REPORT TO THE PLANNING COMMISSION

TO: Chair and Members of the Planning Commission

DATE: November 1, 2023

SUBJECT: PUBLIC HEARING TO CONSIDER AN AMENDMENT TO THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF STANTON AND BONANNI DEVELOPMENT COMPANY III, LLC RELATED TO THE PAYMENT OF PUBLIC BENEFITS FOR THE “BIGSBY” DEVELOPMENT AT 12200 BEACH BOULEVARD

RECOMMENDED ACTION

That the Planning Commission:

- Conduct a public hearing;
- Find the item exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines sections 15060(c)(2), 15061(b)(3), and 15378(b)(5). Additionally, the City Council previously found that the underlying development project was categorically exempt from environmental review pursuant to State CEQA Guidelines, section 15332, and
- Adopt Resolution No. 2561 recommending the City Council adopt Ordinance No. 1134 to amend the Development Agreement between the City of Stanton and Bonanni Development Company III, LLC

BACKGROUND

Earlier this year, Life Illuminated, LLC, the developer of the VRV mixed-use project at 12736 Beach Boulevard requested that the City of Stanton provide them with an alternative schedule to pay public benefits associated with the VRV project. The developer expressed that over the past three years, the developer and its VRV project experienced significant financial burden due to the global pandemic, supply chain disruptions, manpower issues, uncontrollable constructions costs, and the rapid rise of

interest rates. The 2020 Development Agreement between the City and VRV allows the parties to agree to an alternative payment schedule.

In September 2023, the City Council ratified an Operating Memorandum between the City and VRV developer that memorialized an alternative payment schedule for a portion of the public benefits fees. The Operating Memorandum required the VRV developer to pay (1) \$314,700 in Development Impact Fees, (2) a \$50,000 Beautification/Enhancement Fee, and (3) \$267,650 of City Facilities Fees on August 31, 2023. After receipt of the \$632,350 on August 31, 2023, the City issued the certificate of occupancy for the VRV project.

Per the Operating Memorandum, the remaining balance of \$632,350 in City Facilities Fees would be paid in monthly installments starting on April 1, 2024, in accordance with a payment schedule. Specifically, the balance must be paid off the earlier of (1) concurrently with the issuance of the first temporary or final certificate of occupancy for the "Bigsby Development," located at 12200 Beach Boulevard in Stanton, or (2) within five years of April 1, 2024. The balance will accrue at 4% simple interest monthly until paid in full.

The Bigsby Development was used as collateral for the VRV public benefit fees because the VRV developer and Bigsby developer, Bonanni Development Company III, LLC ("Bonanni"), are affiliates. Because the Bigsby Development is being used as collateral, an amendment to the Bigsby Development Agreement is necessary to memorialize this change.

ANALYSIS/JUSTIFICATION

Stanton Municipal Code ("SMC") section 20.510.060 requires that a development agreement must be amended using the same procedure for entering into the agreement. Therefore, to amend the Bigsby Development Agreement, the Planning Commission is required to review the ordinance and make a recommendation to Council. In order to recommend approval, the Commission must consider the findings set forth in SMC section 20.510.050(D): (1) the development agreement provides benefits to the City; (2) the development agreement is consistent with the purpose, intent, goals, policies, programs, and land use designations of the General Plan, any applicable Specific Plan, and this Zoning Code; and (3) the development agreement complies with the requirements of Government Code Sections 65864 through 65869.5.

The proposed amendment has no effect on the previously approved Bigsby Development or the previously approved entitlements. Therefore, all previous findings still apply. This amendment is effectively an administrative change that adds a requirement of Bonanni before the Bigsby Development's certificates of occupancy may be issued. The amendment ensures the City's financial security and furthers opportunities for the improvement of public facilities throughout the City. Thus, the proposed amendment is consistent with the purpose, intent, goals, policies, programs, and land use designations of the General Plan, any applicable Specific Plan, and the City's Zoning Code. Therefore, staff recommends that the findings of SMC section 20.510.050(D) can be satisfied.

ENVIRONMENTAL IMPACT

This Project is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines sections 15060(c)(2), 15061(b)(3), and 15378(b)(5). Additionally, the City Council previously found that the underlying development project was categorically exempt from environmental review pursuant to State CEQA Guidelines, section 15332.

PUBLIC NOTIFICATION

Notice of Public Hearing was mailed to all property owners within a five-hundred-foot radius of the subject property and made public through the agenda-posting process.

Approved by,



Crystal Landavazo
Community and Economic Development Director

ATTACHMENTS

- A. Draft Resolution No. 2561
- B. Exhibit "A" Draft Ordinance with attached First Amendment to DA and Operating Memorandum
- C. Exhibit "B" Bigsby Development Agreement

RESOLUTION NO. 2561

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF STANTON RECOMMENDING THE CITY COUNCIL ADOPT ORDINANCE NO. 1134 AMENDING THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF STANTON AND BONANNI DEVELOPMENT COMPANY III, LLC FOR CERTAIN REAL PROPERTY LOCATED AT 12200 BEACH BOULEVARD WITHIN THE CITY OF STANTON

WHEREAS, November 4, 2020, Chris Segesman representing Bonanni Development, Company III, LLC ("Owner") filed applications for a Site Plan and Design Review SPDR811, Conditional Use Permit CUP 20-04, Planned Development Permit PDP 20-07, Tentative Tract Map No. 19119 and Development Agreement DA 20-04, for the development of a 3.54-acre site ("Project Site"), located at 12200 Beach Boulevard (APN: 131-422-20) for a new 79-unit townhome development including 7 low income affordable units and associated improvements ("Bigsby Development"); and

WHEREAS, the Owner proposed to develop the Project Site located in the City, more particularly described in Exhibit "A" to Ordinance No. 1118 and incorporated herein by this reference ("Property") for the Project; and

WHEREAS, pursuant to California Government Code section 65864 *et seq.*, the City is authorized to enter into development agreements providing for the development of land under terms and conditions set forth therein; and

WHEREAS, on January 25, 2022, the City of Stanton ("City") entered into the Development Agreement No. 20-04 with Owner (Instrument No. 2022000137375, incorporated herein by this reference ("Bigsby Agreement"), and adopted Ordinance No. 1118; and

WHEREAS, in June 2020, the City and Life Illuminated, LLC ("VRV Developer") entered into the Development Agreement ("VRV Agreement") with the City for the development of a mixed-use project at 12736 Beach Boulevard ("VRV Development"); and

WHEREAS, the VRV Agreement required the VRV Developer to pay the City development impact fees and certain public impact fees concurrently with the issuance of the certificate of occupancy for the VRV Development. Under the VRV Agreement, the City Facilities Fees may be paid on an alternative schedule upon agreement between the developer and City; and

WHEREAS, on August 31, 2023 the City entered into an Operating Memorandum for the Development Agreements by and between the City of Stanton and Life Illuminated, LLC and the City of Stanton and Bonanni Development Company III, LLC ("Operating Memorandum"), incorporated herein by this reference; and

WHEREAS, on September 12, 2023, the City Council ratified the Operating Memorandum, which has been recorded in the County of Orange on [DATE] as Instrument No. [REDACTED]; and

WHEREAS, the Operating Memorandum, resulted from the VRV Developer's request for an alternative payment schedule for the City Facilities Fees associated with the VRV Agreement; and

WHEREAS, the Operating Memorandum requires, in part, that the VRV Developer pay all of the required development impact fees and a portion of the public benefit fees by August 31, 2023. The remaining public benefit fees would be required to be paid the earlier of (1) concurrently with the issuance of the first temporary or final certificate of occupancy for the Bigsby Development; or (2) within five years of April 1, 2024 with interest; and

WHEREAS, Owner and the VRV Developer are closely affiliated in that they are controlled by the same principals. Therefore, Owner agrees to use the Bigsby Development as collateral for the VRV Development; and

WHEREAS, the City now wishes to amend the Bigsby Agreement to be in accordance with the Operating Memorandum; and

WHEREAS, the Planning Commission has found that this amendment to the Bigsby Agreement is consistent with the City's General Plan; and

WHEREAS, the Planning Commission has determined that by entering into the amendment to the Bigsby Agreement the City will ensure that the City Facilities Fees for the VRV Development are timely paid to assist with the orderly growth and quality development on the Property in accordance with the goals and policies set forth in the General Plan. Additionally, the amendment to the Bigsby Agreement will ensure the City receives financial security through collection of all outstanding fees by Owner; and

WHEREAS, the City and Owner have reached mutual agreement and desire to voluntarily enter into this amendment to the Bigsby Agreement to facilitate development of the Project subject to the conditions and requirements set forth therein; and

WHEREAS, pursuant to Stanton Municipal Code Section 20.510.060, a development agreement may be amended using the same procedure for entering into the agreement

and therefore, the Planning Commission is responsible for making a recommendation to the City Council regarding adopting this Ordinance; and

WHEREAS, on October 19, 2023 the Planning Commission of the City of Stanton conducted a duly noticed public hearing concerning the request to approve the amendment to the Bigsby Agreement, at which hearing members of the public were afforded an opportunity to comment upon the amendment to the Bigsby Agreement.

NOW, THEREFORE, THE PLANNING COMMISSION OF THE CITY OF STANTON RESOLVES AS FOLLOWS:

SECTION 1. That the recitals set forth above are found to be true and correct and are incorporated herein by reference.

SECTION 2. The Planning Commission finds that the amendment to the Bigsby Agreement does not, in any way, affect the previously approved Project, and involves only matters related to administrative activities such as the collection of outstanding fees and issuance of certificates of occupancy. Therefore, the Planning Commission finds that the adoption of the amendment is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines sections 5060(c)(2), 5061(b)(3), and 15378(b)(5). Additionally, the City Council previously found that the Project was categorically exempt from environmental review pursuant to State CEQA Guidelines, section 15332. The City Council further found that none of the exceptions to the exemptions outlined in State CEQA Guidelines, section 15300.2 applied to the Project

SECTION 3. That this Resolution and its findings are based upon the entire record, including but is not limited to, such things as the staff report, the testimony by staff and the public, and other materials and evidence submitted or provided to the Planning Commission prior to or during the meeting.

SECTION 4. Pursuant to Government Code Section 65867.5(b) and Stanton Municipal Code Sections 20.510.050(D) & 20.510.060, and based on the entire record before the Planning Commission, the Planning Commission hereby makes the following findings:

1. **Public Benefit:** The amendment to the Bigsby Agreement provides benefit to the City because it ensures that the City will have the ability to collect the outstanding City Facilities Fees associated with the VRV Agreement. Since Owner will be unable to obtain certificates of occupancy in the Bigsby Development without paying all outstanding fees from the VRV Agreement, the City ensures a financial benefit and security for the improvement of public facilities throughout the City.

2. General Plan, Specific Plan, and Zoning Code Consistency: The amendment to the Bigsby Agreement does not make any changes to the previously approved Project. The amendment solely focuses on ensuring that the City recovers all City Facilities Fees associated with the VRV Agreement. The amendment ensures financial security for the City and further opportunities for the improvement of public facilities throughout the City, which is consistent with the purpose, intent, goals, policies, programs, and land use designations of the General Plan and any applicable Specific Plan, and this Zoning Code.

3. Compliance with Development Agreement Statute. The amendment to the Bigsby Agreement complies with the requirements of Government Code Sections 65864 through 65869.5 because the amendment does not alter any previously approved provision of the Project. The Bigsby Agreement still provides assurance to the applicant for the development of the Project, while the City will ensure the collection of the City Facilities Fees owed under the VRV Agreement.

SECTION 5: The Planning Commission hereby recommends that the City Council approve and adopt Ordinance No. 1134, attached hereto as Exhibit "A."

SECTION 6. This Resolution shall become effective upon its adoption.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the Planning Commission on the 1st day of November 2023 by the following vote:

AYES:	COMMISSIONERS:	_____
NOES:	COMMISSIONERS:	_____
ABSENT:	COMMISSIONERS:	_____
ABSTAIN:	COMMISSIONERS:	_____

Elizabeth Ash, Chair
Stanton Planning Commission

Crystal Landavazo
Planning Commission Secretary

EXHIBIT "A"

PROPOSED ORDINANCE NO. 1134

ORDINANCE NO. 1134

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON AMENDING THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF STANTON AND BONANNI DEVELOPMENT COMPANY III, LLC FOR CERTAIN REAL PROPERTY LOCATED AT 12200 BEACH BOULEVARD WITHIN THE CITY OF STANTON PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 65864 ET SEQ. AND MAKING CEQA FINDINGS IN CONNECTION THEREWITH

WHEREAS, November 4, 2020, Chris Segesman representing Bonanni Development, Company III, LLC ("Owner") filed applications for a Site Plan and Design Review SPDR811, Conditional Use Permit CUP 20-04, Planned Development Permit PDP 20-07, Tentative Tract Map No. 19119 and Development Agreement DA 20-04, for the development of a 3.54-acre site ("Project Site"), located at 12200 Beach Boulevard (APN: 131-422-20) for a new 79-unit townhome development including 7 low income affordable units and associated improvements ("Bigsby Development"); and

WHEREAS, the Owner proposed to develop the Project Site located in the City, more particularly described in Exhibit "A" to Ordinance No. 1118 and incorporated herein by this reference ("Property") for the Project; and

WHEREAS, pursuant to California Government Code section 65864 *et seq.*, the City is authorized to enter into development agreements providing for the development of land under terms and conditions set forth therein; and

WHEREAS, on January 25, 2022, the City of Stanton ("City") entered into the Development Agreement No. 20-04 with Owner (Instrument No. 2022000137375, incorporated herein by this reference ("Bigsby Agreement")), and adopted Ordinance No. 1118; and

WHEREAS, in June 2020, the City and Life Illuminated, LLC ("VRV Developer") entered into the Development Agreement ("VRV Agreement") with the City for the development of a mixed-use project at 12736 Beach Boulevard ("VRV Development"); and

WHEREAS, the VRV Agreement required the VRV Developer to pay the City development impact fees and public benefit fees concurrently with the issuance of the certificate of occupancy for the VRV Development. Under the VRV Agreement, the City public benefit fees may be paid on an alternative schedule upon agreement between the developer and City; and

WHEREAS, on August 31, 2023 the City entered into an Operating Memorandum for the Development Agreements by and between the City of Stanton and Life Illuminated, LLC and the City of Stanton and Bonanni Development Company III, LLC ("Operating Memorandum"), incorporated herein by this reference; and

WHEREAS, on September 12, 2023, the City Council ratified the Operating Memorandum, which has been recorded in the County of Orange on [DATE] as Instrument No. [REDACTED]; and

WHEREAS, the Operating Memorandum, resulted from the VRV Developer's request for an alternative payment schedule for the City Facilities Fees associated with the VRV Agreement; and

WHEREAS, the Operating Memorandum required that the VRV Developer to pay the entirety of the development impact fees fees required by the VRV Agreement and a portion of the public benefit fees on August 31, 2023. The remaining balance of the public benefit fees must be paid off the earlier of (1) concurrently with the issuance of the first temporary or final certificate of occupancy for the Bigsby Development; or (2) within five years of April 1, 2024, with interest; and

WHEREAS, Owner and the VRV Developer are closely affiliated in that they are controlled by the same principals. Therefore, Owner agrees to use the Bigsby Development as collateral for the VRV Development; and

WHEREAS, the City Council now wishes to amend the Bigsby Agreement to be in accordance with the Operating Memorandum; and

WHEREAS, the City Council has found that this amendment to the Bigsby Agreement is consistent with the City's General Plan; and

WHEREAS, the City Council has determined that by entering into the amendment to the Bigsby Agreement the City will ensure that the City Facilities Fees for the VRV Development are timely paid to assist with the orderly growth and quality development on the Property in accordance with the goals and policies set forth in the General Plan. Additionally, the amendment to the Bigsby Agreement will ensure the City receives financial security through collection of all outstanding fees by Owner; and

WHEREAS, the City and Owner have reached mutual agreement and desire to voluntarily enter into this amendment to the Bigsby Agreement to facilitate development of the Project subject to the conditions and requirements set forth therein; and

WHEREAS, Stanton Municipal Code section 20.510.060 requires that a development agreement may be amended using the same procedure for entering into the agreement; and

WHEREAS, on November 1, 2023 the Planning Commission of the City of Stanton conducted a duly noticed public hearing concerning the request to approve the amendment to the Bigsby Agreement, at which hearing members of the public were afforded an opportunity to comment upon the amendment to the Bigsby Agreement; and

WHEREAS, the Planning Commission adopted a resolution recommending that the City Council approve the amendment to the Bigsby Agreement; and

WHEREAS, on [REDACTED], the City Council conducted a duly noticed public hearing and considered evidence concerning the amendment to the Bigsby Agreement; and

WHEREAS, the terms and conditions of the amendment to the Bigsby Agreement have undergone review by the City Council at a publicly noticed hearing and have been found to be fair, just, and reasonable, and consistent with the General Plan; and

WHEREAS, all other legal prerequisites to the adoption of this Ordinance have occurred.

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

SECTION 1: The City Council finds that the amendment to the Bigsby Agreement does not, in any way, affect the previously approved Project, and involves only matters related to administrative activities such as the collection of outstanding fees and issuance of certificates of occupancy. Therefore, the City Council finds that the adoption of the amendment is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines sections 5060(c)(2), 5061(b)(3), and 15378(b)(5). Additionally, the City Council previous found that the Project was categorically exempt from environmental review pursuant to State CEQA Guidelines, section 15332. The City Council further found that none of the exceptions to the exemptions outlined in State CEQA Guidelines, section 15300.2 applied to the Project

SECTION 2. Pursuant to Government Code Section 65867.5(b) and Stanton Municipal Code Sections 20.510.050(D) & 20.510.060, and based on the entire record before the City Council, the City Council hereby makes the following findings:

1. Public Benefit: The amendment to the Bigsby Agreement provides benefit to the City because it ensures that the City will have the ability to collect the outstanding City Facilities Fees associated with the VRV Agreement. Since Owner will be unable to obtain certificates of occupancy in the Bigsby Development without paying all outstanding fees from the VRV Agreement, the City ensures a financial benefit and security for the improvement of public facilities throughout the City.

2. General Plan, Specific Plan, and Zoning Code Consistency: The amendment to the Bigsby Agreement does not make any changes to the previously approved Project. The amendment solely focuses on ensuring that the City recovers all City Facilities Fees associated with the VRV Agreement. The amendment ensures financial security for the City and further opportunities for the improvement of public facilities throughout the City, which is consistent with the purpose, intent, goals, policies, programs, and land use designations of the General Plan and any applicable Specific Plan, and this Zoning Code.

3. Compliance with Development Agreement Statute. The amendment to the Bigsby Agreement complies with the requirements of Government Code Sections 65864 through 65869.5 because the amendment does not alter any previously approved provision of the Project. The Bigsby Agreement still provides assurance to the applicant for the development of the Project, while the City will ensure the collection of the City Facilities Fees owed under the VRV Agreement.

SECTION 3: Pursuant to Stanton Municipal Code Section 20.510.060, a development agreement may be amended using the same procedure for entering into the agreement and therefore, the City Council is the approving body for adopting this Ordinance.

SECTION 4: The City Council hereby approves and adopts the Amendment to the Bigsby Agreement attached hereto as Exhibit "A", entitled, "First Amendment to Development Agreement between the City of Stanton and Bonanni Development III, LLC".

SECTION 5: The documents related to this Ordinance are on file and available for public review at Stanton City Hall, 7800 Katella Ave., Stanton, California 90680. The City Clerk is the custodian of these documents.

SECTION 6: If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance for any reason is 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 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.

SECTION 7: This Ordinance shall be effective thirty days after its adoption. The City Clerk shall certify the adoption of this Ordinance and shall cause the same to be posted as required by law. Pursuant to Government Code Section 65868.5, within 10 days following the entering into of the amendment to the Development Agreement, as evidenced by full execution thereof, the City Clerk shall record with the Orange County Recorder a copy of the amendment to the Development Agreement.

SECTION 8: The City Council hereby directs staff to prepare and file a Notice of Exemption with the Orange County Clerk within five (5) working days of the approval of the Ordinance.

PASSED, APPROVED, AND ADOPTED this _____ day of _____, 2023.

DAVID J. SHAWVER, MAYOR

ATTEST:

PATRICIA A. VAZQUEZ, CITY CLERK

APPROVED AS TO FORM:

HONGDAO NGUYEN, CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS.
CITY OF STANTON)

I, Patricia A. Vazquez, City Clerk of the City of Stanton, do hereby certify that the foregoing Ordinance No. 1102 was duly introduced and placed upon its first reading at a regular meeting of the City Council on the 9th day of June 2020, and thereafter, said Ordinance was duly adopted and passed at a regular meeting of the City Council on the 23rd day of June 2020, by the following vote, to wit:

AYES:	COUNCILMEMBERS:	_____

NOES:	COUNCILMEMBERS:	_____

ABSENT:	COUNCILMEMBERS:	_____

ABSTAIN:	COUNCILMEMBERS:	_____

CITY CLERK, CITY OF STANTON
CERTIFICATION STATEMENT

I, Patricia A. Vazquez, City Clerk of the City of Stanton, do hereby certify that the foregoing Ordinance is a true and correct copy of Ordinance No. XXX, passed by the people of the City of Stanton, as declared by the City Council on the day and year set forth above, and published pursuant to law.

PATRICIA A. VAZQUEZ, CITY CLERK

EXHIBIT "B"

**FIRST AMENDMENT TO THE CITY OF STANTON AND BONANNI DEVELOPMENT
DEVELOPMENT AGREEMENT**

RECORDED AT REQUEST OF
AND WHEN RECORDED RETURN TO:
City of Stanton
7800 Katella Ave.,
Stanton, California 90680
Attn: City Manager

Fee Exempt - Gov't Code §6103
(Space above for Recorder's Use)

**First Amendment to the
Development Agreement Between
the City of Stanton and Bonanni Development Company III, LLC**

This First Amendment, dated _____ 2023, is entered into by and between the City of Stanton, a California municipal corporation ("City"), and Bonanni Development Company III, LLC, a Delaware limited liability company ("Owner") on _____, 2023 ("First Amendment"). The City and Owner are sometimes referred to in this First Amendment as "Party" and "Parties."

Recitals

A. November 4, 2020, Owner filed applications for a Site Plan and Design Review SPDR811, Conditional Use Permit CUP 20-04, Planned Development Permit PDP 20-07, Tentative Tract Map No. 19119 and Development Agreement DA 20-04, for the development of a 3.54-acre site ("Project Site"), located at 12200 Beach Boulevard (APN: 131-422-20) for a new 79-unit townhome development including 7 low income affordable units and associated improvements ("Bigsby Development").

B. The Owner proposed to develop the Project Site located in the City, more particularly described in Exhibit "A" to Ordinance No. 1118 and incorporated herein by this reference ("Property") for the Project.

C. On January 25, 2022, the City of Stanton ("City") entered into the Development Agreement No. 20-04 with Owner (Instrument No. 2022000137375, incorporated herein by this reference) ("Bigsby Agreement"), and adopted Ordinance No. 1118.

D. In June 2020, the City and Life Illuminated, LLC ("VRV Developer") entered into the Development Agreement ("VRV Agreement") with the City for the development of a mixed-use project at 12736 Beach Boulevard ("VRV Development").

E. The VRV Agreement required the VRV Developer to pay the City development impact fees in the amount of \$314,700, which must be paid to the City concurrently with the issuance of the certificate of occupancy for the VRV Development.

According to the VRV Agreement, the VRV Developer is also required to pay a "City Facilities Fee" in the amount of \$900,000, and a "Beautification/Enhancement Fee" in the amount of \$50,000 (collectively referred to as "City Facilities Fees"). Under the VRV Agreement, the City Facilities Fees may be paid on an alternative schedule upon agreement between the developer and City.

F. On August 31, 2023 the City entered into an Operating Memorandum for the Development Agreements by and between the City of Stanton and Life Illuminated, LLC and the City of Stanton and Bonanni Development Company III, LLC ("Operating Memorandum"), attached hereto and incorporated herein by this reference.

G. On September 12, 2023, the City Council ratified the Operating Memorandum, which has been recorded in the County of Orange on [DATE] as Instrument No. [REDACTED].

H. The Operating Memorandum, resulted from the VRV Developer's request for an alternative payment schedule for the City Facilities Fees associated with the VRV Agreement.

I. The Operating Memorandum required that the VRV Developer to pay the fees required by the VRV Agreement according to the following schedule: (1) the entirety of \$314,700 in development impact fees, (2) the entirety of \$50,000 Beautification/Enhancement Fee, and (3) \$267,650 of the City Facilities Fees on August 31, 2023. After receipt of the \$632,350 on August 31, 2023, the City was to issue the certificate of occupancy for the VRV Development. The remaining balance of \$632,350 in VRV City Facilities Fees would be paid in monthly installments starting on April 1, 2024, in accordance with a payment schedule. The remaining balance must be paid off the earlier of (1) concurrently with the issuance of the first temporary or final certificate of occupancy for the Bigsby Development or (2) within five years of April 1, 2024. The remaining balance will accrue at 4% simple interest monthly until paid in full. The terms agreed to in the Operating Memorandum were contingent upon ratification by the City Council, which it provided.

J. Owner and the VRV Developer are closely affiliated in that they are controlled by the same principals. Therefore, Owner expressly agreed to use the Bigsby Development as collateral for the VRV Development so that the VRV Development could proceed. The Parties now wish to amend the Bigsby Agreement in accordance with the Operating Memorandum as provided herein.

Terms

The Parties agree to the following terms:

1. Recitals. The recitals included at the beginning of this First Amendment are true and correct and are made a part of this First Amendment.

2. Amendment. Section 4.2.1(i) of the Bigsby Agreement is hereby amended in its entirety and restated to read as follows:

"(i) Public Benefit Fee. OWNER shall pay a fee in the amount of one thousand, five hundred dollars (\$1,500) (the "City Facilities Fee") for each residential unit ("Unit") constructed as part of the Project. The City Facilities Fee shall be due concurrently with the issuance of the certificate of occupancy for the Project, unless a different schedule is mutually agreed upon by the CITY and OWNER.

In addition, pursuant to the Operating Memorandum, dated [REDACTED], and recorded in the County of Orange on [DATE] as Instrument No. [REDACTED], OWNER agrees to be jointly and severally responsible with Life Illuminated, LLC and their successors and assigns for the Remaining Balance, as defined by the Operating Memorandum, which is related to Development Agreement, dated on or around June 23, 2020 and recorded as Instrument No. 202000336083 in the County of Orange. Both documents are hereby incorporated by reference as provided herein. This means that if Life Illuminated, LLC or its successors and assigns fail to pay the Remaining Balance or any portion thereof, then City may hold OWNER jointly and severally responsible with Life Illuminated, LLC to pay any and all outstanding amount of the Remaining Balance concurrently with the issuance of the first temporary or final certificate of occupancy for OWNER'S Project. City, in its sole and absolute discretion, may choose to seek any or all of the outstanding amount of the Remaining Balance from Life Illuminated, LLC or OWNER, separately, or may seek any or all of the outstanding amount from Life Illuminated, LLC and OWNER, jointly. OWNER expressly acknowledges that its own failure and/or Life Illuminated, LLC's failure to pay any or all of the outstanding amount of the Remaining Balance shall result in City withholding the issuance of any and all temporary or final certificates of occupancy for the Project until the Remaining Balance is paid to the City in full. OWNER agrees that the City is a third party beneficiary of this provision."

3. All terms, conditions, and other provisions of the Bigsby Agreement, including all exhibits, not affected by this First Amendment shall remain in full force and effect.

4. If there is any conflict between the terms of this First Amendment or other Development Approvals and the changes in this First Amendment, the provisions in this First Amendment shall govern.

5. Multiple Counterparts. This First Amendment may be executed in one or more counterparts, each of which is deemed an original, but all of which together constitute one and the same instrument.

6. Severability. If any provision of this First Amendment, or any other document referred to by this First Amendment is, for any reason, held to be invalid, illegal, or unenforceable, then to the maximum extent permitted by law, such invalidity, illegality, or unenforceability has no effect on any other provision of this First Amendment.

7. Cumulative Remedies. All rights and remedies of a Party are cumulative of each other. The exercise of a right or remedy may not prejudice or impair the concurrent exercise of another right or remedy.

8. Representation by Counsel; Equal Construction. In executing this First Amendment, each Party has been represented by and consulted with counsel of its own choosing. Each Party has carefully read and fully understands this First Amendment in its entirety. The meaning, intent and legal effect of this Memorandum have been fully explained to each Party by its respective legal counsel. Each Party represents that it is competent to execute this First Amendment and that it has executed this First Amendment free from coercion, duress, or undue influence. Each of the Parties has participated in the review and revision of this First Amendment and, therefore, neither Party shall be considered the drafting Party for purposes of resolving any alleged ambiguities in this First Amendment.

The Parties have caused this First Amendment to be duly executed effective as of the Effective Date first written above.

BONANNI DEVELOPMENT COMPANY III, LLC, a Delaware limited liability company	CITY OF STANTON, a California municipal corporation
By: _____ Its: _____ Date: _____	By: _____ Hannah Shin-Heydorn City Manager
	Date: _____
and	Attest:
	By: _____ Patricia A. Vazquez City Clerk, MMC
By: _____ Its: _____ Date: _____	Date: _____
	Approved as to form:
	By: _____ Best, Best & Krieger LLP City Attorney
	Date: _____