

CLAREMONT CITY COUNCIL

MEETING AGENDA

“We are a vibrant, livable, and inclusive community dedicated to quality services, safety, financial strength, sustainability, preservation, and progress with equal representation for our community.”

City Council Chamber
225 Second Street
Claremont, CA 91711



Tuesday
March 10, 2026
6:30 PM

COUNCILMEMBERS

JENNIFER STARK
MAYOR

JED LEANO

COREY CALAYCAY

ED REECE

SAL MEDINA

Meetings are open to the public for in-person attendance. The meeting will be live streamed via Zoom, technology permitting. Members of the public will not be able to provide public comment via Zoom. To watch the meeting via Zoom, use the following link: <https://zoom.us/j/256208090>. To listen via telephone dial (213)338-8477, Webinar ID: 256 208 090. The recorded meeting will be uploaded to the City website and archived.

OPTIONS FOR PUBLIC COMMENT

Public comment may be provided by one of the following methods. Each speaker will be given up to three (3) minutes to provide their comment.

IN-PERSON LIVE COMMENTS

When public comment is announced, please proceed to the podium one by one.

E-MAIL/MAIL

Written comments sent to the City Clerk's office will be distributed to the City Council and imaged into the record of the meeting. Email: cityclerk@claremontca.gov. Mail: PO Box 880, Claremont, CA 91711. Written comments submitted after publication of the agenda will be made available in the document archive system on the City website as soon as possible - www.claremontca.gov.

For assistance, comments, or more information please contact the City Clerk's Office:

email: cityclerk@claremontca.gov; phone: (909) 399-5461 or (909) 399-5463.

CALL TO ORDER THE MEETING OF THE CITY COUNCIL

PLEDGE OF ALLEGIANCE

MOMENT OF SILENCE

ROLL CALL**CLOSED SESSION REPORT****CEREMONIAL MATTERS, PRESENTATIONS, AND ANNOUNCEMENTS*****Recognitions:***

Our Lady of Assumption Girls Varsity Basketball Team for Their Historic Season

Our Lady of Assumption Boys Varsity Basketball Team for Their Historic Season

Announcements:

Claremont Helen Renwick Library Updates

Outside Public Agency Representative Updates

Presentation:

Tri-City Mental Health Mobile Crisis Response Team Program, Presented by Ontson Placide, Tri-City Mental Health Executive Director

FEDERAL HOLIDAYS - None**MAYOR AND COUNCIL****Council Items - None****Council Assignment Reports**

City Councilmembers may serve as representatives on regional organizations. This time is allocated for reports about their activities. For information about the Council's local, intergovernmental and regional appointments please visit the City website: <https://www.claremontca.gov/Government/City-Council/Council-Appointments>.

CITY MANAGER REPORT**PUBLIC COMMENT**

The Council has set aside this time for persons who wish to comment on items that are not listed on the agenda, but are within the jurisdiction of the City Council. Members of the public will have the opportunity to address the City Council regarding all items on the agenda at the time the Council considers those items.

General public comment will be taken for 30 minutes and will resume later in the meeting if there are speakers who did not get an opportunity to speak because of the 30-minute time limit.

The Brown Act prohibits the City Council from taking action on oral requests relating to items that are not on the agenda. The Council may engage in a brief discussion, refer the matter to staff, and/or schedule requests for consideration at a subsequent meeting.

CONSENT CALENDAR

All matters listed on the Consent Calendar are considered routine. The City Council may act on these items by one motion following public comment. Only Councilmembers may pull an item from the Consent Calendar for discussion, reading of resolutions and ordinances will be waived.

1. ADOPTION OF A RESOLUTION APPROVING THE CITY WARRANT REGISTER

Recommendation: Staff recommends the City Council adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLAREMONT, CALIFORNIA, ALLOWING CERTAIN CLAIMS AND DEMANDS AND SPECIFYING THE FUNDS OUT OF WHICH THE SAME ARE TO BE PAID, dated February 26, 2026.

Attachment(s): Resolution Approving City Warrant Register Dated February 26, 2026

2. CITY COUNCIL MINUTES OF FEBRUARY 10, 2026 (SPECIAL) AND FEBRUARY 24, 2026 (REGULAR)

Recommendation: Staff recommends the City Council approve the special City Council meeting minutes of February 10, 2026 and the regular City Council meeting minutes of February 24, 2026.

Attachment(s): Draft Special Meeting Minutes of February 10, 2026
Draft Regular Meeting Minutes of February 24, 2026

3. 2025 HOMELESS SERVICES UPDATE

Recommendation: Staff recommends the City Council receive and file the 2025 Homeless Services Update.

Attachment(s): Excerpt from the 02-04-26 CHS Meeting Minutes

4. CLAREMONT DIAL-A-RIDE SHORT-RANGE TRANSIT PLAN (FUNDING SOURCE: TRANSPORTATION FUND)

Recommendation: Staff recommends the City Council approve the 2025-27 Short-Range Transit Plan.

Attachment(s): Short-Range Transit Plan 2025-27
Excerpt from the Draft 02-26-26 TTC Meeting Minutes

5. AUTHORIZATION TO AMEND THE EXISTING AGREEMENT WITH FIRST CLASS HEATING AND AIR CONDITIONING, INC. TO INCREASE COMPENSATION FOR HEATING, VENTILATION, AND AIR CONDITIONING MAINTENANCE SERVICES (FUNDING SOURCE: GENERAL FUND)

Recommendation:

Staff recommends the City Council:

- A. Authorize the City Manager to execute an amendment to the existing agreement with First Class Heating and Air Conditioning, Inc. increasing compensation by \$60,000, for a total not-to-exceed contract amount of \$160,700; and
- B. Appropriate \$60,000 from the unassigned General Fund balance to fully fund the agreement.

6. PURCHASE OF OFFICE AND CONFERENCE ROOM CHAIRS FOR CITY FACILITIES (FUNDING SOURCE: GENERAL FUND)

Recommendation:

Staff recommends the City Council:

- A. Approve the purchase of Aeron desk chairs, and Acclaim and Strata conference chairs for all identified City facilities, as detailed in this report;
- B. Authorize the City Manager to execute all necessary purchase orders and agreements with G/M Business Interiors in the amount of \$197,880.86 and Tangram in the amount of \$45,447.23, under their respective cooperative purchasing contracts, in a total amount not to exceed \$243,328.09; and
- C. Appropriate \$243,328.09 from the unassigned General Fund balance to fund the purchase.

PUBLIC HEARING

Public Hearings will not begin before 7:00 p.m.

7. OPERATING COVENANT AGREEMENT FOR THE OPERATION OF A 120-ROOM RESIDENCE INN BY MARRIOTT BY SUSHIL CAPITAL LLC, AND THE PAYMENT OF A TRANSIENT OCCUPANCY TAX REBATE TO SUSHIL CAPITAL LLC. (FUNDING SOURCE: GENERAL FUND)

Recommendation:

Staff recommends the City Council authorize the City Manager to execute the proposed Operating Covenant Agreement, subject to minor, non-substantive modifications as may be necessary or appropriate to implement the purposes of the Agreement.

Attachment(s):

Proposed Operating Covenant Agreement
AB 562 Report

ORDINANCES - None

ADMINISTRATIVE ITEMS

8. CONSIDER PLACING A LOCAL SALES AND USE TAX MEASURE ON THE NOVEMBER 2026 BALLOT (FUNDING SOURCE: GENERAL FUND)

- Recommendation:** Staff recommends the City Council:
- A. Discuss a potential local sales and use tax measure; and
 - B. If the direction is for the City to pursue a local sales and use tax measure, authorize the City Manager to enter into an agreement with Fairbank, Maslin, Maullin, Metz & Associates (FM3) in an amount not-to-exceed \$37,750 to conduct research and polling consulting services; and
 - C. Direct staff to bring back the necessary documents to place a local sales and use tax measure on the November 2026 ballot for City Council consideration at a future meeting.

9. APPROVAL OF THE 2026-28 CITY COUNCIL PRIORITIES AND OBJECTIVES (FUNDING SOURCES: VARIOUS)

- Recommendation:** Staff recommends the City Council approve the 2026-28 City Council Priorities and Objectives.

Attachment(s): Proposed 2026-28 Council Priorities and Objectives

CONTINUED PUBLIC COMMENT

This time is reserved for those persons who were unable to speak earlier in the agenda because of the 30-minute time restriction.

COMMISSIONS/COMMITTEES

- One Public Art Committee Vacancy*
- One Sustainability Committee Vacancy*

ADJOURNMENT

THE NEXT REGULAR MEETING OF THE CLAREMONT CITY COUNCIL WILL BE HELD ON MARCH 24, 2026, AT 6:30 PM, IN THE CLAREMONT COUNCIL CHAMBER, 225 WEST SECOND STREET, CLAREMONT, CA 91711.

A LOOK AHEAD – Upcoming Meetings and Tentative Agenda Items

- Helen Renwick Library Program and Activities Update*
- Outside Public Agency Representative Updates*
- Resolution Approving City Warrant Registers Dated March 12, 2026*
- Draft Minutes of the March 10, 2026 Special and Regular City Council Meetings*
- Hardy and Harper Contract Amendment for CIPs 2025-1, 2025-2, and 2025-3*
- Agreement with TKE for Roadway Improvements*
- ARPA Update and Fund Balance*
- Annual Military Equipment Use Report*

Police Department Vehicle Upfits

Athens Services Contract Extension for Organic Material Processing and Hauling Services

Award of Contract for On-Call Sewer Repair Services

Agreement with El Barrio Park Artist

MOU with Tri-City Mental Health Authority for the Mobile Crisis Response Team

Speed Survey Ordinance Introduction

Housing Element Annual Update

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT OF 1990, THIS AGENDA WILL BE MADE AVAILABLE IN APPROPRIATE ALTERNATIVE FORMATS TO PERSONS WITH DISABILITIES. ANY PERSON WITH A DISABILITY WHO REQUIRES A MODIFICATION OR ACCOMMODATION IN ORDER TO PARTICIPATE IN A CITY MEETING SHOULD CONTACT THE CITY CLERK AT 909-399-5461 or 909-399-5463 "VOICE" OR 1-800-735-2929 "TT/TTY" AT LEAST THREE (3) WORKING DAYS PRIOR TO THE MEETING, IF POSSIBLE.

I, SHELLEY DESAUTELS, CITY CLERK OF THE CITY OF CLAREMONT, CALIFORNIA, HEREBY CERTIFY UNDER PENALTY OF PERJURY THAT THE FOREGOING AGENDA WAS POSTED AT CLAREMONT CITY HALL, 207 HARVARD AVENUE, ON MARCH 5, 2026, PURSUANT TO GOVERNMENT CODE SECTION 54954.2.

POST THROUGH: MARCH 11, 2026



Claremont City Council

Agenda Report

File #: 5906

Item No: 1.

TO: ADAM PIRRIE, CITY MANAGER

FROM: SHELLEY DESAUTELS, CITY CLERK

DATE: MARCH 10, 2026

Reviewed by:

City Manager: AP

SUBJECT:

ADOPTION OF A RESOLUTION APPROVING THE CITY WARRANT REGISTER

RECOMMENDATION

Staff recommends the City Council adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLAREMONT, CALIFORNIA, ALLOWING CERTAIN CLAIMS AND DEMANDS AND SPECIFYING THE FUNDS OUT OF WHICH THE SAME ARE TO BE PAID, dated February 26, 2026.

PUBLIC NOTICE PROCESS

The agenda and staff report for this item have been posted on the City website and distributed to interested parties. If you desire a copy, please contact the City Clerk's Office.

Submitted by:

Shelley Desautels
City Clerk

Attachment:

Resolution Approving City Warrant Register Dated February 26, 2026

RESOLUTION NO. 2026-

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

NOW THEREFORE, THE CLAREMONT CITY COUNCIL DOES HEREBY RESOLVE:

SECTION 1. That the list of claims and demands dated February 26, 2026, totaling \$2,105,615.91 has been audited as required by law.

SECTION 2. That warrant numbers 4796 through 4799 and 267288 through 267425 inclusive, are hereby allowed in the amounts and ordered paid out of the respective funds.

SECTION 3. That the Mayor shall sign this Resolution and the City Clerk shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED, AND ADOPTED this 10th day of March, 2026.

Mayor, City of Claremont

ATTEST:

City Clerk, City of Claremont



Claremont City Council

Agenda Report

File #: 5907

Item No: 2.

TO: ADAM PIRRIE, CITY MANAGER

FROM: SHELLEY DESAUTELS, CITY CLERK

DATE: MARCH 10, 2026

Reviewed by:

City Manager: AP

SUBJECT:

CITY COUNCIL MINUTES OF FEBRUARY 10, 2026 (SPECIAL) AND FEBRUARY 24, 2026 (REGULAR)

RECOMMENDATION

Staff recommends the City Council approve the special City Council meeting minutes of February 10, 2026 and the regular City Council meeting minutes of February 24, 2026.

PUBLIC NOTICE PROCESS

The agenda and staff report for this item have been posted on the City website and distributed to interested parties. If you desire a copy, please contact the City Clerk's Office.

Submitted by:

Shelley Desautels
City Clerk

Attachments:

- A - Draft Special Meeting Minutes of February 10, 2026
- B - Draft Regular Meeting Minutes of February 24, 2026

**CLAREMONT CITY COUNCIL
SPECIAL MEETING MINUTES**

Tuesday, February 10, 2026 – 5:15 PM

Video Recording is Archived on the City Website

<https://www.claremontca.gov/Government/City-Council/Watch-a-Meeting>

CALL TO ORDER

Mayor Stark called the meeting to order at 5:15 PM.

ROLL CALL

PRESENT

COUNCILMEMBER: CALAYCAY, LEANO, MEDINA, REECE, STARK

ABSENT

COUNCILMEMBER: NONE

ALSO PRESENT

Adam Pirrie, City Manager; Jamie Earl, Assistant City Manager; Alisha Patterson, City Attorney

CLOSED SESSION

Mayor Stark invited public comment.

City Clerk Desautels announced no written public comment had been received.

There were no requests to speak.

Mayor Stark closed public comment.

At 5:17 PM the City Council recessed to closed session:

1. **Pursuant to Government Code Section 54957(b)(1):**

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: City Manager

The First Amendment to the City Manager's Employment Agreement requires the City Council to meet in closed session to conduct an annual review of the City Manager on or before March 31 of each year. The City Council will conduct the review in closed session pursuant to paragraph (1) of subdivision (b) of Section 54957 of the California Government Code.

and

1. **Pursuant to Government Code Section 54957(b)(1):**

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: City Attorney

The Legal Services Agreement with Rutan and Tucker, LLP requires the City Council to meet in closed session to conduct an annual review of the City Attorney on or before March 31 of each year. The City Council will conduct the review in closed session pursuant to paragraph (1) of subdivision (b) of Section 54957 of the California Government Code.

The City Council reconvened from closed session at 6:30 PM.

Closed Session Report

Mayor Stark stated there is no reportable action.

ADJOURNMENT

Mayor Stark adjourned the special meeting of the Claremont City Council at 6:31 PM.

Mayor

ATTEST:

Deputy City Clerk

**CLAREMONT CITY COUNCIL
MEETING MINUTES**

Tuesday, February 24, 2026 – 6:30 PM

Video Recording is Archived on the City Website

<https://www.claremontca.gov/Government/City-Council/Watch-a-Meeting>

CALL TO ORDER

Mayor Stark called the meeting to order at 6:31 PM.

PLEDGE OF ALLEGIANCE

MOMENT OF SILENCE

ROLL CALL

PRESENT COUNCILMEMBER: CALAYCAY, MEDINA, REECE, STARK

ABSENT COUNCILMEMBER: LEANO

ALSO PRESENT Adam Pirrie, City Manager; Jamie Earl, Assistant City Manager; Alisha Patterson, City Attorney; Mike Ciszek, Chief of Police; Jeremy Starkey, Director of Finance; Melissa Vollaro, Director of Recreation and Human Services; Jeremy Swan, Director of Community Services; Brad Johnson, Director of Community Development; Shelley Desautels, City Clerk

CLOSED SESSION REPORT - None

CEREMONIAL MATTERS, PRESENTATIONS, AND ANNOUNCEMENTS

This item starts at 1:57 in the archived video.

John Neiuber, on behalf of Claremont Heritage and its Board of Directors, presented a historic Claremont Route 66 sign, four of which will be placed along Foothill Boulevard.

Priscilla Espinoza, Claremont Helen Renwick Library Librarian, provided an update on upcoming Library events.

FEDERAL HOLIDAYS – None

MAYOR AND COUNCIL

Council Items – None

Council Assignment Reports – None

CITY MANAGER REPORT

This item starts at 9:40 in the archived video.

City Manager Pirrie reported on the upcoming *Every 15 Minutes Program* Indian Hill Boulevard closure, Committee on Human Relations two-part community panel on building an inclusive culture, the third annual Special Needs St. Patrick's Day dance, and the upcoming Arbor Day ceremony.

PUBLIC COMMENT

This item starts at 11:36 in the archived video.

City Clerk Desautels announced one general written public comment had been received.

Mayor Stark invited public comment.

Isabel spoke about the incident involving Diego Rios and asked if the officers involved will be disciplined.

Nasa spoke about the incident involving Diego Rios, questioned the City's FAQs, unaddressed questions regarding the officers, body worn cameras and footage, PACT program funding, and mental health training.

Victor Rios spoke about the LA County Medical Examiner's report, the incident involving Diego Rios, and inquired about the duty status of the officers.

Frances Curry spoke about the incident involving Diego Rios and inquired about the duty status of the officers.

Jason Alferin spoke about the incident involving Diego Rios and the need for clear and consistent information.

Victor Rios spoke of the incident involving Diego Rios and inquired if the law applies to everyone.

Zoe, Peer Health Educator at the Claremont Colleges, spoke about the passive response to Diego Rios death, the Tri City Mental Health Response Team, and asked for assurances that the City values public safety.

David Taylor, 5C College Democrats, spoke in support of the Diego Rios family and asked for public servants to look out for the well-being of its people.

Zara spoke about missing middle-housing in Claremont and asked for implementation of solutions to combat the inequality, one of which would be the implementation of AB 1033.

Unidentified speaker, spoke about the incident involving Diego Rios, the cancellation of the March Police Commission meeting, the results of the LA County Medical Examiner's report, the wrongful death lawsuit filed against the City, and called for accountability.

Georgia demanded justice and accountability for the incident involving Diego Rios.

Chloe, on behalf of Katcha Fairbanks, spoke about the availability of Tri City Mental Health mobile crisis health services, and asked if the Police Department gets a call about a non-violent mental health issue, is the mobile crisis unit called.

Jack spoke about the revocation of the Dial-a-Ride program, benefits the City receives from the Colleges, the incident involving Diego Rios, and inquired what the City will do to represent the citizens of Claremont.

Emily, spoke about the incident involving Diego Rios and asked what is being done to hold officers accountable and make clear the steps and protocol of what happens in these types of incidents.

Nicole spoke about the incident involving Diego Rios and asked the City Council to put themselves in the family's place.

As it had been over 30 minutes, the time set aside for general public comment, Mayor Stark announced public comment would be continued following the agenda business of the meeting.

CONSENT CALENDAR

This item starts at 49:53 in the archived video.

Councilmember Calaycay removed Item No. 7 from the Consent Calendar for further discussion.

City Clerk Desautels announced no written public comment had been received on Consent Calendar Items No. 1 through 6.

Mayor Stark invited public comment on Consent Calendar Items No. 1 - 6.

Unidentified speaker, spoke about Consent Calendar Item No. 5, and questioned why staff could find funding for this item, but not prepare a presentation for the Police Commission meeting, and added that the uniform stipend should be suspended until the Diego Rios case is resolved.

There were no further requests to speak.

Mayor Stark closed public comment.

City Manager Pirrie addressed the provisions of certain Memoranda of Understanding of three employee associations including sworn officers that reimbursement be made for equipment and clothing used in the course of doing their jobs. The change from reimbursement to a stipend was recommended only as an efficiency in Finance staff time required to process requests.

Councilmember Calaycay moved to approve Consent Calendar Items No. 1-6, seconded by Councilmember Medina, and carried on a roll call vote as follows:

AYES: Councilmember – Calaycay, Medina, Reece, Stark

NOES: Councilmember – None

ABSENT: Councilmember – Leano

1. Adoption of a Resolution Approving the City Warrant Register
Adopted Resolution No. 2026-08, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLAREMONT, CALIFORNIA, ALLOWING CERTAIN CLAIMS AND DEMANDS AND SPECIFYING THE FUNDS OUT OF WHICH THE SAME ARE TO BE PAID, dated February 12, 2026.
2. City Council Minutes of February 10, 2026 Regular Meeting
Approved the regular City Council meeting minutes of February 10, 2026.

3. City of Claremont Annual Audited Financial Reports for the Year Ended June 30, 2025
The City Council received and filed the following letters and financial reports for the year ended June 30, 2025:
 - A. Annual Comprehensive Financial Report (ACFR);
 - B. Transportation Fund Financial Statements;
 - C. Housing Successor Agency Fund Statements;
 - D. Area Agency on Aging (Senior Nutrition Program) Financial Statements; and
 - E. Letters: Statement on Auditing Standards (SAS) 114 Letter and Internal Controls Letter.

4. Adoption of a Resolution Authorizing Willdan Financial Services to Prepare the 2026-27 Landscape and Lighting District Annual Report (Funding Source: Landscape and Lighting District Fund)
Adopted Resolution No. 2026-09, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLAREMONT, CALIFORNIA, DIRECTING WILLDAN FINANCIAL SERVICES, AS ENGINEER OF RECORD, TO PREPARE AND FILE THE 2026-27 ANNUAL REPORT PERTAINING TO LANDSCAPE AND LIGHTING DISTRICT NO. LL001 (PURSUANT TO THE LANDSCAPE AND LIGHTING ACT OF 1972).

5. Adoption of a Resolution Approving Side Letter Agreements with the Claremont Police Officers' Association (CPOA), Claremont Police Management Association (CPMA), and Claremont Management Association (CMA) Related to Uniform and Equipment Allowances (Funding Source: General Fund)
Adopted Resolution No. 2026-10, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLAREMONT, CALIFORNIA, APPROVING SIDE LETTER AGREEMENTS WITH THE CLAREMONT POLICE OFFICERS' ASSOCIATION (CPOA), CLAREMONT POLICY MANAGEMENT ASSOCIATION (CPMA), AND CLAREMONT MANAGEMENT ASSOCIATION (CMA) RELATED TO UNIFORM AND EQUIPMENT ALLOWANCES.

6. Historical Property (Mills Act) Agreement #25-MA02, Between the City and Megan and Anthony Claremont, Property Owners of 746 Harvard Avenue
 - A. Approved and authorized the City Manager to execute the Historical Property (Mills Act) Agreement between the City of Claremont and Megan and Anthony Claremont, property owners of 746 Harvard Avenue; and
 - B. Made the finding this item is exempt from review under the California Environmental Quality Act (CEQA).

7. Approval of Final Tract Map No. 83121 Subdividing 9.58 Acres for the Development of 55 Single-Family Detached Homes at 2475 Forbes Avenue. Applicant – Taylor Morrison
This item was removed from the Consent Calendar.

Item Removed from the Consent Calendar

7. Approval of Final Tract Map No. 83121 Subdividing 9.58 Acres for the Development of 55 Single-Family Detached Homes at 2475 Forbes Avenue. Applicant – Taylor Morrison

This item starts at 57:38 in the archived video.

City Manager Pirrie responded to questions from the City Council regarding clarification on when a new Assessor's Parcel Number will be assigned to the remaining School District parcel.

City Clerk Desautels announced no written public comment had been received.

Mayor Stark invited public comment.

There were no requests to speak.

Mayor Stark closed public comment.

Councilmember Calaycay moved to:

A. Adopt Resolution No. 2026-11, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLAREMONT, CALIFORNIA, APPROVING FINAL TRACT MAP NO. 83121, which includes the associated Subdivision Improvement Agreement for Completion of Public Improvements as an Exhibit; and

B. Find this item is exempt from environmental review under the California Environmental Quality Act (CEQA);

Seconded by Councilmember Medina, and carried on a roll call vote as follows:

AYES: Councilmember – Calaycay, Medina, Reece, Stark

NOES: Councilmember – None

ABSENT: Councilmember – Leano

PUBLIC HEARINGS - None

ORDINANCES – None

ADMINISTRATIVE ITEM

8. 2025-26 Mid-Year Budget Report

This item starts at 1:00:51 in the archived video.

Jeremy Starkey, Finance Director, gave a PowerPoint presentation.

Mr. Starkey and City Manager Pirrie responded to a question from the City Council regarding the process of budget presentations that takes place in other cities.

City Clerk Desautels announced no written public comments had been received.

Mayor Stark invited public comment.

There were no requests to speak.

Mayor Stark closed public comment.

The City Council received and filed the 2025-26 Mid-Year Budget Report.

CONTINUED PUBLIC COMMENT

This item starts at 1:16:32 in the archived video.

Mayor Stark invited continued public comment from those who were not able to speak earlier due to the 30-minute time limit.

Kate, Claremont resident, spoke about the Diego Rios incident and asked the City Council to protect its community.

Claire, Claremont resident, questioned the values the City places on its wellbeing and safety of the community and spoke about the Diego Rios incident.

Unidentified speaker questioned if the Police Officers involved in the Diego Rios incident will be held accountable for their actions.

Miriam Auchmachman, Claremont resident, spoke about the Diego Rios incident and questioned the status of the crisis response team, the upcoming Police Commission meeting, and the body worn camera footage of the Officers involved.

Tessa, Claremont resident, expressed concern regarding the withholding of body worn camera footage in the Diego Rios incident, the withholding of over 60 emails, and the postponed Police Commission meeting.

Saman spoke in support of the Diego Rios family and asked the City Council to provide accountability and care to the incident.

Unidentified speaker expressed that many high school students have safety concerns after learning of the Diego Rios incident and urged the City Council to listen to those concerns.

Unidentified speaker asked the City Council to agendize an item addressing the use of illegal choke holds.

There were no other requests to speak.

Mayor Stark closed public comment.

ADJOURNMENT

Mayor Stark adjourned the regular meeting of the Claremont City Council at 8:15 PM. The next regular meeting of the Claremont City Council will be held on March 10, 2026.

Mayor

ATTEST:

Deputy City Clerk



Claremont City Council

Agenda Report

File #: 5888

Item No: 3.

TO: ADAM PIRRIE, CITY MANAGER

FROM: MELISSA VOLLARO, RECREATION AND HUMAN SERVICE DIRECTOR

DATE: MARCH 10, 2026

Reviewed by:

City Manager: AP

SUBJECT:

2025 HOMELESS SERVICES UPDATE

SUMMARY

Staff regularly provides updates on the City's ongoing efforts in addressing issues affecting people experiencing homelessness. This report serves as the annual report for calendar year 2025 and includes information on various programs and services that aid in preventing and mitigating homelessness.

RECOMMENDATION

Staff recommends the City Council receive and file the 2025 Homeless Services Update.

ALTERNATIVE TO RECOMMENDATION

In addition to the recommendation, there is the following alternative:

- Request additional information from staff.

FINANCIAL REVIEW

The City's response to homelessness is primarily funded through County and regional sources, including a variety of grant programs administered by partner agencies. In prior years, the City received Measure H funding directly from Los Angeles County, as well as Measure H and State budget earmark funds awarded through the San Gabriel Valley Council of Governments (SGVCOG). Specific funding sources and allocations related to individual programs are discussed throughout this report.

Funding from the American Rescue Plan Act (ARPA) was included in the 2024-26 City Budget and designated for Community Based Organization (CBO) funding. Of this amount, \$60,000 per calendar year was allocated to Homeless Services Programs.

Staff oversight related to the City's homelessness response is supported within the existing budgets of the City Manager's Office, the Recreation and Human Services Department, and the Police Department. The estimated staff cost to prepare this report is \$2,302 and is included in the operating budgets of the Administrative Services and Recreation and Human Services Departments.

ANALYSIS

The City of Claremont, in collaboration with community partners, continues to implement strategies to support individuals experiencing homelessness. Through coordinated efforts with service providers, nonprofit organizations, and volunteers, the City addresses the complex and interconnected issues of homelessness, poverty, mental illness, and substance use. By leveraging partnerships with organizations that have specialized expertise, the City can focus resources effectively and respond to critical community needs. This report highlights key programs and initiatives implemented during 2025.

Cohort

In 2019, the Cities of Pomona, La Verne, and Claremont formed a Cohort in partnership with Tri-City Mental Health Services (Tri-City) to implement their respective homeless action plans. The Cohort initially focused on administering Measure H funding awarded through SGVCOG. Although these funds have since been expired, and Measure A funding has not yet been made available to the Cohort, the group remains committed to prioritizing programs that address the needs of individuals experiencing homelessness.

City staff, in coordination with SGVCOG, continue to actively pursue alternative funding opportunities to support and expand homeless services beyond Measures H and A.

Community Navigator Program

A cornerstone of the Cohort's efforts is Tri-City's Community Navigator Program. This program is staffed by highly trained professionals who specialize in outreach, linkage, and referral to local resources for individuals experiencing homelessness. Community Navigators assist individuals, families, and caregivers in accessing a wide range of services, including mental health care, substance use treatment, medical services, legal assistance, food and clothing resources, and transitional or supportive housing options.

In addition to direct service provision, Community Navigators maintain close working relationships with community organizations, law enforcement agencies, schools, courts, residential facilities, the local National Alliance on Mental Illness (NAMI) chapter, advocacy groups, and homeless shelters.

The Navigator model provides the foundational infrastructure for a localized system of care that is responsive to the needs of individuals and families. In 2025, the Community Navigator served 61 individuals in Claremont, coordinated temporary housing for eight individuals or families, and successfully assisted five individuals or families in securing permanent housing. Ongoing challenges remain, as approximately half of the individuals encountered are not yet willing to engage in services.

Los Angeles Centers for Alcohol and Drug Abuse (L.A. CADA)

In 2025, Claremont expanded its homeless services to include outreach provided by Los Angeles Centers for Alcohol and Drug Abuse (L.A. CADA). Funded through Measure A and coordinated by the San Gabriel Valley Council of Governments (SGVCOG), L.A. CADA operates three outreach teams serving 15 cities across Los Angeles County's Service Planning Area 3 (SPA 3).

Claremont is served by one of these teams, which covers five cities and is present in Claremont three to four days per week, in addition to scheduled appointments. The team provides outreach and engagement services, links individuals to needed resources, offers transportation, and provides housing navigation support. L.A. CADA is also equipped to provide treatment and support for individuals experiencing addiction, behavioral health challenges, mental illness, and trauma.

While operating in Claremont, the team conducts regular outreach rounds and works closely with City staff, the Tri-City Community Navigator, and the Police Department. This coordination ensures a comprehensive and integrated approach to serving Claremont's unhoused community.

Since August 2025, L.A. CADA has provided the following services to individuals experiencing homelessness in Claremont:

Service Type	First Time	Follow-up
Food Pantry Linkage	3	7
Housing Navigation	15	20
On-Site Care	2	0
Resources	22	17
Snack Pack	15	17
Building Rapport/Check In	25	36
Identification Assistance	0	1
Transportation	3	3
Interim Housing Placement	0	1
Benefits Assistance	1	1

L.A. CADA provides Claremont with monthly reports that include the number of interactions they have with our unhoused community and what they request. The reports also detail the areas of Claremont with the highest number of encounters each month.

Mobile Crisis Response/SGV Cares

In 2025, Tri-City Mental Health Services introduced its Mobile Crisis Response Team, designed to provide an alternative mental health response to non-violent, non-criminal calls received by the Claremont Police Department. The team will respond to individuals experiencing mental health needs, including those without permanent housing. The City of Claremont is currently finalizing contracts and implementation plans and anticipates launching this service soon.

In addition, SGV Cares, San Gabriel Valley's regional homeless, mental health, and crisis response program administered through the SGVCOG, will provide an additional Mobile Crisis Response Team to serve Claremont. Program details and operational plans are currently being finalized, with the City

planning to launch this service in Claremont in 2026 as well.

Shower Program

The Cohort continues its partnership with St. Ambrose Episcopal Church to operate a shower program that provides individuals and families experiencing homelessness with access to clean, safe, and dignified facilities. Showers are offered on Tuesdays and Fridays from 8:30 AM to 12:30 PM, with hours extended as needed. Hygiene supplies, towels, and a hot meal are provided. A mobile health van staffed by the Los Angeles County Department of Health Services visits monthly to provide medical care.

St. Ambrose Episcopal Church was awarded a \$10,000 CBO grant for 2025 to continue the program and explore the construction of an additional shower unit. The Community Navigator regularly attends the program to provide outreach and resources.

Crisis Shelter Beds and Area Shelters

As part of the Cohort, the City currently has access to six crisis beds at the Hope for Home (H4H) Shelter in Pomona, which provides homeless services through a collaborative partnership model. Through partnerships with site-based service providers-including Volunteers of America, Tri-City, East Valley Community Health Center, Prototypes Inc., and SoCal Goodwill-H4H residents have access to a wide range of supportive services. In addition to shelter, these services include meals, health care, enrichment classes, employment support, community meetings and events, and laundry services. Placement into H4H beds is facilitated through referrals from the Navigator Program. In 2025, nine individuals were referred to H4H, with five successfully placed.

Beyond H4H, City staff have collaborated with Inland Valley Hope Partners (IVHP) to secure family rooms at the Our House Family Shelter in Pomona. IVHP applied for and was awarded a 2025 CBO grant of \$3,500 to support services at the shelter. Additionally, Pacific Lifeline-a shelter for women with children in Upland-received a \$3,500 CBO grant from the City of Claremont and is currently serving one Claremont family in its shelter and another in its transitional housing program. Foothill Family Shelter, also located in Upland, received a \$3,500 CBO grant and had one Claremont family qualify for placement; however, the family ultimately declined to move in. City staff, Tri-City Navigators, and partner agencies continue to coordinate with IVHP to identify and refer eligible unsheltered Claremont families to available shelter resources.

Reunification

A trend seen in 2024 and continued into 2025 was unhoused individuals currently living in Claremont, but not originally from the San Gabriel Valley or surrounding areas, requesting assistance to be reunified with family members outside of the area. In 2025, City staff and the Tri-City Navigator worked with one individual to verify their situation, confirm that a family support system exists in their home community, and secured transportation home for them.

HEART Meetings

The Homeless Engagement, Assessment, and Response Team (HEART) was formed in May 2023 as an interdepartmental working group that meets monthly to discuss trends, challenges, and solutions related to homelessness. Members include representatives from the City Manager's Office, Police Department, Recreation and Human Services Department, Community Services, Community

Development, L.A. CADA, and Tri-City Mental Health.

HOST Deployments

In the summer of 2024, the Claremont Police Department, along with other Los Angeles County law enforcement agencies, received funding to support Homeless Outreach Services Team (HOST) deployments. This county-designated funding is intended to enable law enforcement agencies to proactively engage with individuals experiencing homelessness and connect them with services offered by city, county, and state partners.

Following mandatory training for Claremont Police Department personnel, the first HOST deployment took place in September 2024. These deployments are a collaborative effort involving the Police Department, Tri-City Mental Health, the Recreation and Human Services Department, and the City Manager's Office. Together, these partners work to provide resources and support to Claremont's unhoused residents. The deployments have also given City staff a clearer understanding of where individuals experiencing homelessness congregate, as well as their needs and demographics.

Law enforcement costs associated with HOST deployments are reimbursable. The reimbursement level is determined by factors such as city size, the number of documented homeless individuals, and available local resources. While patrol staffing needs take priority, when additional personnel are available, between three and eight HOST deployments are scheduled per month. In 2025, deployments were conducted from January through May. For the remainder of the year, funding was available on a more limited and sporadic basis, resulting in fewer deployments.

San Gabriel Valley Council of Governments (SGVCOG)

SGVCOG is a regional government planning agency that aims to maximize the quality of life in the San Gabriel Valley that is made up of 31 cities, two Los Angeles County Supervisorial Districts, and three Municipal Water Districts located in the San Gabriel Valley. The SGVCOG has a Governing Board, as well as nine standing committees and working groups, one of which is the Homelessness Committee. Councilmember Jed Leano represents the City as a voting member of the Homelessness Committee, which studies problems, programs, and other matters that pertain to regional homelessness issues and provides policy direction to the Governing Board.

Point-in-Time Homeless Count

The federal Department of Housing and Urban Development (HUD), the largest source of homeless program funding, requires that Continuum of Care (CoC) communities that receive HUD CoC funding, such as Los Angeles County, perform a "one-day, point-in-time" unduplicated count of people experiencing homelessness. The Los Angeles Homeless Services Authority (LAHSA) oversees the count in Los Angeles County. Results of the Homeless Count provide the County and local cities with benchmark numbers that serve as a basis for developing local community and countywide strategies to help people find long-term housing solutions.

The 2026 Greater Los Angeles Homeless Count took place on January 21, 2026. Results from that will be released in the late spring/early summer of 2026. In 2024, the Homeless Count reported a range of 33-36 unhoused individuals in Claremont. In 2025, LAHSA changed how they reported data, and stated that Claremont had a total of 8 unsheltered individuals not in a dwelling and 16 unhoused individuals in dwellings.

Identified Gaps in Services

While the City of Claremont, in partnership with dedicated service providers, has demonstrated the ability to leverage funding and deliver a range of services to individuals experiencing homelessness, the City continues to face a shortage of interim and permanent supportive housing options. Efforts by Tri-City Mental Health Services, the Cohort, SGVCOG, L.A. CADA, and other service providers show that unsheltered individuals are being effectively engaged; however, limited housing availability remains a barrier for those willing to accept assistance.

The City will continue to identify and pursue potential funding opportunities and leverage local and regional resources to expand interim and permanent supportive housing options within the community.

RELATIONSHIP TO CITY PLANNING DOCUMENTS

Staff has evaluated the agenda item in relationship to the City's strategic and visioning documents and finds that it applies to the following City Planning Documents: Council Priorities, General Plan, and the 2024-26 Budget.

CEQA REVIEW

This item is not subject to environmental review under the California Environmental Quality Act (CEQA).

COUNCIL COMMITTEE/COMMISSION REVIEW

The Community and Human Services Commission received and filed the 2025 Homeless Services Update at its February 4, 2026 meeting.

PUBLIC NOTICE PROCESS

The agenda and staff report for this item have been posted on the City website and distributed to interested parties. If you desire a copy, please contact the City Clerk's Office.

Submitted by:

Melissa Vollaro
Recreation and Human Services Director

Prepared by:

Michelle Castillo
Management Analyst

Attachment:

Excerpt from the 02-04-26 Community and Human Services Commission Meeting Minutes

Jeremy Swan, Community Services Director, responded to questions from the Commission regarding how the City will communicate with residents during an emergency if cell phone and internet services are down; if there are local services with broader reach, similar to the old Emergency Broadcast System; the Commission's possible involvement in future development of Plan details, particularly related to the sections addressing populations with access and functional needs and at-risk individuals; and whether any Claraboya residents attended the Emergency Preparedness Ad Hoc Committee meetings.

Chair Sifuentes invited public comment on Consent Calendar Item No. 4.

Dawn Ross, Senior Administrative Assistant, announced that no written public comment had been received on this item.

There were no requests to speak.

Chair Sifuentes closed public comment.

The Commission received and filed the report.

ADMINISTRATIVE ITEM

5. 2025 Homeless Services Update

This item starts at 01:01:51 in the archived video.

Michelle Castillo, Management Analyst, presented an update on the City's homeless programs and services offered and provided in 2025.

Management Analyst Castillo responded to questions from the Commission regarding public perception that the City does not provide enough services to the homeless population, how to communicate to the community appropriate courses of action for dealing with homeless issues, how the City's new partnership with the Los Angeles Centers for Alcohol and Drug Abuse (L.A. CADA) came about, the roles of the different agencies with which the City partners and possible duplication of services provided, types of services offered that are met with the most reluctance or resistance, the best person to whom to refer individuals interested in receiving services, how often the L.A. CADA team is in Claremont, and tracking of services provided to individuals for the first time versus repeat or follow-up engagement.

Chair Sifuentes invited public comment.

Dawn Ross, Senior Administrative Assistant, announced no written public comment had been received on this item.

There were no requests to speak.

Chair Sifuentes closed public comment.

The Commission received and filed the report.

Staff

DIRECTORS' REPORT

This item starts at 01:22:22 in the archived video.

Melissa Vollaro, Recreation and Human Services Director, reported on:

- TAC/YAC Field Trip Recap
- 2026 Greater Los Angeles Homeless Count Recap
- Special Needs & Inclusion Movie Night Recap
- Winter/Spring 2026 Activity Guide
- 36th Annual Making Change Contest
- Scam Stoppers Breakfast
- March–April 2026 Programming
- Summer 2026 Camp Claremont
- 4th of July Celebration Contests
- CHWP Bench Sponsorship Program

Jeremy Swan, Community Services Director, reported on:

- Larkin Park Playground Update
- Urban Forest Update
- Holiday Closure
- Claremont Dial-a-Ride Update
- Sewer & Sanitation Rate Studies
- Open/Upcoming Bids

Commission/Committee

Commissioner Brower reported that at their December 10, 2025 meeting, the Committee on Aging selected Claudia Pinter-Lucke as Chair and Raquel Hickernell as Vice Chair for the 2025-26 term. The Committee voted to hold two excursions next summer: a visit to the Nixon Library and the Route 66 Adventure, a guided tour of Route 66 and quirky roadside attractions.

ADJOURNMENT

Chair Sifuentes adjourned the meeting of the Community and Human Services Commission at 8:57 PM. The next regular meeting of the Claremont Community and Human Services Commission will be held on Wednesday, March 4, 2026, at 7:00 PM.

Brisa Sifuentes, Chair



Claremont City Council

Agenda Report

File #: 5903

Item No: 4.

TO: ADAM PIRRIE, CITY MANAGER

FROM: JEREMY SWAN, COMMUNITY SERVICES DIRECTOR

DATE: MARCH 10, 2026

Reviewed by:

City Manager: AP

SUBJECT:

CLAREMONT DIAL-A-RIDE SHORT-RANGE TRANSIT PLAN (FUNDING SOURCE: TRANSPORTATION FUND)

SUMMARY

The City of Claremont's general public Dial-a-Ride (DAR) program is funded by Federal, State, County, and local funding sources, including fares. To receive transportation grants and operating subsidies, the City is required to complete a Short-Range Transit Plan (SRTP) every three years. This report provides an overview of Claremont DAR, including funding information, as presented in the SRTP document.

RECOMMENDATION

Staff recommends the City Council approve the 2025-27 Short-Range Transit Plan.

ALTERNATIVE TO RECOMMENDATION

In addition to the recommendation, there is the following alternative:

- Request additional information.

FINANCIAL REVIEW

Revenues

In 2025-26, Claremont Dial-a-Ride is eligible to receive approximately \$618,000 in Federal, State, and local funds, and PVTA anticipates receiving approximately \$50,000 in fare revenue. These combined funding sources total \$668,000 and represent the total anticipated revenue to fund the DAR program in 2025-26.

Reserves

In addition to the annual transit funding allocations, the City currently has \$2,310,858 in reserved, unallocated Federal, State, and local transportation funds that may be used to support the Claremont Dial-a-Ride Program. Reserve funds are available due to a temporary funding surplus during the COVID-19 pandemic. During the pandemic, ridership decreased significantly. Concurrently with reduced ridership and lower expenditures, the City received stimulus funding from the Federal Transit Administration to support operations.

Program Costs

Since July 2025, program ridership has experienced a significant increase, resulting in higher than anticipated program costs. PVTA anticipates that the program could be on track to expend \$1,033,000 in 2025-26. At its February 10, 2026 meeting, the City Council increased the Dial-a-Ride budget to \$1,033,000 in 2025-26. The difference between anticipated revenues and expenditures will be covered utilizing reserved transportation funds. While the City of Claremont has reserved Transportation Funds and can cover this cost in 2025-26, this funding level is not sustainable long-term. Therefore, a cost-containment strategy is required and will be analyzed in Spring 2026.

The staff cost to prepare this report and administer this program is estimated at \$4,300 and is included in the operating budget of the Community Services Department.

ANALYSIS

Background

The City of Claremont began its general public DAR service in 1975. In 1996, Claremont DAR was reorganized into two parts: a taxi/Uber component and a group service component. The group service is for groups of six or more individuals traveling to the same destination, and groups typically ride in one of the City-owned paratransit buses. Claremont DAR is operated by private contractors and managed by the Pomona Valley Transportation Authority (PVTA). PVTA is a joint powers authority comprised of the cities of Claremont, La Verne, Pomona, and San Dimas. The Board consists of two Councilmembers from each city; Councilmembers Corey Calaycay and Ed Reece currently represent Claremont on the PVTA Board.

SRTP Requirement

The Los Angeles County Metropolitan Transportation Authority (Metro) administers local, State, and Federal revenues using the information contained in the SRTP prepared by each regionally-funded operator. For the City of Claremont to receive funding from Metro, it is required to prepare and submit an SRTP every three years. A copy of the City's current SRTP is included as Attachment A. This planning document contains both service and financial information for the Claremont DAR program. The SRTP applies only to Claremont DAR and does not include any other transportation services the City may provide.

Recent and Planned Actions

The City of Claremont, in partnership with Pomona Valley Transportation Authority, has developed the following work plan for 2024-25 through 2026-27.

Recent Actions for 2024-2025

- Prepared for a transit feasibility study to update all PVTA programs, with an emphasis on Claremont transit programs
- Solicited proposals for a transit operator mid-year
- Maintained transition of Claremont DAR from a cab operator to a Transportation Network Company (TNC) (currently Uber)
- Transitioned outreach and marketing to TNC for transportation, including education and assistance for all riders
- Implemented a new PVTA app which includes all programs in one universal application
- Introduced Stripe software, a new form of payment through credit card

Current Work Plan Actions for 2025-2026

- Complete the transit feasibility study for all programs within PVTA, with an additional emphasis on Claremont Dial-a-Ride
- Evaluate ridership trends to ensure the program remains within budget while meeting community transportation needs
- Update the Claremont DAR capital expenditure plan
- Conduct the annual rider survey and service evaluation through the transit study
- Develop an implementation plan for the introduction of additional customer service features including web-based and smartphone reservations and paperless fare payment
- Continue the management and monitoring of the contractor services
- Consider cost-containment strategies to ensure fiscal sustainability, including:
 - Increasing fares for General Public riders
 - Reducing hours of operations, including potentially eliminating overnight trips
 - Capping General Public trips at 16 one-way trips per month
 - Eliminating destinations outside of Los Angeles County

Planned Work Plan Actions for 2026-2027

- Ensure new PVTA app implementation is successful operationally and with registered riders
- Ensure new credit card payment system is successful
- Conduct safety checks of TNC trips and riders
- Explore more methods and different forms of TNCs, ensuring there are multiple options for riders available
- Implement recommendations from the feasibility study, once completed
- Prepare a Request for Proposals for a new operations and maintenance contract that will begin in 2027-2028 (This is dependent on completion of the transit feasibility study and its recommendations.)
- Develop fleet configuration recommendations and an updated fleet replacement

RELATIONSHIP TO CITY PLANNING DOCUMENTS

Staff has evaluated the agenda item in relationship to the City's strategic and visioning documents and finds that it applies to the following City Planning Documents: Council Priorities, Sustainable City Plan, Economic Sustainability Plan, General Plan, 2024-26 Budget, and the Youth and Family Master Plan.

CEQA REVIEW

This item is not subject to environmental review under the California Environmental Quality Act (CEQA).

COMMISSION REVIEW

At its February 26, 2026 meeting, the Traffic and Transportation Commission accepted the 2025-27 Short-Range Transit Plan and forwarded it to the City Council for final review and approval. An excerpt from the draft Commission meeting minutes is included as Attachment B.

PUBLIC NOTICE PROCESS

The agenda and staff report for this item have been posted on the City website and distributed to interested parties. If you desire a copy, please contact the City Clerk's Office.

Submitted by:

Jeremy Swan
Community Services Director

Prepared by:

Kristin Mikula
Community Services Manager

Attachments:

A - Short-Range Transit Plan 2025-27

B - Excerpt from the Draft 02-26-26 Traffic and Transportation Commission Meeting Minutes

Claremont Dial-A-Ride

Short Range Transit Plan

Fiscal Years 2025-2027



City of Claremont
Community Services Department
County Of Los Angeles, California

FEBRUARY 2026



Prepared By: Nicole Carranza, Kristin Mikula
Pomona Valley Transportation Authority
City of Claremont

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Agency Profile

The City of Claremont is located on the eastern edge of Los Angeles County in a portion of the Los Angeles-Orange-Riverside metropolitan area known as the Pomona Valley. Approximately 30 miles from downtown Los Angeles, it is bordered on the east by the San Bernardino County line and the City of Montclair, on the south by the City of Pomona, on the west by the cities of Pomona and La Verne, and on the north by the City-owned hillside area.

The City of Claremont presently encompasses 14.14 square miles, and according to the 2020 Census, the City has a population of 35,640. Claremont is also home to seven private colleges.

The City of Claremont's transit program is governed by the City Council, which is composed of five members elected by district for four-year terms. The City operates under the Council-Manager form of government and responsibility for administering the transportation programs belongs to the Community Services Department. See Appendix A for the department organizational chart.

The City is also a member of a Joint Powers Authority, the Pomona Valley Transportation Authority (PVRTA). In order to jointly provide for and fund local public transportation services, the cities of Claremont, Pomona, La Verne, and San Dimas joined in 1977 to form PVRTA. See Appendix B for the PVRTA organizational chart.

Service Area and Route Information

Claremont Dial-a-Ride is limited to the City limits. Riders are provided transportation to transfer points for connection with Foothill Transit, Metrolink, and other regional transportation services (see Appendix for map and page 11 for a listing of other transit services). Service is also provided to the Los Angeles County Courthouse, the Social Security Administration Offices, and the medical facilities surrounding Pomona Valley Hospital. A summary of the current fare structure is shown below:

Fares (One-Way Trip)	
General Public/Youth	\$2.50
Senior/Disabled	\$1.50
Outside of City (Gen Pub)	\$4.00
Outside of City (S/D)	\$2.50
After Hours (Gen Pub)	\$4.00
After Hours (S/D)	\$2.50
Second Rider	\$1.00
Group Service	\$1.00



Claremont Dial-A-Ride consists of a demand-based service and a group service (six or more riders) where trips can be scheduled in advance. Historically, the demand-based component operated through contracted taxi providers, offering flexible, on-demand mobility for Claremont residents. However, due to a significant decline in available taxi operators in recent years, the service has transitioned to using transportation network companies (TNCs) to ensure consistent and reliable ride availability.

Information regarding Claremont Dial-a-Ride is distributed at multiple locations, including City Hall, the Alexander Hughes Community Center, and the Community Services Yard. Informative brochures describing the services are provided to residents who have questions, and Mobility Managers regularly deliver presentations and table at community events to increase awareness. Detailed information and interactive service area maps are also available on the pvtrans.org website, which is linked on the City's website. The pvtrans.org website additionally offers a "Plan Your Trip" feature that helps individuals navigate all available transportation options.

History of Agency and Transportation Service

Claremont Dial-a-Ride (Claremont DAR), a general public demand responsive dial-a-ride service, has been providing service continuously to all individuals within the City limits since October 1975.

From 1975 to 1985, the City contracted with a local taxi operator to provide the service. In November 1985, Claremont joined with the cities of Pomona, La Verne, and San Dimas to provide a coordinated network of local dial-a-ride services through the Pomona Valley Transportation Authority (PVRTA), a joint powers authority. (See Appendix C for a copy of the Joint Powers Agreement).

From 1985 to June 30, 1996, the general public dial-a-ride in the cities of Claremont and Pomona was named "The Valley Connection". PVRTA contracted with a private provider to operate this service. Based on the findings of a 1995 Service Evaluation, the City of Claremont approved a restructuring of the Valley Connection Dial-a-Ride service.

In July 1996, the Valley Connection was renamed Claremont Dial-a-Ride and reorganized into two parts—a taxi component and a group service component. This service has provided a means of transportation for the general public, including youth and elderly.

Claremont DAR implemented several technological and other service improvements to the taxi component during the period of 2004 through 2012. These improvements included upgraded dispatch software and additional service quality monitoring. The taxi program saw its service improve and wait times drop significantly for riders. Beginning in 2008 the service saw its popularity and ridership grow rapidly. Ridership nearly doubled from 2008 to 2012. Because Claremont DAR is historically primarily a cab-based program, costs grew along with ridership. Claremont became concerned that the upward trend in both patronage and costs would be unsustainable financially.



In 2011, the City Council directed staff to develop a rider registration system that would track ridership trends and provide more detailed data that could be used to evaluate the program. Based on an analysis of the data generated, City and PVTA staff formulated recommendations for service and/or fare adjustments. The goals of these recommendations were to better manage the growing demand and ensure the long-term financial viability of the program, while targeting high priority trip purposes. The City and PVTA presented service and fare alternatives to the public. The public favored fare adjustments over the other service adjustments presented. Below is a comparison of the prior fare structure and the fare structure that took effect in January 2013.

Previous Fares (Jan 2013)

General Public/Youth	\$ 1.25	\$ 2.50
Senior/Disabled	\$ 0.75	\$ 1.50
Outside of City	\$ 2.00	\$ 4.00
After Hours (S/D & Youth only)	\$ 2.00	\$ 4.00
Second Rider Free	\$ 1.00	
Group Service	\$ 0.75	\$ 1.00

The new fare structure served to moderate service demand. The fare increase enabled the program to function within the City’s financial means. In April 2014, the outside the City and after hours fare for seniors and the disabled was reduced to \$2.50. In 2015, PVTA, in conjunction with the City, solicited proposals for the cab portion of Claremont DAR. A contract was awarded to American Cab. The new agreement reduced the per passenger rate by 6.5%. Dial-a-Ride was also able to move to an electronic reporting system replacing the previous system that depended on paper.

Client information as well as pick up times are now recorded electronically. The new system provides greater accuracy and allows for more detailed service analysis. Claremont and PVTA solicited proposals for the cab portion of the service again in 2018. A contract was awarded to Network Paratransit. Ridership has trended downward since 2014 due in part to the fare increase.

In 2024, PVTA’s cab service unexpectedly closed their doors which ultimately led to transitioning all cab service to a Transportation Network Company (TNC), such as Uber. Through Uber, PVTA and Claremont were able to significantly decrease costs per trip and overhead while allowing the transition to an app-based reservation system. The Uber program also allowed riders for quicker on-demand trips needed.

Ridership began to experience significant increases beginning in July 2025, resulting in higher than anticipated program costs. As annual revenues are not sufficient to sustain the newly emerging rider demand, the Claremont City Council directed City and PVTA staff to consider four cost containment strategies, including eliminating trips outside Los Angeles County, capping General Public trips to 16 one-way trips per passenger per month, reducing hours of operation, and increasing General Public fares. These



initiatives will be considered as part of a public input process in Spring 2026.

Claremont Service Assessment

In 2015, at the request of the City, PVTA issued a solicitation for a comprehensive review of Claremont DAR. The purpose of the Claremont Service Assessment was to document the current users of the service, evaluate the service design, identify additional markets and mobility opportunities, and recommend improvements to better address user needs and market opportunities. AMMA Transit Planning conducted the Assessment. The Assessment made recommendations regarding several aspects of marketing and service outreach. As a result of the Assessment, Claremont updated their marketing materials along with a complete redesign of the Claremont DAR website and the creation of a single phone number for riders to call for information, registration, and reservations.

The service assessment also recommended that Claremont update its capital plan. Claremont began the vehicle replacement cycle for its eight fleet vehicles in FY 2017 with the purchase of two cutaway vehicles and two low-floor cutaways. The replacement cycle was completed in FY 2018 with the purchase of four additional cutaways.

In 2020, ridership continued to trend downward due to stay at home federal guidelines associated with the COVID-19 Pandemic. During the beginning of the pandemic, group trips were also postponed until vaccines were more readily available. Claremont Dial-a-Ride demand was lower than historical averages. Passenger trip requests were primarily for life-line trips to medical facilities and nutrition services. In FY22, the pandemic state of emergency was lifted and the ability to provide shared rides and group trips resumed. From the start of the pandemic in FY20 to FY22 ridership has increased by 20%. In FY22, Claremont Dial-a-ride provided 8,080 total passenger trips.

In FY 2019, PVTA in conjunction with Claremont DAR retained AMMA Transit Planning to conduct a Service Design Analysis (SDA) to identify the primary causes for the decline in ridership and to highlight areas of unmet need. The SDA was to recommend new services and service models that could cost effectively address these unmet needs.

The primary recommendations of the SDA included:

1. Explore Alternative Operational and Contract Structures
2. Upgrade Scheduling and Other Customer Service Technology
3. Explore New and Expanded Services
4. Regionalism
5. Promote Mobility as a Service-Mobility (MaaS)
6. Pursue Partnerships
7. Move Towards Zero Emissions



Transit Feasibility Study 2025

In November 2025, PVTA in conjunction with Claremont began a transit feasibility study of all programs with an additional emphasis on Claremont Dial-A-Ride. The purpose and goal of the study was to determine the most effective and cost-efficient model for delivering PVTA's traditional DAR and on-demand services as well as distinguish the Claremont DAR on-demand potential model features and solutions. We anticipate this study to serve as the foundation for PVTA's including Claremont DAR next-generation service model — one that is financially sustainable, operationally flexible, and responsive to community needs.

Specifically, Claremont DAR is looking to maximize customer service quality while addressing Claremont's ability to take on more service when needed. Additionally, with the surge in ridership, they are also looking at possibly doing a fare increase to keep up with growing demand. In this study, a fare analysis will likely be conducted. Below are the questions to be addressed:

1. Due to financial hardships of certain cities, PVTA had to reduce Get About service levels from 25,000 revenue hours to 15,000 revenue hours. How can the City and PVTA utilize Claremont Dial-a-Ride to ensure that adequate transportation options continue to exist for its residents?
2. How can the current operator's contract or agreement with PVTA be improved to manage Claremont DAR as a separate contract, allowing for quicker incorporation of new features, service improvements, or expansion?
3. Is the current fare structure and/or hours of operation relevant and/or cost effective for Claremont DAR and Group services? Should they be expanded or reduced in some areas?
4. As interest in group services increase especially for after school programs, what policies can be implemented to ensure the groups with the greatest needs are served.
5. As the Claremont downtown continues to grow, are there better ways to connect people to different parts of the city while minimizing traffic and parking congestion?

Ongoing Planned Improvements and Work Programs

The major elements of the work program for the coming year along with a listing of significant activities planned for FY2025 through FY2027 are shown below. The primary focus of the work program will be to complete and implement the 2025 transit feasibility study and its outcomes and evaluate cost-containment strategies in response to recent surges in ridership. A major focus will also include the possibility of a fare increase due to the increase in ridership on Claremont Dial-A-Ride. Ridership has exceeded pre-pandemic levels. Increasing ridership coupled with rising costs, has forced PVTA



and Claremont to look for other opportunities of collaboration and potential funding sources. In addition, the current service model is also being studied to potentially transition over to a different model with less overhead cost.

In addition, Claremont is still looking to implement and sustain their Zero Emission Vehicle (ZEV) efforts with the purchase of EV medium-size vehicles once current vehicles' useful life comes to an end. Due to inflation and other political factors, the current cost for zero-emission vehicles is high. As the future of cost sustainability becomes more clear, Claremont will continue to move towards ZEV's.

Recent Actions for Fiscal Year 2024-2025

- Prepared for a transit feasibility study to update all PVRTA programs, with an emphasis on Claremont transit programs
- Solicited proposals for a transit operator mid-year
- Maintained transition of Claremont DAR from a cab operator to a Transportation Network Company (TNC), currently Uber
- Transitioned Outreach and marketing to TNC for transportation, including education and assistance for all riders
- Began new PVRTA app software implementation which includes all programs in one universal application
- Introduced Stripe software, introducing a new form of payment through credit card

Current Work Plan Actions for Fiscal Year 2025-2026

- Complete the transit feasibility study for all programs within PVRTA, with an additional emphasis on Claremont Dial-A-Ride.
- Evaluate ridership trends to ensure the program remains within budget while meeting community transportation needs
- Update the Claremont DAR capital expenditure plan
- Conduct the annual rider survey and service evaluation through the transit study
- Develop an implementation plan for the introduction of additional customer service features including web-based and smartphone reservations, and paperless fare payment
- Continue the management and monitoring of the contractor services
- Consider Cost Containment Strategies to ensure fiscal sustainability, including:
 - Increasing fares for General Public riders
 - Reducing hours of operations, including potentially eliminating overnight trips
 - Capping General Public trips at 16 one-way trips per month
 - Eliminating destinations outside of Los Angeles County.



Planned Work Plan Actions for Fiscal Year 2026 - 2027

- Ensure new PVTA app implementation is successful operationally and with registered riders
- Ensure new credit card payment system is successful
- Conduct safety checks of TNC trips and riders
- Explore more methods and different forms of TNCs, ensuring there are multiple options for riders available
- Implement recommendations from the feasibility study, once completed
- Prepare for a new Request for Proposals that will begin in FY 2028 for a new operations and maintenance contract. This is dependent on completion of the transit feasibility study and its recommendations
- Develop fleet configuration recommendations and an updated fleet replacement

Operations Performance Data

Claremont Dial-a-Ride services seek to achieve the goals listed below in order to best meet the transportation needs of its riders:

- Maintain service quality and enhance methods for monitoring and measuring service performance
- Review community transportation needs, monitor ridership levels, and modify services to address emerging needs

Claremont has established operating standards for its services in order to achieve the goals detailed above. Actual results for FY2025 are listed next to the standards. Data related to the Claremont Dial-a-Ride services are reported in the annual Short Range Transit Plan, transportation program audit, the State Controller's Transit Operator Report, and the National Transit Database. The data reported below is for Claremont DAR and Group Services.

Standards for Claremont DAR and Claremont Group Services

	Standards	FY 2025 Performance
On-Time Performance	96 %	98.86 %
Passenger Complaints	≤ 4	3
Preventable Accidents	0	1
% No Shows and Cancellations	3.0 %	3.15 %
Average Monthly Ridership	-	2,171



Ridership for Claremont Dial-a-Ride (CLDAR) increased toward the end of FY 2025, driven in part by the implementation of the Uber voucher program, which expanded access and flexibility for riders.

While ridership has increased, the cost per passenger remains above the standard. This is primarily due to higher contract rates, increased labor expenses, and overall rising operational costs across the transportation industry. These cost pressures continue to impact per-trip expenses despite ongoing efforts to manage service efficiency.

On-time performance standards for Claremont DAR have improved compared to prior years and the standard is now being met. Performance has continued to strengthen and is approaching the established standard for Claremont Group services.

Standards for Claremont DAR

	Standards	FY 2025 Performance
On Time Performance	92%	99.9 %
Passenger Complaints	≤ 4	2
Preventable Accidents	0	1
No-shows and Cancellations	≤3%	6.3 %
Average Monthly Ridership	-	1,784

Standards for Claremont Group Services

	Standards	FY 2025 Performance
On-Time	100 %	97.82 %
Passenger Complaints	<1	1
Preventable Accidents	0	0
No-shows	2 %	0 %
Average Monthly Ridership	-	387

Other Transportation Connections

Claremont Dial-a-Ride is designed to complement many of Pomona Valley’s local and regional transit services.

- **Foothill Transit** - Foothill Transit, a twenty-two city Joint Powers Authority, which Claremont is a member of, provides local fixed route bus service. It is a regional bus service with transfers to the MTA in LA County and OMNITRANS in San Bernardino County. The City of Claremont and PVTA work with Foothill Transit to create a transportation network with local and regional connections.



- **Metrolink** - On December 14, 1992, Claremont became a stop for Metrolink on the Los Angeles-San Bernardino line. Metrolink connects Claremont residents to many destinations throughout Southern California.
- **Metro A Line Extension to Pomona** - In September 2025, the Los Angeles County Metropolitan Transportation Authority (Metro) opened a 9.1-mile extension of the A Line light rail from Azusa to Pomona, adding new stations in Glendora, San Dimas, La Verne, and Pomona. This extension transforms the A Line into a roughly 58-mile regional light rail corridor connecting Pomona and the San Gabriel Valley with Pasadena, Downtown Los Angeles, Long Beach, and beyond, while offering frequent service and multimodal access. Riders can transfer to Metrolink’s San Bernardino Line at the Pomona North station, enhancing connections between regional commuter rail and Metro rail service. This extension expands sustainable mobility options and helps reduce reliance on congested freeways such as the 10 and 210 corridors.
- **Amtrak** - Amtrak, America’s commercial long distance rail system is accessible by a shuttle bus connection service that picks up passengers from the Claremont Depot at various times throughout the day.
- **Get About** - Get About is a dial-a-ride service reserved specifically for seniors and disabled individuals. Get About is operated by the PVRTA and provides transit throughout the cities of La Verne, Pomona, Claremont, and San Dimas.
- **Access Services** - Provides complementary dial-a-ride transportation for the disabled throughout Los Angeles County and is mandated by the Americans with Disabilities Act (ADA). Access Services is a curb-to-curb service that is available to individuals who are functionally unable to use fixed route service.

Title VI, 504 and ADA Considerations

The City of Claremont complies with all Title VI requirements as required by Federal law to serve all segments of the population. The City also complies with the 504 requirements by offering accessible vehicles and reduced fares on Claremont Dial-a-Ride for seniors and disabled.

General Public Dial-a-Ride service is offered utilizing a mix of transportation network companies (TNC) and vans. The TNC component of the Dial-a-Ride service began in Fall 2024. Accessibility for the dial-a-ride service is achieved through PVRTA’s accessible vehicles operated by the transit contractor.

Claremont contributes to Get About, a sub-regional senior and disabled service. This service operates 5 days a week and enables seniors and disabled persons to travel throughout the cities of Claremont, Pomona, La Verne, and San Dimas without having

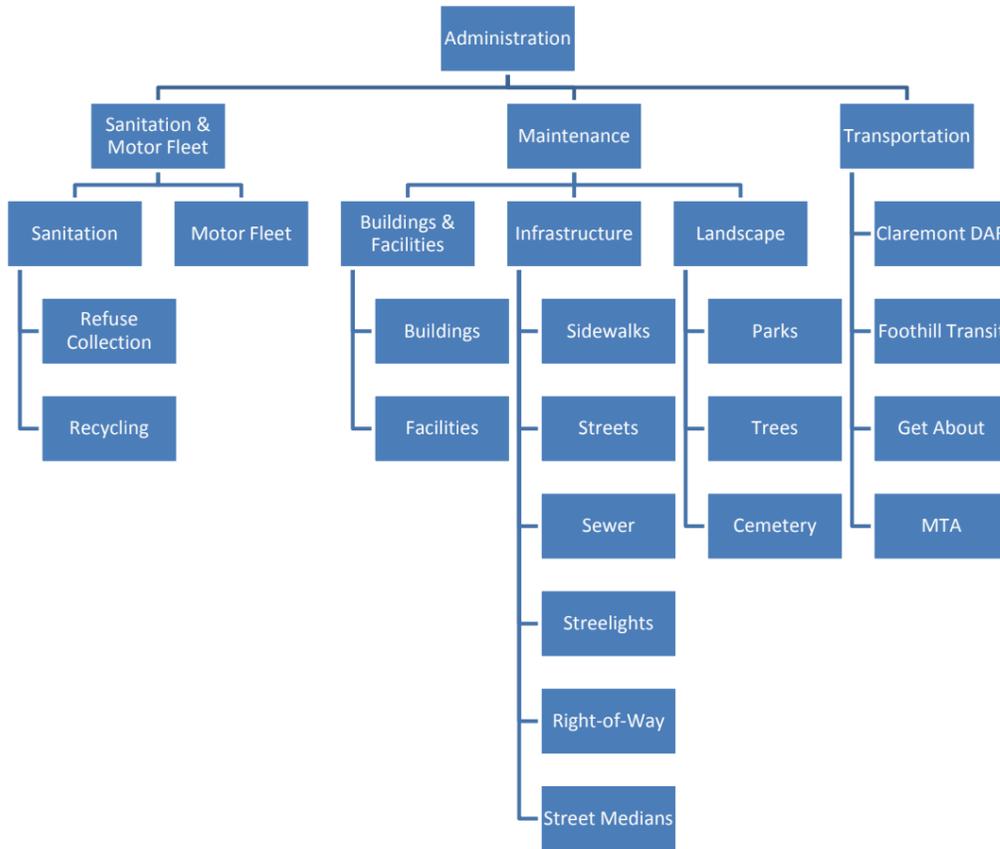


to transfer. In addition to contributing funding, Claremont makes its accessible fleet vehicles available for use in the Get About service during off-peak periods.

Access Services provides ADA complementary paratransit as required under the Americans with Disabilities Act of 1990. This regional service operates seven days a week and enables certified or eligible senior and handicapped persons to travel throughout Los Angeles County without having to transfer. The ADA complementary paratransit obligation applies to fixed route transit providers. Claremont Dial-a-Ride does not currently operate fixed route service.

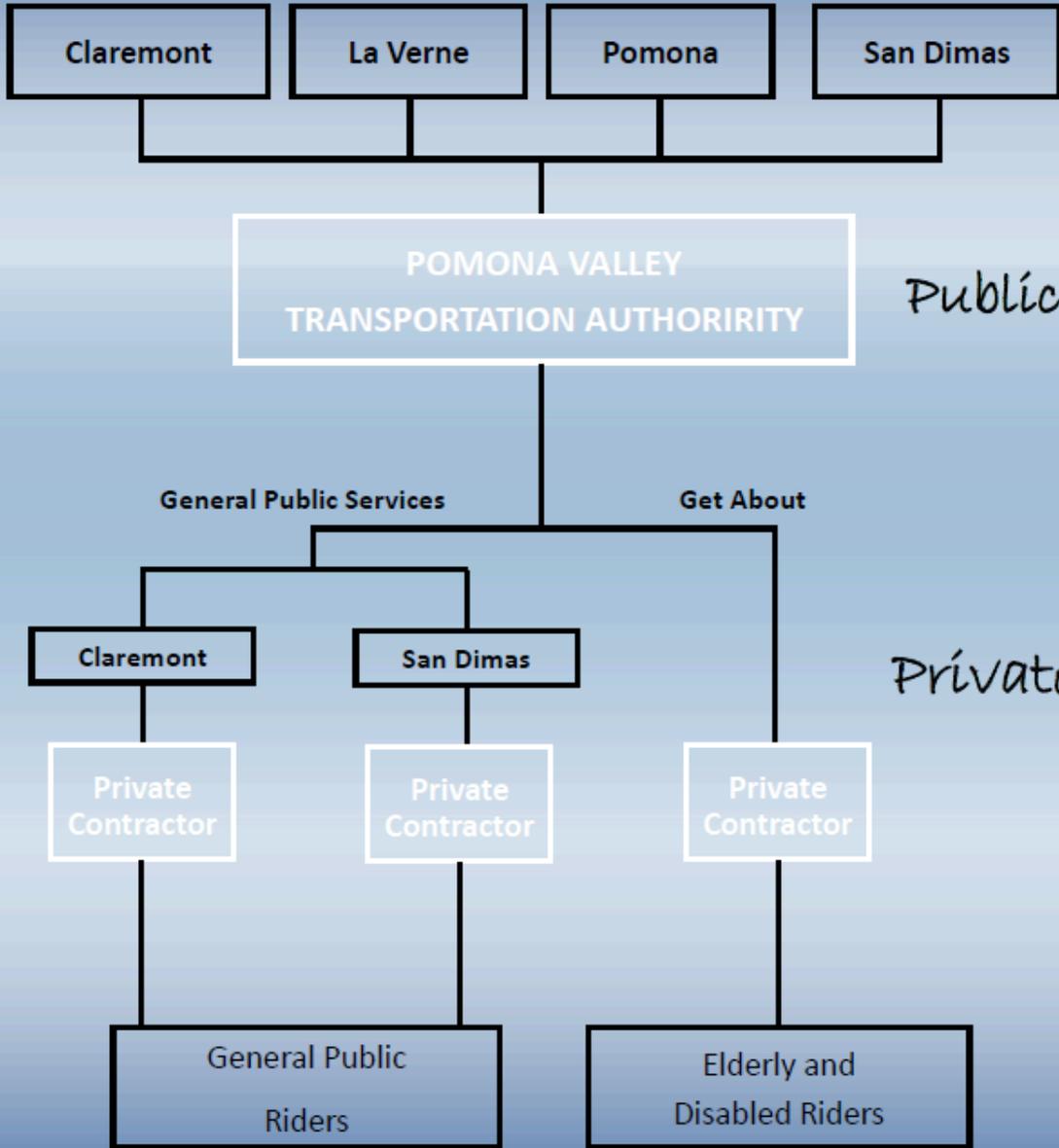


City of Claremont Community Services Department Organization Chart



**Pomona Valley Transportation Authority
Organizational Structure**

Pomona Valley Transportation Authority makes use of a unique organizational structure that utilizes a private contractor to deliver its services.



Claremont

JOINT POWERS AGREEMENT BETWEEN THE CITIES OF CLAREMONT, LA VERNE, POMONA, AND SAN DIMAS CREATING THE POMONA VALLEY TRANSPORTATION AUTHORITY.

THIS AGREEMENT, dated October 5, 1977, and amended February 27, 1984 between the cities of Claremont, La Verne, Pomona, and San Dimas, each of which is a municipal corporation of the State of California,

WITNESSETH:

WHEREAS, the parties to this agreement have a mutual interest in deciding upon and implementing public transportation to serve transit-dependent persons residing in the Pomona Valley, including handicapped and senior adults, and

WHEREAS, the Authority contemplates receiving funds through the Los Angeles County Transportation Commission and California Department of Transportation, with a contribution from each participating city in cash and other local matching assistance, and

WHEREAS, by this agreement the parties hereto intend to jointly exercise their powers to accomplish common objectives,

NOW, THEREFORE, the parties hereto for and in consideration of the mutual benefits, promises, and agreements set forth herein do agree as follows:

Section 1. Purpose.

This agreement is made pursuant to the provisions of Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California (commencing with Section 6500, herein after called "Act") relating to the joint exercise of powers common to public agencies. Each of the cities mentioned above possess the power referred to in the recital hereof. The purpose of this agreement is to study, implement, and provide for public transportation that will best serve transit-dependent persons, including handicapped and senior adults, residing in the Pomona Valley.

Section 2. Term.

This agreement shall become effective as of the date hereof and shall continue in force and effect until terminated by the parties hereto. Any individual city may withdraw from this agreement by giving thirty (30) days written notice to the Authority.



Section 3. Authority.

A. Creation of Authority

Pursuant to Section 6506 of the Government Code, there is hereby created a public entity separate and apart from the parties hereto to be known as the "Pomona Valley Transportation Authority". Said Authority shall be a public entity separate and apart from the cities which are a party to this agreement. The debts, liability, or obligations of Authority do not constitute debts, liability, or obligations of any party to this agreement. The Authority cannot require the parties to contribute money or services to the Authority without the consent of the legislative body of each party so contributing.

B. Board of Directors

The Authority shall be governed by a board of directors composed of eight members, each serving in his/her individual capacity as members of the governing board and without compensation. Two council members shall be appointed as directors by each of the cities participating in this agreement. Each member shall be entitled to one vote. Council members appointed by the city council shall serve at the pleasure of the appointing body and until their respective successors are appointed and qualified. Each party to this agreement shall appoint an alternate member who may be a member of the staff of the governmental entity and shall be entitled to vote at any Authority meeting in the absence of one member of the legislative body.

C. Meetings of the Board

1. Regular Meetings

The governing body shall provide for its regular meetings; provided, however, that it shall hold at least one (1) regular meeting each year. The date, hour, and place of the holding of the regular meeting shall be fixed by resolution of the governing board, and a copy of such resolution shall be filed with each party hereto.

2. Ralph M. Brown Act

All meetings of the governing board of the Authority, including without limitation regular, adjourned regular, and special meetings, shall be called, noticed, held, and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the Government Code).

3. Minutes

The secretary of the Authority shall cause to be kept minutes of the regular, adjourned regular, and special meetings of the governing board and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the governing board and to the cities.

4. Quorum

A majority of the members of the board of directors present at a meeting shall constitute a quorum for the transaction of business, except that a lesser number may adjourn for lack of a quorum.

D. Officers

The board shall elect a chairman and vice-chairman at its first meeting, and thereafter at the first meeting held in each succeeding calendar year the board shall elect or re-elect its chairman and vice-chairman. In the event that the chairman or vice-chairman elected ceases to be a member, the resulting vacancy shall be filled at the next regular meeting of the board held after such vacancy occurs. In the absence or inability of the chairman to act, the vice-chairman shall act as chairman. The chairman, or in his/her absence the vice-chairman, shall preside at and conduct all meetings of the board.

The Authority shall appoint a treasurer and auditor, pursuant to Section 6505.6 of the Government Code.

The secretary may, but need not be, a member of the governing board.



Section 4. Powers

The Authority shall have the powers common to the cities as set forth in Section 1 of this agreement, to-wit: acquiring such information as may be necessary and required for the installation of transportation facilities and the acquisition of transportation equipment to serve the transit needs of transit-dependent persons, including handicapped and senior adults residing in the cities which are members of this agreement; the implementation and the operation of transportation services, including letting contracts to implement the transportation plan or the operation thereof. The Authority is hereby authorized, in its own name, to do all acts necessary for the exercise of such common power for such purposes, including but not limited to any of the following: to make and enter into contracts and leases; to employ agencies and employees; to acquire, develop, maintain and operate the facilities for transportation services provided in the cities that are members of this agreement; to hold or dispose of property; to incur debt, liabilities, or obligations; and have the power to sue and to be sued in its own name. Such powers shall be exercised in the manner provided in the Act, and, except as expressly set forth herein, subject only to such restrictions upon the manner of exercising such powers as are imposed upon the affected cities in the exercise of similar powers. Notwithstanding the generality of the foregoing, the Authority shall have no power to bond any of the cities to any monetary obligation whatsoever other than those expressly authorized by the mutual consent of all member cities.

Section 5. Parties' Liability.

Each party to this agreement, whether individually or collectively, does not assume, nor shall a party be deemed to assume liability for:

- A. Any act of the Pomona Valley Transportation Authority or for any act of the Authority's agents or employees.
- B. The payment of wages, benefits, or other compensation to officers, agents, or employees of the Authority.

-4-



C. The payment of worker's compensation or indemnity to agents or employees of the Authority for injury or illness arising out of the performance of this agreement.

Section 6. Fiscal Year.

For the purposes of this agreement, the term "fiscal year" shall mean the fiscal year as established from time to time by the cities, being, at the date of this agreement, the period from July 1 to and including the following June 30.

Section 7. Disposition of Assets.

Upon the termination of this agreement, any property acquired by the Authority shall be disposed of in accordance with applicable law. To the extent that such property may be distributed to the cities which are parties to this agreement, the same shall be distributed in proportion to the contribution made by each pursuant to this agreement.

Section 8. Assistance to Authority.

The parties may, in appropriate circumstances: (a) make contribution from their treasuries for the purposes set forth herein, (b) make advances of public funds to defray the cost of such purposes, (c) make advances of public funds for such purposes, such advances to be repaid as provided herein, or (d) use their personnel, equipment, or property in lieu of other contributions or advances. Such provisions of Government Code Section 6513 are hereby incorporated into this agreement.

Section 9. Accounts and Reports.

The controller of Authority shall establish and maintain such funds and accounts as may be required by good accounting practice. The books and records of Authority in the hands of the controller shall be open to inspection at all reasonable times by representatives of the parties. The controller of the Authority, within 180 days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to Authority and the parties.



Additionally, the treasurer of the Authority shall assume the duties described in California Government Code Section 6505.5 including to-wit:

A. Receive and receipt for all money of Authority and place it in the treasury of the treasurer so designated to the credit of Authority.

B. Be responsible upon his/her official bond for the safekeeping and disbursement of all Authority money so held by him/her.

C. Pay any other sums due from Authority from Authority money only upon warrants of the controller of Authority, and

D. Verify and report in writing on the first day of July, October, January, and April of each year to Authority and to the parties to this agreement, the amount of money he/she holds for Authority, the amount of receipts since his/her last report, and the amount paid out since his/her last report.

Section 10. Provisions of Transit Service.

On the date it initiates transportation service, the Pomona Valley Transportation Authority shall exercise the common power of the parties by providing and maintaining a public transportation service for transit-dependent persons, including handicapped and senior adults, residing within the corporate limits of the parties' service. In performance of its function, the Authority shall establish and maintain close liaison with other transportation systems, as well as regional, state, and federal advisory and regulatory bodies.

Section 11. Miscellaneous.

The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to.

Where reference is made in this agreement to controller or treasurer indicating specific duties to be undertaken by said officers, said officers may independently determine which of them shall undertake any particular duty.



Whenever in this agreement any consent or approval is required, the same shall not be unreasonably withheld.

This agreement is made in the State of California under the Constitution and laws of such state and is to be so construed.

Section 12. Severability.

Should any part, term, portion, or provision of this agreement or the application thereof to any person or circumstance, be held to be illegal or in conflict with any law of the State of California or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms, portions, or provisions, or the application thereof to other persons or circumstances, shall be deemed severable and shall not be effected thereby, provided such remaining portions or provisions can be construed in substance to continue to constitute the agreement that the parties intended to enter into in the first instance.

Section 13. Successors

This agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto.

In witness whereof, the parties hereto have caused this agreement to be executed and attested by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, as of the day and year first above written.



ATTEST:

Barbara A. Hallamou
City Clerk

APPROVED AS TO FORM:

Wynne S. Fulk
City Attorney

ATTEST:

N. Kathleen Hamon
City Clerk

APPROVED AS TO FORM:

Wynne S. Fulk
City Attorney

ATTEST:

[Signature]
City Clerk

APPROVED AS TO FORM:

[Signature]
City Attorney

ATTEST:

[Signature]
City Clerk

APPROVED AS TO FORM:

[Signature]
City Attorney

THE CITY OF CLAREMONT

Erin H. Douglass
Mayor

THE CITY OF LA VERNE

[Signature]
Mayor

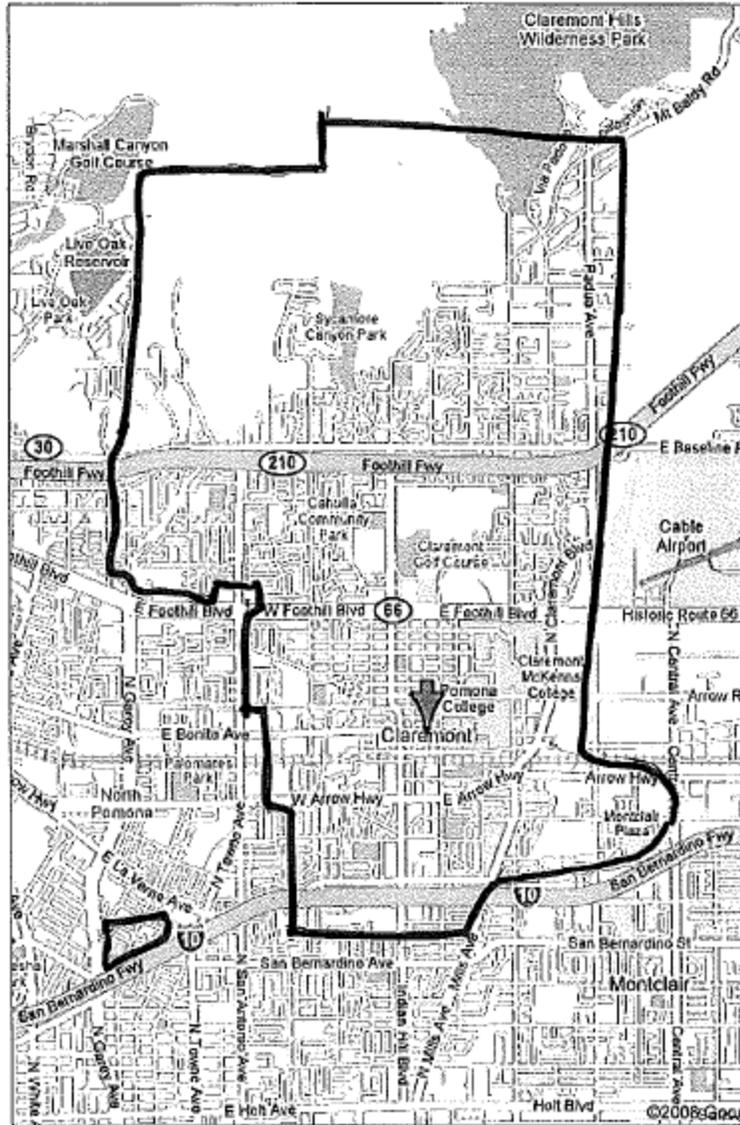
THE CITY OF POMONA

[Signature]
Mayor

THE CITY OF SAN DIMAS

[Signature]
Mayor





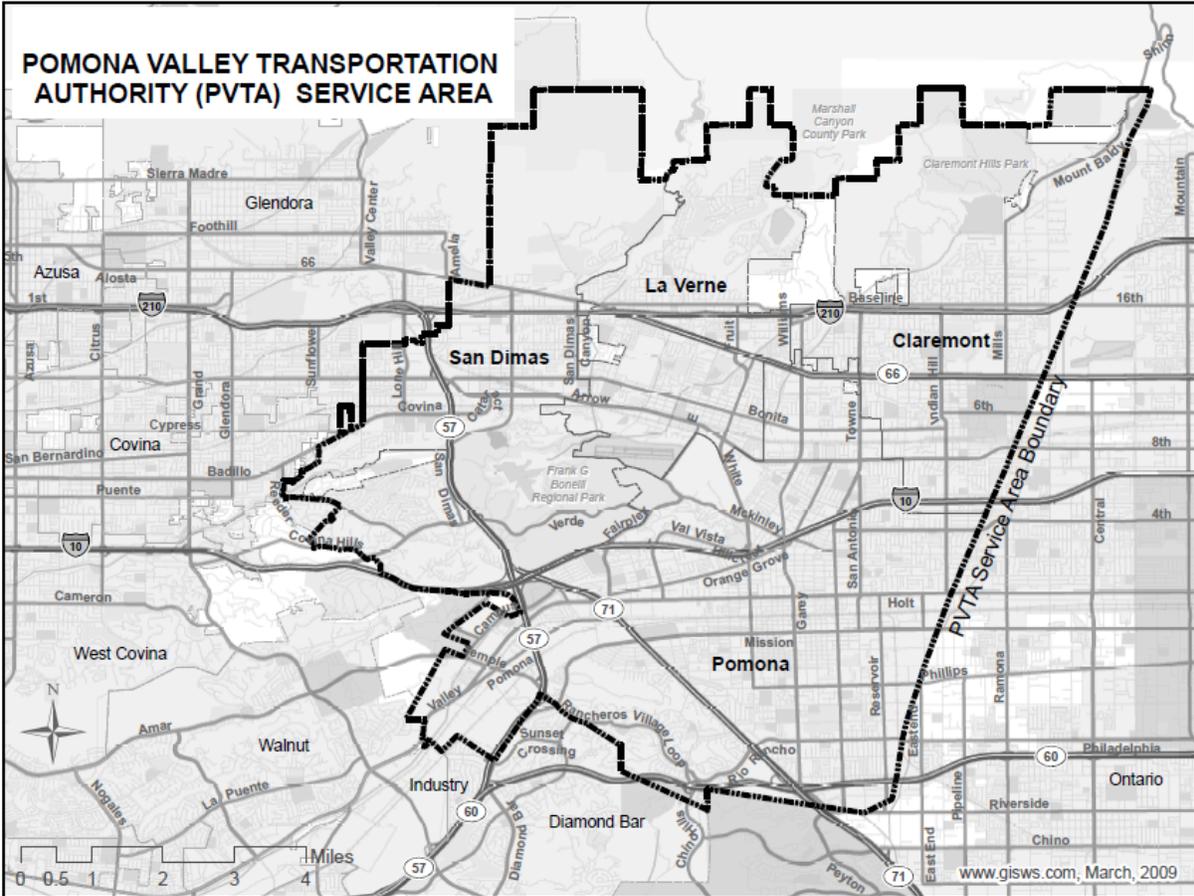


Table L - 1
Current Fare Structure: FY 2026

Fare Categories	Type of Service	
	Fixed Route	Demand Responsive
Cash		
Regular		\$2.50
Elderly/Senior		\$1.50
Low Income		
Disabled/Medicare		\$1.50
Student K - 12		N/A
College & Vocational		N/A
Express - Specify Zone Structure		N/A
Tap Transfers		
Regular within System		N/A
Regular to other System		N/A
Elderly/Senior		N/A
Disabled/Medicare		N/A
Agency Passes		
Regular		10/\$25.00
Elderly/Senior		10/\$25.00
Disabled		10/\$25.00
Student		N/A
College		N/A
Express - Specify Zone Stamp		N/A
Joint (TAP) Passes		
Regular		N/A
Elderly/Senior		N/A
Disabled		N/A
Student		N/A
College		N/A
Other		
Discounted passes/rides (LIFE)		N/A
Not Listed above (please describe)		N/A
Group Services		\$ 1.50
Senior & Disabled Out of City/After Hours		\$ 2.50
General Public Out of City/After Hours		\$ 4.00

**Table L - 2
FLEET INVENTORY AS OF JUNE 30, 2025**

Year Built	Manuf.	Model	Seats	Length	Type of Fuel	Total Vehicles	Vehicles used for:		Non-ADA Vehicles in Active Service	ADA Vehicles in Active Service	Vehicles w/ major Rehab		
							Fixed Route Service	Demand Responsive Service					
2016	Starcraft	Allstar	18	25	Gasoline	2		2		2		148-149	
2016	Starcraft	Champion	18	25"	Gasoline	2		2		2		150-151	
2018	Starcraft	Allstar	18	25"	Gasoline	2		2		2		152-153	
2017	Starcraft	Allstar	18	25"	Gasoline	2		2		2		154-155	
2021	Dodge	Promaster	7	21"	Gasoline	1		1		1		156	
Total Number of Vehicles:													

* ADA vehicles are those equipped with a 42" wheelchair or a low floor bus with a ramp
 * Major rehab as defined by Federal Circular on Section 5307 funding program

**Table L - 3
HISTORICAL & PROJECTED FLEET CHARACTERISTICS**

	FIXED ROUTE		
	FY 2025 Actual	FY 2026 Estimated	FY 2027 Planned
Peak-Hour Fleet			
Spares For Maint.			
Spare Ratio*			
Emergency Contingency Reserve			
Inactive Fleet			
Total Vehicles			
New Expansion Vehicles			
New Replacement Vehicles			

	DEMAND RESPONSIVE SERVICE		
	FY 2025 Actual	FY 2026 Estimated	FY 2027 Planned
Peak-Hour Fleet	7	7	7
Spares For Maint.	1	1	1
Spare Ratio*	14%	14%	14%
Emergency Contingency Reserve			
Inactive Fleet			
Total Vehicles	9	9	9
New Expansion Vehicles			
New Replacement Vehicles			

	SYSTEM TOTAL		
	FY 2025 Actual	FY 2026 Estimated	FY 2027 Planned
Peak-Hour Fleet			
Spares For Maint.			
Spare Ratio*			
Emergency Contingency Reserve			
Inactive Fleet			
Total Vehicles			
New Expansion Vehicles			
New Replacement Vehicles			

*Spare Ratio = Spares for Maint/Peak-Hour Fleet

Table L - 4 (A)
HISTORICAL AND PROJECTED FINANCIAL STATUS
SOURCE AND APPLICATION OF CAPITAL FUNDS
BY YEAR OF EXPENDITURE (\$ 000)

MODE:

SOURCE OF CAPITAL FUNDS:	FY 2025	FY 2026	FY 2027
	Audited	Estimated	Planned
FEDERAL CAPITAL GRANTS			
FTA Sec. 5309 (Sec. 3)			
FAU Grants			
FTA Sec. 5307(Sec. 9)		\$ 400,000.00	\$ 756,539.00
Other Federal (Assume 80/20 match) (Specify source)			
STATE CAPITAL GRANTS AND SUBVENTIONS			
TDA (ART 4) current from unallocated			
TDA from prior years reserves		\$ 420,000.00	\$ 111,145.00
TDA (ART 8)			
STA current from unallocated - N/A			
STA from prior years reserve			\$ 32,466.00
SB1 / STA			
SB1 / SGR			
Other State (Specify)			
LOCAL CAPITAL GRANTS			
System Generated			
General Fund			
Prop. A Local Return			
Prop. A Discretionary Carry Over			
Prop. C Discretionary			
Prop. C Local Return			\$ 25,110.00
Prop. C 5% Security			
Measure R 15% Local Return			
Measure R Capital			
Measure M 17% Local Return			
Prop 1B PTMISEA Bridge Funds			
Prop 1B Transit Security Bridge Funds			
Prop. C Other (Specify)			
Other Local (Specify)			
TOTAL CAPITAL REVENUE	\$ -	\$ 820,000.00	\$ 925,260.00
TOTAL CAPITAL EXPENSES	\$ -	\$ 820,000.00	\$ 925,260.00

Table L - 4 (B)
HISTORICAL AND PROJECTED FINANCIAL STATUS
SOURCE AND APPLICATION OF OPERATING FUNDS
BY YEAR OF EXPENDITURE (\$ 000)

SOURCE OF OPERATING FUNDS:

FY 2025 Audited	FY 2026 Estimated	FY 2027 Planned
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FEDERAL CASH GRANTS AND REIMBURSEMENTS

FTA Sec. 5307 (Sec. 9) Operating			
CMAQ (Operating)			

STATE CASH GRANTS AND REIMBURSEMENTS

TDA Current from unallocated	\$ 266,134.00	\$ 197,100.00	\$ 115,056.00
STA Current from unallocated			
SB1 / STA	\$ 40,194.00	\$ 29,264.00	\$ 121,948.00
Other State (Specify)			

LOCAL CASH GRANTS AND REIMBURSEMENTS

Passenger Fares	\$ 51,639.00	\$ 50,000.00	\$ 30,000.00
Special Transit Service			
Charter Service Revenues			
Auxiliary Transportation Revenues			
Non-transportation Revenues			
Prop. A 40% Discretionary		\$ 160,310.00	\$ 91,496.00
Prop. A 25% Local Return	\$ 73,725.00	\$ 200,000.00	\$ 120,000.00
Prop. A Incentive fund			
Prop. A Interest			
BSIP			
TSE			
Base			
MOSIP	\$ 45,360.00	\$ 57,488.00	
Prop. C 40% Discretionary			
Prop. C 20% Local Return			
Prop. C 5% Security	\$ 1,557.00	\$ 1,724.00	\$ 1,500.00
Prop. C Interest			
Measure R 20% Operating		\$ 139,131.00	
Measure M 20% Transit Operations	\$ 58,594.00	\$ 197,983.00	\$ 120,000.00
Other Local (Specify) Transit Assistance	\$ 29,758.00		

TOTAL OPERATING REVENUES	\$ 566,961.00	\$ 1,033,000.00	\$ 600,000.00
TOTAL OPERATING EXPENSES	\$ 522,471.22	\$ 1,033,000.00	\$ 600,000.00

**Table L - 5A
TPM / TDA REPORT FORM
FY2025 Audited**

Annual Weekday	FAP Funded				Non-FAP Funded						System Total
	Local Service	Express Service	Dial-A-Ride1	FAP Subtotal	Dedicated Funding2				SubRegional Paratransit PA 5% of 40%	Other Codes3	
					TSE	Base Restructuring	BSIP	MOSIP			
Total Vehicle Miles (000)			50	50							50
Vehicle Service Miles (000)			43	43							43
Total Vehicle Hours (000)			3	3							3
Vehicle Service Hours (000)			3	3							3
Unlinked Passengers (000)			22	22							22
Linked Passengers (000)			n/a	n/a							n/a
Passenger Revenue (000)			31	31							31
Aux. Rev/Local Subs. (000)			n/a	n/a							n/a
Op. Cost Less Depr. (000)			676	676							676
Active Vehicles			18	18							18
Peak Vehicles			15	15							15
DARS seat capacity			18	18							18
Full Time Equiv. Employees			6	6							6
Base Fare			3	3							3
Total System Annual Saturday & Sunday Holiday & Weekdays	Local Service	Express Service	Dial-A-Ride1	FAP Subtotal	Dedicated Funding2				Sub. Paratransit PA 5% of 40%	Other Codes3	System Total
Total Vehicle Miles (000)			59	59							59
Vehicle Service Miles (000)			51	51							51
Total Vehicle Hours (000)			3	3							3
Vehicle Service Hours (000)			3	3							3
Unlinked Passengers (000)			26	26							26
Linked Passengers (000)			n/a	n/a							n/a
Passenger Revenue (000)			37	37							37
Aux. Rev/Local Subs. (000)			n/a	n/a							n/a
Op. Cost Less Depr. (000)			795	795							795
Active Vehicles			18	18							18
Peak Vehicles			15	15							15
DARS seat capacity			18	18							18
Full Time Equiv. Employees			6	6							6
Base Fare			3	3							3
1 "Included Dial-A-Ride" only includes operations that historically have been included in the FAP											
2 "Dedicated Funding" includes: Base Restructuring, TSE, Overcrowding, MOSIP & Other Special											
3 "Other Codes" includes Subscription, Contract, Special Events service.											

**Table L - 5B
TPM / TDA REPORT FORM
FY2026 Estimated**

Annual Weekday	FAP Funded				Non-FAP Funded						System Total
	Local Service	Express Service	Dial-A-Ride ¹	FAP Subtotal	Dedicated Funding ²				SubRegional Paratransit PA 5% of 40%	Other Codes ³	
					TSE	Base Restructuring	BSIP	MOSIP			
Total Vehicle Miles (000)			52	52							52
Vehicle Service Miles (000)			44	44							44
Total Vehicle Hours (000)			3	3							3
Vehicle Service Hours (000)			3	3							3
Unlinked Passengers (000)			23	23							23
Linked Passengers (000)			na	na							na
Passenger Revenue (000)			na	na							na
Aux. Rev/Local Subs. (000)			na	na							na
Op. Cost Less Depr. (000)			na	na							na
Active Vehicles			18	18							18
Peak Vehicles			15	15							15
DARS seat capacity			18	18							18
Full Time Equiv. Employees			6	6							6
Base Fare			3	3							3

Total System Annual Saturday & Sunday Holiday & Weekdays	Local Service	Express Service	Dial-A-Ride ¹	FAP Subtotal	Dedicated Funding ²				Sub. Paratransit PA 5% of 40%	Other Codes ³	System Total
					TSE	Base Restructuring	BSIP	MOSIP			
	Total Vehicle Miles (000)			61	61						
Vehicle Service Miles (000)			52	52							52
Total Vehicle Hours (000)			4	4							4
Vehicle Service Hours (000)			3	3							3
Unlinked Passengers (000)			27	27							27
Linked Passengers (000)			na	na							na
Passenger Revenue (000)			38	38							38
Aux. Rev/Local Subs. (000)			na	na							na
Op. Cost Less Depr. (000)			819	819							819
Active Vehicles			18	18							18
Peak Vehicles			15	15							15
DARS seat capacity			18	18							18
Full Time Equiv. Employees			6	6							6
Base Fare			3	3							3

1 "Included Dial-A-Ride" only includes operations that historically have been included in the FAP calculations.

2 "Dedicated Funding" includes: Base Restructuring, TSE, Overcrowding, MOSIP & Other Special Funding arrangements.

3 "Other Codes" includes Subscription, Contract, Special Events service.

**Table L - 5C
TPM / TDA REPORT FORM
FY2027 Planned**

Annual Weekday	FAP Funded				Non-FAP Funded						System Total
	Local Service	Express Service	Dial-A-Ride1	FAP Subtotal	Dedicated Funding2				SubRegional Paratransit PA 5% of 40%	Other Codes3	
					TSE	Base Restructuring	BSIP	MOSIP			
Total Vehicle Miles (000)			53	53							53
Vehicle Service Miles (000)			46	46							46
Total Vehicle Hours (000)			3	3							3
Vehicle Service Hours (000)			3	3							3
Unlinked Passengers (000)			23	23							23
Linked Passengers (000)			na	na							na
Passenger Revenue (000)			na	na							na
Aux. Rev/Local Subs. (000)			na	na							na
Op. Cost Less Depr. (000)			na	na							na
Active Vehicles			18	18							18
Peak Vehicles			15	15							15
DARS seat capacity			18	18							18
Full Time Equiv. Employees			6	6							6
Base Fare			3	3							3
Total System Annual Saturday Sunday Holiday & Weekdays	Local Service	Express Service	Dial-A-Ride1	FAP Subtotal	Dedicated Funding2				Sub. Paratransit PA 5% of 40%	Other Codes3	System Total
					TSE	Base Restructuring	BSIP	MOSIP			
Total Vehicle Miles (000)			63	63							63
Vehicle Service Miles (000)			54	54							54
Total Vehicle Hours (000)			4	4							4
Vehicle Service Hours (000)			3	3							3
Unlinked Passengers (000)			28	28							28
Linked Passengers (000)			na	na							na
Passenger Revenue (000)			39	39							39
Aux. Rev/Local Subs. (000)			na	na							na
Op. Cost Less Depr. (000)			843	843							843
Active Vehicles			18	18							18
Peak Vehicles			15	15							15
DARS seat capacity			18	18							18
Full Time Equiv. Employees			6	6							6
Base Fare			3	3							3

1 "Included Dial-A-Ride" only includes operations that historically have been included in the FAP calculations.
2 "Dedicated Funding" includes: Base Restructuring, TSE, Overcrowding, MOSIP & Other Special Funding arrangements.
3 "Other Codes" includes Subscription, Contract, Special Events service.

Table L - 6
PERFORMANCE AUDIT FOLLOW-UP
OF RECOMMENDATIONS FROM THE LAST
COMPLETED PERFORMANCE AUDIT
FY 25-27

PERFORMANCE AUDIT RECOMMENDED ACTIONS	OPERATOR PROGRESS TO DATE
None.	

Chair Stump closed public comment.

Commissioner Wheeler moved to approve the Consent Calendar; seconded by Commissioner Arya, and carried on a vote as follows:

AYES: Commissioner – Arya, Ramos, Stump, Velebil, Wheeler
NOES: Commissioner – None
ABSENT: Commissioner – Lara, Weiner

1. Traffic and Transportation Commission Special Meeting Minutes of November 20, 2025
 Approved and filed the special meeting minutes of November 20, 2025.
2. Presentation of Recently Adopted City of Claremont Emergency Operations Plan
 Received and filed this report and adopted City of Claremont Emergency Operations Plan (EOP).

ADMINISTRATIVE ITEMS

3. Claremont Dial-A-Ride Short-Range Transit Plan

This item starts at 00:06:03 in the archived video.

Ms. Kristin Mikula, Community Services Manager, gave a PowerPoint presentation and addressed Commissioners' questions regarding access to the general public, original intent of the program, possible removal of routes, funding, and keeping the program solvent.

Chair Stump invited public comment.

Commission Secretary Ramirez announced no written public comment was received on this item.

There were no requests to speak.

Chair Stump closed public comment.

Commissioner Wheeler moved to accept the 2025-2027 Short-Range Transit Plan and forward to the City Council for final review and approval; seconded by Commissioner Velebil, and carried on a vote as follows:

AYES: Commissioner – Arya, Ramos, Stump, Velebil, Wheeler
NOES: Commissioner – None
ABSENT: Commissioner – Lara, Weiner



Claremont City Council

Agenda Report

File #: 5902

Item No: 5.

TO: ADAM PIRRIE, CITY MANAGER

FROM: JEREMY SWAN, COMMUNITY SERVICES DIRECTOR

DATE: MARCH 10, 2026

Reviewed by:

City Manager: AP

SUBJECT:

AUTHORIZATION TO AMEND THE EXISTING AGREEMENT WITH FIRST CLASS HEATING AND AIR CONDITIONING, INC. TO INCREASE COMPENSATION FOR HEATING, VENTILATION, AND AIR CONDITIONING MAINTENANCE SERVICES (FUNDING SOURCE: GENERAL FUND)

SUMMARY

On July 25, 2023, the City Council awarded a contract to First Class Heating and Air Conditioning, Inc. for heating, ventilation, and air conditioning (HVAC) maintenance services in the amount of \$100,700 annually for three years. First Class is responsible for all HVAC preventive maintenance services, along with emergency callouts and routine maintenance.

Staff anticipates an additional \$60,000 will be necessary for First Class to perform routine and preventive maintenance through the end of the fiscal year. To account for increased maintenance costs, staff recommends amending the existing agreement by \$60,000, which will bring the total not-to-exceed contract amount to \$160,700 for 2025-26.

RECOMMENDATION

Staff recommends the City Council:

- A. Authorize the City Manager to execute an amendment to the existing agreement with First Class Heating and Air Conditioning, Inc. increasing compensation by \$60,000, for a total not-to-exceed contract amount of \$160,700; and
- B. Appropriate \$60,000 from the unassigned General Fund balance to fully fund the agreement.

ALTERNATIVE TO RECOMMENDATION

In addition to the recommendation, there is the following alternative:

- Request additional information from staff.

FINANCIAL REVIEW

The Community Services Department budget includes funding for HVAC maintenance services. Staff recommends amending the current agreement, increasing the not-to-exceed contact amount from \$100,700 to \$160,700 to reflect anticipated additional costs for HVAC maintenance and repair services. The additional funding for HVAC maintenance services is recommended to be appropriated from the unassigned General Fund balance.

The staff cost to prepare this report and administer this contract is estimated at \$958 and is included in the operating budget of the Community Services Department.

ANALYSIS

The HVAC maintenance services contract includes routine preventive maintenance, on-call services, and emergency response to address issues immediately and return the City to normal operations. There are 44 small City-owned HVAC units, three evaporative coolers, and five large City-owned HVAC units that require quarterly maintenance. Preventive maintenance includes but is not limited to cleaning, adjusting temperature controls, changing filters, lubricating, and inspection/calibration of heating controls and thermostats. Safety controls are also checked during preventive maintenance. Beyond routine maintenance, First Class Heating and Air Conditioning, Inc. provides on-call and emergency services to address unforeseen repairs or when units are not operational.

On-call and emergency services are billed as extra work on an hourly basis. These repair services include but are not limited to broken or non-operational fans, coils, controllers, compressors, condensers, chillers, and exhaust motors. First Class HVAC has responded and made several large repairs this fiscal year, including repair and replacement of two of the three evaporative coolers and compressor replacements of two of the older HVAC units.

Based upon increased maintenance calls and troubleshooting of the systems, staff recommends amending the current agreement to increase the not-to-exceed amount to \$160,700. The billing structure for this agreement sets fixed pricing for preventive maintenance services, and repair services are billed at an approved hourly rate. Staff must review and approve all proposed repairs prior to work being completed. Although the not-to-exceed amount would be increased to \$160,700, First Class will only be compensated for the approved work they complete.

RELATIONSHIP TO CITY PLANNING DOCUMENTS

Staff has evaluated the agenda item in relationship to the City's strategic and visioning documents and finds that it applies to the following City Planning Documents: Sustainable City Plan, Economic Sustainability Plan, General Plan, and the 2024-26 Budget.

CEQA REVIEW

This item is not subject to environmental review under the California Environmental Quality Act (CEQA).

PUBLIC NOTICE PROCESS

The agenda and staff report for this item have been posted on the City website and distributed to interested parties. If you desire a copy, please contact the City Clerk's Office.

Submitted by:

Jeremy Swan
Community Services Director



Claremont City Council

Agenda Report

File #: 5905

Item No: 6.

TO: ADAM PIRRIE, CITY MANAGER

FROM: JEREMY STARKEY, FINANCE DIRECTOR

DATE: MARCH 10, 2026

Reviewed by:

City Manager: AP

SUBJECT:

PURCHASE OF OFFICE AND CONFERENCE ROOM CHAIRS FOR CITY FACILITIES (FUNDING SOURCE: GENERAL FUND)

SUMMARY

The City's existing office and conference room chairs across multiple facilities are more than a decade old, heavily worn, and no longer meet ergonomic, safety, or operational needs. Staff conducted a comprehensive evaluation process that included participation from all departments, in which nearly thirty chair models were tested by employees. Based on staff preferences and ergonomic performance, the Herman Miller Aeron was selected as the standard office chair, and the 9to5 Seating Acclaim and Strata models were selected for conference room and City Council Chamber use.

To procure these chairs, staff utilized two competitively bid cooperative purchasing agreements:

- OMNIA Partners Contract No. 2020000622 with G/M Business Interiors for Aeron desk chairs.
- California Multiple Award Schedule (CMAS) contract with 9to5 Seating LLC, fulfilled through Tangram, for Acclaim and Strata chairs.

Both contracts are open to public agencies and satisfy the competitive bidding requirements of Administrative Policy 50-01, which allows cooperative purchasing when another public agency has completed a competitive solicitation.

RECOMMENDATION

Staff recommends the City Council:

- A. Approve the purchase of Aeron desk chairs, and Acclaim and Strata conference chairs for all identified City facilities, as detailed in this report;
- B. Authorize the City Manager to execute all necessary purchase orders and agreements with

G/M Business Interiors in the amount of \$197,880.86 and Tangram in the amount of \$45,447.23, under their respective cooperative purchasing contracts, in a total amount not to exceed \$243,328.09; and

C. Appropriate \$243,328.09 from the unassigned General Fund balance to fund the purchase.

ALTERNATIVES TO RECOMMENDATION

In addition to the recommendation, there is the following alternative:

- Request additional information from staff

FINANCIAL REVIEW

The total cost for chair purchases, and delivery is based on vendor quotes totaling \$243,328.09. Funding is being recommended from the unassigned General Fund balance to purchase this equipment.

This purchase complies with all City purchasing guidelines. Bid and contract documents are available for review in the City Clerk's Office.

The staff cost to prepare this report and administer the project is estimated at \$13,780 and is included in the operating budget of the Finance Department.

ANALYSIS

Selection Method

A City-wide review of current staff desk chairs found that the majority are Aeron chairs manufactured by Herman Miller, with the most recent smaller purchase occurring approximately ten years ago and a significant number of remaining chairs dating back nearly twenty-five years. In a commercial office environment, well-constructed desk chairs typically have an expected useful life of approximately seven to ten years. As a result, the City's chair inventory is significantly beyond its intended lifespan. Many chairs are broken or worn beyond repair, indicating that a City-wide replacement of staff desk chairs is needed.

Nearly thirty chair options were evaluated using established criteria, including ergonomic design, adjustability (height, seat tilt, lumbar support, and arm configuration), comfort, material cleanability, sizing options, warranty, and department-specific needs identified through staff surveys. Selected chair samples were made available for staff testing, followed by an interactive process that allowed employees the opportunity to test seating options and identify preferred models and sizes. This process concluded with a City-wide vote to determine the overall preferred chair model.

Based on staff trials and voting results, the Aeron chair was selected as the preferred model. This selection aligns with chairs previously purchased City-wide more than a decade ago and reflects a proven history of long-term quality, durability, and employee satisfaction over extended use.

The City's selection of the Aeron chair is consistent with ergonomic best practices emphasized by the California Joint Powers Insurance Authority (CJPIA). While CJPIA does not endorse specific chair models, they note that the Aeron's adjustable seat height, lumbar support, armrests, and tilt controls align with modern ergonomic principles when properly fitted to the user. CJPIA further emphasizes

that reducing ergonomic related workers' compensation claims depends on a holistic approach that pairs adjustable furniture with proper workstation setup, employee training, and early reporting of discomfort. The City's implementation of ergonomic training through G/M Business Interiors, combined with ongoing workstation assessments and access to CJPIA's Office Ergonomic Self-Assessment Tool, supports this comprehensive strategy to prevent musculoskeletal injuries and promote employee well being.

The City Council Chamber and conference room chairs were selected using the same evaluation criteria applied to desk chairs, with the additional consideration of maintaining consistency with the décor of the City Council Chamber. The final selection of Acclaim and Strata chair models was made by City administrative staff.

Procurement Method and Policy Compliance

Administrative Policy 50-01 allows the City to use cooperative purchasing agreements when another public agency has completed a competitive solicitation that results in a publicly awarded contract. This method is expressly permitted as an alternative to issuing a separate City bid.

- G/M Business Interiors - OMNIA Partners Contract No. 2020000622OMNIA Partners is a national cooperative that conducts competitive solicitations on behalf of public agencies. The contract for Herman Miller furniture was competitively bid and awarded, making it eligible for use by the City under Policy 50-01.
- Tangram / 9to5 Seating - CMAS Contract CMAS contracts are awarded by the State of California following a competitive evaluation of pricing and terms. Policy 50-01 recognizes State-awarded contracts as acceptable for City procurement without additional bidding.

These procurement methods are consistent with the City's Purchasing, Bidding, and Contracting Policy 50-01 because they:

- Utilize competitively awarded contracts.
- Provide volume-based pricing advantages.
- Reduce administrative burden and expedite delivery.
- Ensure compliance with State and City purchasing standards.

Chair Quantities and Total Costs by Location

The tables below summarize the number of chairs and total cost for each facility.

Aeron Desk Chairs (G/M Business Interiors - OMNIA Contract)

Location	Quantity	Chair Type	List Price	City Purchase Price
Community Services	48	Aeron Desk Chair	128,855.28	48,581.91
Oak Park Cemetery	1	Aeron Desk Chair	2,684.49	1,000.91
City Hall	60	Aeron Desk Chair	161,069.00	60,597.35
Police Department	44	Aeron Desk Chair	118,117.34	44,576.29
Hughes Center	30	Aeron Desk Chair	80,534.55	30,558.47
Joslyn Senior Center	4	Aeron Desk Chair	10,737.94	4,517.52

TAC	3	Aeron Desk Chair	8,053.45	3,523.75
YAC	3	Aeron Desk Chair	8,053.45	3,523.75
Blaisdell Center	1	Aeron Desk Chair	2,684.49	1,000.91
Total	194		\$520,789.99	\$197,880.86

Acclaim & Strata Conference Chairs (Tangram - CMAS Contract)

Location	Quantity	Chair Type	List Price	City Purchase Price
City Hall & Police Department	53	Acclaim Conference Chair	101,734.95	34,964.40
Community Services	16	Strata Conference Chair	25,093.24	10,482.83
Total	69		\$126,828.19	\$45,447.23

In the summary tables above, the List Price reflects the full retail cost, inclusive of sales tax. The City Purchase Price represents the City’s discounted contract rate, inclusive of applicable service fees and sales tax. By utilizing cooperative purchasing agreements, the City realizes an estimated savings of approximately \$404,290.09, or 62 percent, compared to retail pricing.

Removal and disposal of existing aged chairs will be performed by the Community Services Department. The estimated removal and disposal costs of the existing chairs is estimated at \$2,335 and is included in the operating budget of the Community Services Department.

RELATIONSHIP TO CITY PLANNING DOCUMENTS

Staff has evaluated the agenda item in relationship to the City’s strategic and visioning documents and finds that it applies to the following City Planning Documents: Council Priorities, Sustainable City Plan, Economic Sustainability Plan, General Plan, and the 2024-26 Budget.

CEQA REVIEW

This item is not subject to environmental review under the California Environmental Quality Act (CEQA).

PUBLIC NOTICE PROCESS

The agenda and staff report for this item have been posted on the City website and distributed to interested parties. If you desire a copy, please contact the City Clerk’s Office.

Submitted by:

Jeremy Starkey
Finance Director



Claremont City Council

Agenda Report

File #: 5869

Item No: 7.

TO: CITY COUNCIL
FROM: ADAM PIRRIE, CITY MANAGER
DATE: MARCH 10, 2026

Reviewed by:
City Manager: AP

SUBJECT:

OPERATING COVENANT AGREEMENT FOR THE OPERATION OF A 120-ROOM RESIDENCE INN BY MARRIOTT BY SUSHIL CAPITAL LLC, AND THE PAYMENT OF A TRANSIENT OCCUPANCY TAX REBATE TO SUSHIL CAPITAL LLC. (FUNDING SOURCE: GENERAL FUND)

SUMMARY

To support the viability and success of the Residence Inn by Marriott that will be operated in the City of Claremont by Sushil Capital LLC, staff recommends executing an Operating Covenant Agreement that would secure the long-term operation of the hotel as a Residence Inn through the payment of a Transient Occupancy Tax (TOT) rebate.

The proposed Operating Covenant Agreement (Attachment A) would include a rebate of fifty percent (50%) of collected TOT revenues from the operation of the Residence Inn for a period of ten years. The maximum amount of rebate payments over the ten-year period is proposed to be capped at \$4,500,000, with a minimum guarantee of TOT receipts to the City beginning at \$250,000 in the first year of the hotel's operation, increasing annually by a cost-of-living factor.

RECOMMENDATION

Staff recommends the City Council authorize the City Manager to execute the proposed Operating Covenant Agreement, subject to minor, non-substantive modifications as may be necessary or appropriate to implement the purposes of the Agreement.

ALTERNATIVES TO RECOMMENDATION

In addition to the recommendation, there are the following alternatives:

- A. Do not authorize the execution of the proposed Operating Covenant Agreement.
- B. Request additional information.

FINANCIAL REVIEW

Hotels and motels in the City of Claremont are subject to Claremont Municipal Code Section 3.28, requiring the collection of a ten percent (10%) Transient Occupancy Tax for hotel stays of thirty days or fewer.

The proposed Operating Covenant Agreement provides for payment to Sushil Capital LLC, the operator of the Residence Inn by Marriott, of an amount equal to fifty percent (50%) of the Transient Occupancy Tax generated by the Residence Inn for a period of ten years. The maximum cumulative payments to Sushil Capital LLC under the agreement are proposed to be limited to \$4,500,000 over the ten-year term of the Agreement. The Agreement also requires that the City receive a minimum of \$250,000 in TOT revenues in the first year of the Agreement, with this minimum increasing by a cost-of-living factor in each subsequent year of the Agreement. Pursuant to the Operating Covenant Agreement, TOT rebate payments will be made monthly to support the ongoing operation of the Residence Inn.

Entering into the Agreement will result in new Transient Occupancy Tax revenues to the City of at least \$250,000 per year. These revenues will be deposited into the City's General Fund and may be used to support the operations of the City without restriction. Since the closure of the former Knights Inn in September 2022, the City has not received any TOT revenue from this location.

For the Agreement to remain in place and for Transient Occupancy Tax rebates to be paid to the operator, the property must be operated as a licensed, branded Residence Inn by Marriott, or similar quality licensed, branded hotel for the term of the Agreement.

The staff cost to prepare this report and administer this project is estimated at \$8,500 and is included in the operating budget of the Administrative Services Department.

ANALYSIS

The Residence Inn by Marriott is located at 721 South Indian Hill Boulevard on the site formerly occupied by the Knights Inn. Sushil Capital LLC constructed a 120-room hotel to operate under the Marriott brand. Marriott has strict corporate requirements for the design and operation of franchised hotels to ensure high-quality experiences at all properties.

Residence Inns require larger guest rooms (400 to 750 square feet) that include full kitchens. Most guests use Residence Inn properties for transient stays (1-4 nights) with the average stay being two nights. Extended stays (5 or more nights) make up a smaller percentage of guests and average 14 nights. Long-term guests (staying longer than two weeks) represent less than five percent of overall stays at Marriott's Residence Inn properties. Typical long-term guests may include visiting professors, businesspersons on temporary work assignments, visitors caring for local family members, and local residents having construction work performed on their homes.

Marriott requires the following amenities at all Residence Inn properties:

- Complimentary breakfast buffet.
- Pool and outdoor patio.
- High speed internet in all rooms and available printers.
- Small market space selling incidentals, food, and drinks.

- A continuously staffed front desk that includes concierge services.
- Safe, brightly lit parking areas and sidewalks.
- Security cameras at all entries and common areas, monitored by front desk staff.

The operation of the Residence Inn by Marriott will provide much-needed options for overnight accommodations in the City. City staff has been aware that the previous lack of quality accommodations has resulted in guests visiting the City, and in particular, the Claremont Colleges, staying at hotels in other cities such as Ontario. The Residence Inn by Marriott will provide a high-quality local option that serves the visitors to City and the Colleges.

The elimination of redevelopment agencies in California in 2012 took away important economic development funding from cities, leaving them with few options to support economic revitalization efforts. Tax sharing agreements remain one of the few tools cities have at their disposal to encourage the successful operation and viability of tax-generating businesses in their communities. The City has taken advantage of opportunities to enter into tax sharing agreements in the past and has an existing sales tax sharing agreement with Premier Automotive Group, the original owner of the Claremont Chrysler Dodge Jeep Ram dealership on Auto Center Drive. That agreement has helped that auto dealership remain viable and continue to contribute to the City's sales tax base.

Ashok Patel, President of Sushil Capital LLC, is an experienced hotel operator with a proven track record of developing and operating hotels throughout California. His company has owned and operated more than a dozen Hilton and Marriott branded hotels. Mr. Patel has obtained a license to operate the hotel under the Residence Inn by Marriott brand. Sushil Capital has invested heavily to bring a quality hotel to the southern part of Claremont, that, beyond the immediate generation of tax revenue for the City, will provide additional economic benefits.

Staff has determined that the operation of the Residence Inn by Marriot will provide the following benefits to the City and the community:

1. Provide an additional option to the community for hotel accommodations, supporting the City as an overnight destination for visitors to the Colleges and community attractions such as the Claremont Village, California Botanic Garden and the Claremont Lewis Museum of Art;
2. Generation of Transient Occupancy Tax and Business License Tax revenue to support the City's General Fund;
3. Creation of approximately 20-25 new, permanent full-time equivalent jobs in the City; and
4. Increase property values and support the revitalization of the surrounding neighborhood by drawing customers and employees to the area, stimulating the local economy.

AB 562 and California Government Code Section 53083 require the City Council to hold a noticed public hearing to consider the proposed Agreement. An additional requirement of the Government Code is the preparation of a report that includes the following information:

1. The name and address of the beneficiary of the economic development subsidy.
2. The start and end dates for the economic development subsidy.
3. A description of the economic development subsidy, including the estimated total amount of the expenditure of public funds by, or of revenue lost to, the local agency as a result of the economic development subsidy.
4. A statement of the public purposes for the economic development subsidy.
5. Projected tax revenue to the local agency as a result of the economic development subsidy.
6. Estimated number of jobs created by the economic development subsidy, broken down by full-

time, part-time, and temporary positions.

This AB 562 Report is included as Attachment B to this staff report.

LEGAL REVIEW

The City Attorney has reviewed the Operating Covenant Agreement and approved it as to form.

RELATIONSHIP TO CITY PLANNING DOCUMENTS

Staff has evaluated the agenda item in relationship to the City's strategic and visioning documents and finds that it applies to the following City Planning Documents: Council Priorities, Economic Sustainability Plan, and the 2024-26 Budget.

CEQA REVIEW

This item is not subject to environmental review under the California Environmental Quality Act (CEQA).

PUBLIC NOTICE PROCESS

Notice of the public hearing required by California Government Code Section 53083(b) was published on February 27 and March 6, 2026, in the Claremont Courier. Copies of the proposed Agreement and the AB 562 Report were also made available at the City Hall public counter and on the City website. The agenda and staff report for this item have been posted on the City website and distributed to interested parties. If you desire a copy, please contact the City Clerk's Office.

Submitted by:

Adam Pirrie
City Manager

Attachments:

A - Proposed Operating Covenant Agreement
B - AB 562 Report

OPERATING COVENANT AGREEMENT

by and between

CITY OF CLAREMONT,

a municipal corporation

(“City”)

and

SUSHIL CAPITAL LLC,

a California limited liability company

(“Owner”)

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OPERATING COVENANT AGREEMENT

This **OPERATING COVENANT AGREEMENT** ("Agreement") is dated for identification purposes as of _____, 2026, and is entered into by and between the **CITY OF CLAREMONT**, a municipal corporation of the State of California ("City"), and **SUSHIL CAPITAL LLC.**, a California limited liability company ("Owner"). The City and the Owner are hereinafter sometimes individually referred to as a "Party" and collectively referred to as the "Parties." Capitalized terms are defined in Section 1.

RECITALS

A. Owner is the owner of that certain real property located in the City of Claremont, County of Los Angeles, State of California, more particularly described in the Legal Description and as shown on the Site Plan (the "Site"). If the boundaries of the Site are changed by one or more lot splits or subdivisions after the approval of this Agreement, then the Site shall become the legal parcel that contains (or the legal parcels that contain) the Project, as defined below in the next Recital.

B. Owner desires to operate a four-story Residence Inn by Marriott (the "Hotel") containing not less than one hundred-twenty (120) "Guestrooms" (as defined below), as more specifically described herein (collectively, the "Project"). The Project is to conform to those provisions of the Southwest San Jose Specific Plan as approved by the City Council on September 27, 2016, as amended from time to time (the "Specific Plan"), which includes zoning for the Site; the environmental clearance(s) undertaken in connection with the Specific Plan and the City's approval of the Project; and the design of the Hotel as approved by the City's Architectural Commission on March 29, 2023 by its Resolution No. 2023-02 (the "Site Plan Resolution") and further by the City as "Site Plan Review" (as described below) (the Specific Plan, the Site Plan Resolution, the Site Plan Review, and the associated environmental clearances are collectively referred to herein as the "Entitlements").

C. The City has determined that the operation and maintenance of the Hotel of this level of quality in the City will serve the needs of the City's businesses, visitors, and residents as well as promote and enhance the economy of the City. Among other things, the Hotel will promote tourism by providing attractive and desirable facilities and experiences that will serve the needs of visitors and contribute to the growth and expansion of tourism opportunities in the City and provide employment opportunities for the residents of the City. The City anticipates the operation and maintenance of the Hotel of this level of quality will raise average daily rates for all hotels in the City.

D. Consistent with the above, the City desires to incentivize operation of a Residence Inn by Marriott or other hotel brand determined by the City to be of comparable or better quality in the City through the Operating Period of this Agreement. In exchange for the City sharing a portion of the Transient Occupancy Tax revenues generated by the Hotel with Owner, Owner has agreed to operate and maintain the Hotel in accordance with heightened quality standards outlined herein, which exceed the quality standards in the Entitlements.

E. The City Council has found and determined this Agreement is: (i) consistent with the City's economic goals and strategies; (ii) consistent with the preservation and protection of the public health, safety, and/or welfare of the community; (iii) beneficial by virtue of generating jobs and increasing property tax, sales tax, and Transient Occupancy Tax to the City; (iv) beneficial by enhancing the marketability and attractiveness of the South Claremont area; and (v) in accord with the public purposes and provisions of applicable State and local laws and requirements.

F. In order to create the financial feasibility necessary to allow the operation of the Hotel at the heightened level of quality, the Owner has requested certain financial assistance from the City. The Parties have determined that the Hotel cannot operate and be maintained at the heightened level of quality for the Operating Period without the assistance provided by this Agreement. This Agreement will only provide assistance to the Owner which is necessary to fund the feasibility gap created by the heightened quality standards the City desires to require for the Project.

G. The City Council finds and determines that this Agreement will provide economic incentives to encourage the operation and maintenance of the Hotel within the City which will, in turn: (i) provide desirable and attractive experiences for both residents and tourists; (ii) promote job creation opportunities in the City; (iii) encourage other property owners to upgrade and enhance their properties; (iv) maintain and enhance a consistent business-friendly environment; (v) generate a net increase in Transient Occupancy Tax revenue to the City which will assist in the revitalization of neighborhoods and support the public services provided by the City to its residents, visitors, and businesses; and (vi) increase the economic competitiveness of the City.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and other valuable consideration, the receipt and sufficiency of which the Parties hereby acknowledge, the Parties hereby agree as follows:

1. **DEFINITIONS**

“**Affiliate**” means any Person directly controlling, controlled by, or under common control with another Person, which, in the case of a limited liability company, shall include each of the managing members thereof. The term “control”, as used in the immediately preceding sentence, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled Person.

“**Agreement**” means this Operating Covenant Agreement and all amendments or modifications hereto.

“**Applicable Transient Occupancy Tax Rate**” means the rate of Transient Occupancy Tax levied and collected pursuant to Chapter 3.28 of Title 3 of the Claremont Municipal Code as of the Effective Date of this Agreement (i.e., ten percent).

“**Approved Exceptions**” are defined in Section 5.1.

“**Breach**” is defined in Section 7.1.

“City”, as defined in the first paragraph hereof, means the City of Claremont, a municipal corporation, and all successors and assigns of the City of Claremont.

“City Bodies” is defined in Section 8.10.

“City Disbursement Conditions” is defined in Section 4.5.

“City Manager” means the City Manager of the City or his/her/their designee.

“City Rules and Powers” is defined in Section 8.10.

“County” means the County of Los Angeles.

“Covenants” is defined in Section 6.4.

“CPI” means the Consumer Price Index-All Urban Consumers for the Los Angeles-Orange-Riverside County Average, Subgroup “All Items” (1982-1984 = 100) as established by the Bureau of Labor Statistics of the U.S. Department of Labor.

“Day” or “Days” is defined in Section 8.8.

“Default(s)” is defined in Section 7.1.

“Designated Product” means Residence Inn by Marriott or such other product name as may hereafter be approved by the City Manager on behalf of the City at his or her discretion. A Designated Product means the distinctive name of the Hotel that, by virtue of its distinctive name, is identified by specific physical and operational features so that guests are assured that they will receive a specified level of service and amenities.

“Effective Date” means the latter of the date on which this Agreement is attested by the City Clerk of the City of Claremont after approval by the City Council and execution by both the City and Owner.

“Entitlements” is defined in Recital B. Entitlements shall also include future amendments to the Entitlements, if any, as may hereafter be approved or amended by the City.

“Governmental Requirements” means all applicable laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the State of California, the County, the City, or any other political subdivision in which the Site is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over the City, the Owner, or the Site, including all applicable state labor standards, the City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the City’s Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation, all governmental requirements applicable to public works, including without limitation the payment of prevailing wages in compliance with Labor Code Section 1720, *et seq.*, keeping of all records required pursuant to Labor Code Section 1776, complying with the maximum hours requirements

of Labor Code Sections 1810 through 1815, and complying with all regulations and statutory requirements pertaining thereto (“Public Works Statutes”), the Americans With Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, Government Code Section 4450, *et seq.*, Government Code Section 11135, *et seq.*, and the Unruh Civil Rights Act, Civil Code Sections 51, *et seq.*

“Guestroom(s)” means a room or suite within the Hotel intended for Transient Occupancy by guests for compensation.

“Hazardous Material” or “Hazardous Materials” means and include any substance, material, or waste which is or becomes regulated by any local governmental authority, including the County, the Regional Water Quality Control Board, the State of California, or the United States Government, including, but not limited to, any material or substance which is: (i) defined as a “hazardous waste,” “acutely hazardous waste,” “restricted hazardous waste,” or “extremely hazardous waste” under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (ii) defined as a “hazardous substance” under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter Presley Tanner Hazardous Substance Account Act); (iii) defined as a “hazardous material,” “hazardous substance,” or “hazardous waste” under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (iv) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (v) petroleum; (vi) asbestos and/or asbestos containing materials; (vii) lead based paint, pursuant to and defined in the Lead Based Paint Poisoning Prevention Act, Title X of the 1992 Housing and Community Development Act, 42 U.S.C. § 4800, *et seq.*, specifically §§ 4821-4846, and the implementing regulations thereto, or any lead based or lead products; (viii) polychlorinated biphenyls, (ix) designated as a “hazardous substance” pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317); (x) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, *et seq.* (42 U.S.C. Section 6903); (xi) Methyl tertiary Butyl Ether; (xii) defined as “hazardous substances” pursuant to Section 1.1 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601, *et seq.* (42 U.S.C. Section 9601); and/or (xiii) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any Governmental Requirements either requires special handling in its use, transportation, generation, collection, storage, handling, treatment or disposal, or is defined as “hazardous” or harmful to the environment. Notwithstanding the foregoing, “Hazardous Materials” shall not include such products in quantities below attainment levels identified in one or more of the enactments identified above as Governmental Requirements, including those products and amounts as are customarily used in the construction, maintenance, rehabilitation, management, and operation of hotels and/or commercial developments or associated buildings and grounds, or typically used in commercial activities in a manner typical of other comparable commercial developments, or substances commonly ingested by a significant population, including without limitation alcohol, aspirin, tobacco and saccharine.

“Hotel” is defined in Recital B.

“Hotel Operator” means a franchisee, manager, lessee, or licensee with whom the Owner has a contract to operate the Hotel pursuant to a franchise, management, lease, or license arrangement.

“Hotel Operating Agreement” means the Agreement between the Hotel Operator and the Owner governing the operation of the Hotel described in Section 2.4(b) or an amended or substantially similar agreement, as determined by the City Manager in consultation with the City Attorney.

“Incentive Payments” are the payments to be made by the City to the Owner pursuant to Sections 4 through 4.5 hereof.

“Include” or “Including” is defined in Section 8.8.

“Key Person” means Ashok Patel.

“Legal Description” means the legal description of the Site attached hereto as Attachment No. 1. If the boundaries of the Site are changed by one or more lot splits or subdivisions after the approval of this Agreement, then Owner and the City Manager may amend this Agreement administratively to replace Attachment No. 1 with the new legal description.

“Losses and Liabilities” as used herein shall mean and include all claims, causes of action, liabilities, losses, damages (including, without limitation, penalties, fines and monetary sanctions), injuries, expenses, charges, penalties or costs of whatsoever character, nature and kind, including reasonable attorney’s fees and costs incurred by the indemnified party with respect to counsel of its choice, whether to property or to person, whether by direct or derivative action, and whether known or unknown, suspected or unsuspected, latent or patent.

“Maintenance Standards” is defined in Section 6.2.

“Management Entity” is defined in Section 2.4(a).

“Maximum Amount” means that amount representing the sum of all Incentive Payments made by the City to the Owner pursuant to Sections 4 through 4.5 of this Agreement, but not to exceed Four Million Five Hundred Thousand Dollars (\$4,500,000.00).

“Memorandum of Agreement” means an instrument in a form of Attachment No. 3. The Owner and City Manager are authorized make non-substantive changes to Attachment No. 3.

“Notice of Breach” is defined in Section 7.3.

“Opening of the Hotel” means the day on which the Hotel opens for business to the general public.

“Operating Period” is the period commencing on the Opening of the Hotel and terminating ten (10) years after the Opening of the Hotel.

“Operating Year” means: (i) as to the initial operating year, that period commencing as of the Opening of the Hotel and ending on the first anniversary thereof (the “Initial Anniversary”), and (ii) each subsequent annual period (as measured from the Initial Anniversary or annual anniversary thereof) which occurs during the Operating Period.

“Owner” means Sushil Capital LLC.

“Ownership and/or Control” means and includes, without limitation, more than fifty percent (50%) of all voting rights and all beneficial ownership rights and interests, including without limitation, all such rights with respect to all classes of stock, interests in partnerships, limited liability company membership interests and/or beneficial interests under a trust, as may be applicable to the type of entity which is making the particular Transfer in question. Ownership and/or Control shall initially be held by an entity of which the Key Person exercises Ownership and/or Control of the Owner.

“Party” or “Parties” means the City and Owner, as applicable.

“Person(s)” means an individual, corporation, limited liability company, partnership, joint venture, association, firm, joint stock company, trust, unincorporated association or other entity.

“Project” is described in Recital B and the Entitlements.

“Publicly Traded Stock Transfers” is defined in Section 2.3(e).

“Qualified Hotel Operator” is defined in Section 2.4(b).

“Representatives” as used herein shall mean the agents, employees, members, independent contractors, Affiliates, principals, shareholders, officers, directors, council members, board members, committee members, and planning and other commissioners, partners, attorneys, accountants, representatives, and staff of the referenced entity and the predecessors, heirs, successors and assigns of all such Persons.

“Site” means that certain real property, which property is more particularly described in the “Legal Description” attached hereto as Attachment No. 1.

“Site Plan” means the Site Plan approved by the Site Plan Resolution, as such approval may be modified from time to time by the City acting at its discretion. A copy of the Site Plan is enclosed as Attachment No. 2 hereto; provided that in the event of conflict between Attachment No. 2 and the Site Plan adopted by the City under the Site Plan Resolution or subsequent Site Plan Review, such Site Plan as so adopted by the City shall control over Attachment No. 2 hereto. If the City approves amendments to the Site Plan Resolution and/or the Site Plan, then Owner and the City Manager may amend this Agreement administratively to replace Attachment No. 2 with the new Site Plan.

“Site Plan Resolution” means Resolution No. 2016-12 of the Architectural Commission of the City of Claremont, as amended from time to time. A copy of the Site Plan Resolution is on file with the City as a public record.

“Site Plan Review” means that process undertaken by the City in connection with the Site Plan Resolution and, if applicable, such additional or further review as may become applicable in the event of proposed modifications to the Site Plan.

“Specific Plan” is defined in Recital B.

“State” means the State of California.

“Temporary Closure” means a period of time, no longer than reasonably necessary for repairs, reconstruction, or resolution following a casualty event or remodeling approved by the City of maintenance issues, but in no event longer than one hundred (100) days.

“Transfer” as used herein shall mean and include any direct or indirect conveyance, transfer, sale, assignment, lease, sublease, license, concession, franchise, gift, management agreement, operating agreement, hypothecation, mortgage, pledge, encumbrance, or the like of this Agreement, the Site, the Project and/or Ownership and/or Control of Owner. “Transferee” shall mean and refer to the person or entity receiving any Transfer.

“Transfer Documents” is defined in Section 2.1.

“Transient Occupancy” means a stay of less than thirty (30) consecutive calendar days.

“Transient Occupancy Tax” or “TOT” means the transient occupancy tax levied and collected pursuant to Chapter 3.28 of Title 3 of the Claremont Municipal Code, as it may be amended from time to time.

“Transient Occupancy Tax Rate” or “TOT Rate” means the rate of Transient Occupancy Tax levied and collected pursuant to Chapter 3.28 of Title 3 of the Claremont Municipal Code, as it may be amended from time to time.

“TOT Floor” means Two Hundred Fifty Thousand Dollars (\$250,000.00) for the initial Operating Year, increased on each anniversary of the Opening of the Hotel by the CPI increase for All Urban Consumers for the Los Angeles-Riverside-Orange County region for the preceding Operating Year.

2. RESTRICTIONS ON TRANSFER

2.1 Prohibition Against Assignment or Change of Ownership or Control. The restrictions contained in this Section 2.1 upon any Transfer to any Transferee are imposed because the qualifications and identity of Owner are of particular concern to the City, and it is because of those qualifications and identity that the City has entered into this Agreement with Owner. Owner hereby agrees that no voluntary or involuntary successor to any interest of Owner under a Transfer not permitted by this Agreement shall acquire any rights pursuant to this Agreement, and any purported Transfer of this Agreement in violation of the provisions set forth herein shall be of no legal force or effect. The Parties specifically affirm City’s reliance upon the qualifications and identity of Owner to undertake and perform the items set forth in the Agreement in exchange for City’s assistance, which assistance Owner intends to employ to generate additional income from

the Project, and that Owner's qualifications and performance under this Agreement were specifically bargained for by the City in exchange for City's assistance.

At any time Owner desires to effect a Transfer requiring the consent of City under this Agreement, Owner shall request consent from the City in writing and shall submit to City all proposed agreements and documents memorializing, facilitating, and evidencing the proposed Transfer (collectively, the "Transfer Documents"). City agrees to notify Owner in writing of its decision with respect to Owner's request for consent to such Transfer, as promptly as possible, and, in any event, not later than thirty (30) days after City receives the Owner's written request for consent to the Transfer and all of the Transfer Documents. In the event City consents to a proposed Transfer pursuant to this Section 2.1, then such Transfer shall not be effective unless and until City receives copies of all executed and binding Transfer Documents, which Transfer Documents shall conform in all material respects to the proposed Transfer Documents originally submitted by Owner to City, and a certificate, addressed to City, setting forth the representation of Owner, and, in the case of a Transfer of Owner's interest under this Agreement, of Transferee, stating that all requirements of this Section 2.1 applicable to such Transfer have been met. If such request is denied, City shall state the reasons for such disapproval in their notice of denial of Owner's request.

Notwithstanding anything in this Agreement which is or appears to be to the contrary, Owner agrees that, in addition to all other City rights with respect to Transfers subject to City approval under this Agreement, the City shall have the right to refuse to consent to any Transfer if Owner is then in Breach or Default of any of its obligations under this Agreement; provided that if such Breach or Default is a non-monetary Breach or Default for which the cure has commenced and which will be cured on or prior to the effectiveness of such proposed Transfer, City may, rather than withholding consent to the proposed Transfer solely because of such Breach or Default, condition such consent upon the complete cure of such Breach or Default on or prior to the effectiveness of the Transfer; and, provided further, that City's waiver of this restriction on Transfer shall not be construed as a waiver of any Breach or Default or of City's remedies arising therefrom, nor shall any Transfer in any way restrict or limit City's rights and remedies arising from any Breach or Default hereunder, whether such Breach or Default occurred prior to or after such Transfer.

The provisions of this Section 2.1 shall apply to each successive Transfer and Transferee in the same manner as initially applicable to Owner under the terms set forth herein.

2.2 Restrictions on Transfer of the Agreement, the Site, the Project and/or Ownership and/or Control of Owner.

(a) Except as set forth in Section 2.3, following the Effective Date and continuing until the expiration or termination of the Operating Period, Owner shall not Transfer all or any part of its interest in or rights under this Agreement, and/or any part of its interest in or rights to the Site and/or the Project, or any part thereof, and/or Ownership and/or Control of Owner, without the City's prior written consent, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the Owner may not Transfer the right to receive the Incentive Payments separate and apart from the Project.

The failure of the City to consent to any proposed Transfer of Owner's rights under or interest in the Agreement, the Site, or the Project, or any part thereof, pursuant to this Section 2.2, shall be deemed to be reasonable if the City determines that (x) the proposed Transferee is not (i) financially capable and/or responsible, (ii) of good standing and repute, and/or (iii) able to demonstrate the capability and experience to successfully manage developments of the size and character of the Project and/or (y) the City has a reasonable basis for concluding that the proposed Transfer would have a material adverse impact upon the value, operation or quality of the Project or upon the timing or quantum of benefits to be received by the City in accordance with the implementation of this Agreement. In the event of any disapproval by the City based on the foregoing criteria, the City shall, in connection with such disapproval, identify in writing the reasons for the City's disapproval, and, in the event of Owner's disagreement with such determination, such dispute shall be resolved by a judicial reference proceeding under Section 7.5.1 below. Upon any approved assignment of this Agreement or the Project (other than for security purposes), and/or Ownership and/or Control of Owner, said assignee shall expressly assume the liability of Owner for the obligations of Owner under this Agreement to the extent of said assignee's interest, and, upon a Transfer of all of its interest in the Project which was approved by the City pursuant to this Section 2.2, the transferring owner shall be released from further liability hereunder with respect to events occurring or obligations first arising after the date of such sale.

2.3 Permitted Transfers. Notwithstanding the provisions of Sections 2.1 and 2.2 to the contrary, the following transfers shall be permitted without City consent ("Permitted Transfers"); provided that Owner shall nonetheless provide City with the Transfer Documents with respect thereto prior to the proposed Transfer:

(a) Transfers of Ownership and/or Control resulting from the death or mental or physical incapacity of an individual shareholder or member of Owner;

(b) Transfers of Ownership and/or Control in trust for the benefit of a spouse, children, grandchildren, or other immediate family members of any individual owner of Owner;

(c) The granting of easements to public or quasi-public entities in connection with operation of the Project in accordance with this Agreement;

(d) Public trading of stock or securities in any corporation or partnership if the stock or securities of such party are traded publicly on a national stock exchange or in the over-the-counter market and if the price of such stock or securities are regularly quoted in a recognized national quotation service, provided this exception shall not apply if the Transfer is the result of the original issuance of such stock or security interests or if the Transfer at issue is being undertaken for the purpose and with the intent of circumventing the restrictions on Transfer otherwise applicable under this Section 2.3 (the foregoing Transfers described in this Section 2.3 are referred to herein as "Publicly Traded Stock Transfers");

(e) Transfer of Ownership by foreclosure, bankruptcy, or court order due to a default on any loan.

2.4 Qualified Hotel Operator.

(a) Except as to a Qualified Hotel Operator, Owner shall not retain or authorize any Person to perform any management and/or supervisory functions (“Management Entity”) with respect to the operation of the Project without the prior written consent of City, which consent shall not be unreasonably withheld.

(b) Owner shall retain a reputable, responsible, and experienced operator (“Qualified Hotel Operator”) to supervise the operation of the Hotel. In complying with this provision, Owner has entered into a certain Hotel Operating Agreement (i.e. franchise agreement) with The Residence Inn by Marriott dated June 11, 2021 to serve as the Qualified Hotel Operator (the “Hotel Operating Agreement”). Owner shall provide such Hotel Operating Agreement to the City and the Hotel Operating Agreement shall not be amended or terminated without advance written approval of the City Manager. The Qualified Hotel Operator shall operate and manage the Hotel pursuant to the Hotel Operating Agreement and in strict compliance with all of the requirements hereof and thereof. Should the original Qualified Hotel Operator, or its successor, cease to manage the Hotel for any reason, a replacement Qualified Hotel Operator shall be secured within ninety (90) days after the occurrence of such an event, so that throughout the Operating Period, the Hotel will at all times be managed by a Qualified Hotel Operator. If the Hotel is operated under a franchise agreement, the identity of the franchisor and the terms of the franchise agreement shall be reasonably approved in writing by City to ensure consistency of the proposed franchise with City standards and the Hotel Operating Agreement. Without the prior written consent of City, which consent shall not be unreasonably withheld or delayed, Owner shall not materially amend any Hotel Operating Agreement or any permitted successor or transferee thereof with respect to the Site, nor shall Owner permit the Qualified Hotel Operator to alter any trade names or logos respecting the Hotel or perform any other act that may alter or impair the nature, character, or quality of the Hotel below the stricter of the City’s requirements and standards, and the requirements and standards set forth in the Hotel Operating Agreement. Notwithstanding anything to the contrary above, Owner may terminate its employment of a particular Qualified Hotel Operator for the Hotel without being required to secure City’s consent to said termination, but Owner shall thereafter be obligated to replace said Qualified Hotel Operator as provided above. Unless City’s prior written consent is obtained, which consent shall not be unreasonably withheld, Owner shall not permit the Transfer of more than forty-nine percent (49%) of the ownership and/or control in the aggregate, taking all transfers into account on a cumulative basis, of said original Qualified Hotel Operator or any permitted Transferee during the period it is supervising operation of the Hotel, excluding Transfers consisting of Publicly Traded Stock Transfers.

2.5 Termination of Restrictions on Transfer. The restrictions of this Section 2 shall terminate upon the expiration or termination of the Operating Period and shall not be construed or understood to terminate or modify any of the provisions of Section 6.4 hereof with respect to the Project or any restrictions applicable to the Project under any documents recorded against the Site or any portion thereof pursuant hereto.

3. [INTENTIONALLY OMITTED.]

4. INCENTIVE PAYMENTS

In order to induce the Owner to operate the Project in accordance with the requirements of this Agreement, including the heightened quality standards outlined herein, the City has agreed to provide to Owner the incentive described in Section 4.2 upon the terms set forth herein.

4.1 [Intentionally Omitted.]

4.2 Incentive Payments for Hotel.

(a) Monthly Incentive Payments. Upon the fulfillment of all of the City Disbursement Conditions set forth in Section 4.5 of this Agreement, the City shall pay monthly Incentive Payments to the Owner within thirty (30) days of the City's receipt of Transient Occupancy Taxes from the Hotel. The amount of each monthly Incentive Payment shall be equal to fifty percent (50%) of the Transient Occupancy Tax collected and remitted to the City from the Hotel during the applicable calendar month (or partial month) based on the lesser of: (i) the Applicable Transient Occupancy Tax Rate (10%); or (ii) if the City has reduced the TOT Rate after the Effective Date of this Agreement, the then-current Transient Occupancy Tax Rate.

(b) TOT Floor. In no event shall the amount of TOT generated by the Hotel and received by the City during any Operating Year be less than the TOT Floor for such Operating Year. If the City determines the amount of TOT generated by the Hotel and received by the City during any Operating Year was less than the TOT Floor for such Operating Year, the City shall provide Owner with written notice of the amount of the deficit. Upon receipt of this written notice, Owner shall provide the City with a refund of the deficit within thirty (30) days. As an alternative to the Owner providing a refund payment, the City Manager and Owner may agree to allow the City to deduct the amount of the refund from future Incentive Payments the City owes to the Owner. In the absence of such an agreement, Owner's failure to provide a timely refund of the deficit is a Breach of this Agreement.

4.3 Termination of Incentive Payments. Incentive Payments shall terminate upon the first to occur of: (i) the receipt by Owner of the Maximum Amount; (ii) Owner fails to maintain compliance with the City's approval of the Project, including one or more of the lobby areas, recreation areas, room design and furnishings, common area furnishings and decorations, dining area design and fixtures, and meeting room design and appearance; (iii) expiration of the Operating Period; (iv) the Hotel ceases to operate consistent with City standards and/or the Hotel Operating Agreement for reasons other than Temporary Closure; (v) the Hotel ceases to operate consistent with City standards and/or the Hotel Operating Agreement for a reason which would constitute a Temporary Closure where Owner has failed to notify the City, in writing, of any Temporary Closure within ten (10) days of the initial occurrence of the onset of such condition or conditions that cause such a Temporary Closure.

In addition, the making of Incentive Payments for any Operating Year shall be subject to the continued satisfaction of the City Disbursement Conditions for the corresponding Operating Year. In addition, no Incentive Payment shall be made if the Opening occurs after January 1, 2027.

4.4 No Pledge. The making of Incentive Payments pursuant to this Agreement shall not be deemed to constitute a pledge of any particular funds by the City, but instead constitutes a

contractual obligation of the City which is expressly contingent upon the satisfaction of the City Disbursement Conditions throughout each applicable Operating Year.

4.5 City Disbursement Conditions. Notwithstanding anything in this Agreement which is or appears to be to the contrary, in no event will City pay any Incentive Payments to Owner unless all of the following conditions precedent (collectively, the “City Disbursement Conditions”) are satisfied on the date of the applicable disbursement and throughout the applicable calendar month: (i) the Owner has provided written notice to the City Manager of the Opening of the Hotel, such that, all Parties are on notice of the start of the Initial Operating Year and the start and end dates of each subsequent Operating Year; (ii) this Agreement is in full force and effect and has not been terminated; (iii) the Hotel has operated continuously under the name of a Designated Product with appropriate authorization of the holder of the trademark, trade name, or franchise for such Designated Product; (iv) the Hotel has operated continuously in compliance with the City standards and the Hotel Operating Agreement (to the extent any of these standards or requirements conflict, the Hotel has operated continuously in compliance with the most stringent standard, as determined by the City Manager); (v) Owner has paid prior to delinquency all property taxes and assessments assessed with respect to the Site and/or improvements thereto; (vi) Owner has maintained a business license with the City and has paid all amounts required thereunder; (vii) City has received the TOT Floor for all preceding Operating Years or, subject to the approval of the City Manager, the Owner has entered an agreement to provide for a refund of TOT Floor owed for one or more preceding Operating Years; (viii) there is no Breach or Default by the Owner under this Agreement and/or the Hotel Operating Agreement which remains uncured on the date such Incentive Payment would otherwise be made to the Owner, including, without limitation, failure to operate the Hotel consistent with the stricter of any City standard, any requirement of the Hotel Operating Agreement, and/or any other Qualified Hotel Operator’s requirement; and (ix) the City has not paid the Owner the Maximum Amount.

5. OPERATING COVENANTS

5.1 Operating Covenants. In consideration of the Covenants of the City set forth herein, including, without limitation, the City’s covenant to make the Incentive Payments upon the terms set forth herein, Owner shall, prior to cause the Memorandum of Agreement to be recorded against the Site, providing, among other things, that the Hotel shall be operated for a period of at least ten (10) years in accordance with the requirements of this Agreement.

This Agreement shall be senior to all monetary liens and encumbrances (other than non-delinquent property taxes and assessments) and shall be junior and subordinate only to such other covenants, conditions, restrictions and exceptions as are approved by the City (the foregoing are collectively referred to as the “Approved Exceptions”). In connection with the foregoing, the Owner has obtained a preliminary report of title, together with legible copies of all documents referenced as exceptions therein, for the entire Site, prepared by Stewart Title of California, Inc. (Order No. 2227372) dated as of January 4, 2024 (the “Title Report”), and has provided a copy of the Title Report to the City. The City hereby approves, as the Permitted Exceptions, the following exceptions shown in Schedule B of such Title Report: (i) property taxes, including any assessments collected with taxes, which are a lien upon the property but not yet due and payable; and (ii) exceptions 1 through 19 and 19, inclusive. The City will have no obligation to proceed with disbursement of any Incentive Payments if the Owner fails to cause the Memorandum of

Agreement to be timely recorded against the Site subject only to the Approved Exceptions, and, in that event, City shall have the right to terminate this Agreement pursuant to Section 7.7 below, and, upon such termination, to be excused of any further obligations under this Agreement.

5.2 Compliance with Laws; Prevailing Wage Law. Owner is not required by this Agreement to undertake improvements; provided that if Owner does undertake improvements, Owner shall carry out the design, construction and operation of the Project in conformity with all applicable Governmental Requirements, including all applicable state labor standards and federal prevailing wage laws (including without limitation provisions for payment of prevailing wages in connection with all construction of the Project to the extent applicable), City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the City Code, the Americans With Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, Government Code Section 4450, *et seq.*, Government Code Section 11135, *et seq.*, and the California Building Standards Code, Health and Safety Code Section 18900, *et seq.* Owner, including but not limited to its contractors and subcontractors, shall comply with Labor Code Section 1720, *et seq.*, and its implementing regulations, regarding the payment of prevailing wages (the “State Prevailing Wage Law”) and, if applicable, federal prevailing wage law (“Federal Prevailing Wage Law”) and, together with State Prevailing Wage Law, “Prevailing Wage Laws”) with regard to the construction of the Project, but only if and to the extent such sections are applicable to the operation of the Project. Owner shall be solely responsible for determining and effectuating compliance with the Prevailing Wage Laws, and City makes no final representation as to the applicability or non-applicability of any applicable Prevailing Wage Laws to the Project, or any part thereof. Owner hereby releases from liability, and agrees to indemnify, defend, assume all responsibility for and hold City and its officers, employees, agents and representatives, harmless from any and all claims, demands, actions, suits, proceedings, fines, penalties, damages, expenses resulting from, arising out of, or based upon Owner’s acts or omissions pertaining to the compliance with the Prevailing Wage Laws for the Project.

Without limitation as to Section 8.9 of this Agreement, Owner shall indemnify, protect, defend and hold harmless City and its officers, employees, contractors and agents, with counsel reasonably acceptable to City, from and against any and all loss, liability, damage, claim, cost, expense and/or “increased costs” (including reasonable attorneys’ fees, court and litigation costs, and fees of expert witnesses) which, in connection with the development, construction, and/or operation of the Project, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (1) the noncompliance by Owner of any applicable local, state and/or federal law, including, without limitation, any applicable federal and/or state labor laws (including, without limitation, if applicable, the requirement to pay state prevailing wages and/or federal prevailing wages); (2) the implementation of Section 1781 of the Labor Code, as the same may be amended from time to time, or any other similar law; and/or (3) failure by Owner to provide any required disclosure or identification as required by Labor Code Section 1781, as the same may be amended from time to time, or any other similar law. It is agreed by the parties that, in connection with the development of the Project, including, without limitation, any and all public works (as defined by applicable law), Owner shall bear all risks of payment or non-payment of prevailing wages under California law and/or the implementation of Labor Code Section 1781, as the same may be amended from time to time, and/or any other similar law. “Increased costs,” as used in this Section 5.2, shall have the meaning

ascribed to it in Labor Code Section 1781, as the same may be amended from time to time. The foregoing indemnity shall survive termination of this Agreement.

5.3 City Reserved Discretion. This Agreement does not constitute a development agreement within the meaning of Article 2.5 of Chapter 4 of Title 7 of the California Government Code. Owner acknowledges and agrees that, if the Operating Covenant Agreement is approved by the City prior to consideration by the City of any potential future land use application, entering into the Operating Covenant Agreement does not commit the City to consider or undertake acts or activities requiring subsequent independent exercise of discretion, including, but not limited to, the approval of any development proposal (including the Project) or land use approval governing the Site where the Project is proposed. The Owner agrees that the City retains discretion on potential future actions to approve, deny, modify, and consider alternatives to a proposed project, as well as to impose adequate mitigation measures as may be required by the California Environmental Quality Act.

6. USE, OPERATION AND MAINTENANCE OF THE SITE

6.1 Uses and Operation. The Owner covenants and agrees for itself, its successors and assigns, which covenants shall run with the land and bind every successor or assign in interest of Owner, that during operation of the Project pursuant to this Agreement and thereafter, neither the Site nor the Project, nor any portion thereof, shall be improved, used, operated, or occupied in violation of any Governmental Requirements or the restrictions of this Agreement. Furthermore, Owner and its successors and assigns shall not initiate, maintain, commit, or permit the maintenance or commission on the Site or within the Project, or any portion thereof, of any nuisance, public or private, as now or hereafter defined by any statutory or decisional law applicable to the Site and/or the Project, or any portion thereof. The Owner further covenants and agrees on behalf of itself and its successors and assigns to devote, use, operate and maintain the Site in accordance with this Agreement.

Notwithstanding anything to the contrary or that appears to be to the contrary in this Agreement, Owner hereby covenants, on behalf of itself, and its successors and assigns, which covenants shall run with the land and bind every successor and assign in interest of Owner, that Owner and such successors and assigns shall use the Site solely for the purpose of operating the Project.

6.2 Maintenance of Site; Damage or Destruction. Throughout the Operating Period, Owner shall, at its expense, maintain the Site and improvements thereon, including landscaping as well as the public right of way adjacent to the Site, in an attractive condition in accordance with the City Municipal Code, the Entitlements, the Hotel Operating Agreement, and all Governmental Requirements (the foregoing collectively constitute the "Maintenance Standards"). In the event of any damage or destruction of the Project, the Owner shall promptly commence and diligently pursue to completion the repair and reconstruction of those improvements damaged or destroyed so that they are returned to an operable whole in accordance with the Maintenance Standards at the earliest feasible date.

In the event Owner does not maintain the Site or the Project in the manner set forth herein and in accordance with the Maintenance Standards, City shall have the right to maintain such

private and/or public improvements, or to contract for the correction of such deficiencies, after written notice to Owner. However, prior to taking any such action, City agrees to notify Owner in writing if the condition of said improvements does not meet with the Maintenance Standards and to specify the deficiencies and the actions required to be taken by Owner to cure the deficiencies. Upon notification of any maintenance deficiency, Owner shall have thirty (30) days within which to correct, remedy or cure the deficiency. If the written notification states the problem is urgent relating to the public health and safety or graffiti at the Site, then Owner shall have forty eight (48) hours to rectify the problem.

In the event Owner fails to correct, remedy, or cure or has not commenced correcting, remedying or curing such maintenance deficiency after notification and after the period of correction has lapsed, then City shall have the right to maintain such improvements. Owner agrees to pay City such charges and costs. Until so paid, City shall have a lien on the Site for the amount of such charges or costs, which lien shall be perfected by the recordation of a "Notice of Claim of Lien" against the Site. Upon recordation of a Notice of a Claim of Lien against the Site, such lien shall constitute a lien on the fee estate in and to the Site prior and superior to all other monetary liens except: (i) all taxes, bonds, assessments, and other levies which, by law, would be superior thereto; (ii) the lien or charge of any mortgage, deed of trust, or other security interest then of record made in good faith and for value, it being understood that the priority of any such lien for costs incurred to comply with this Agreement shall date from the date of the recordation of the Notice of Claim of Lien. Any such lien shall be subject and subordinate to any lease or sublease of the interest of Owner in the Site or any portion thereof and to any easement affecting the Site or any portion thereof entered into at any time (either before or after) the date of recordation of such a Notice. Any lien in favor of City created or claimed hereunder is expressly made subject and subordinate to any mortgage or deed of trust made in good faith and for value, recorded as of the date of the recordation of the Notice of Claim of Lien describing such lien as aforesaid, and no such lien shall in any way defeat, invalidate, or impair the obligation or priority of any such mortgage or deed of trust, unless the mortgage or beneficiary thereunder expressly subordinates his interest, of record, to such lien. No lien in favor of City created or claimed hereunder shall in any way defeat, invalidate, or impair the obligation or priority of any lease, sublease or easement unless such instrument is expressly subordinated to such lien. Upon foreclosure of any mortgage or deed of trust made in good faith and for value and recorded prior to the recordation of any unsatisfied Notice of Claim of Lien, the foreclosure purchaser shall take title to the Site free of any lien imposed by City that has accrued up to the time of the foreclosure sale, and upon taking title to the Site, such foreclosure purchaser shall only be obligated to pay costs associated with this Agreement accruing after the foreclosure purchaser acquires title to the Site. If the Site is ever legally divided with the written approval of City and fee title to various portions of the Site is held under separate ownerships, then the burdens of the maintenance obligations set forth herein and in this Agreement and the charges levied by City to reimburse City for the cost of undertaking such maintenance obligations of Owner and its successors and the lien for such charges shall be apportioned among the fee owners of the various portions of the Site under different ownerships according to the square footage of the land contained in the respective portions of the Site owned by them. Upon apportionment, no separate owner of a portion of the Site shall have any liability for the apportioned liabilities of any other separate owner of another portion of the Site, and the lien shall be similarly apportioned and shall only constitute a lien against the portion of the Site owned in fee by the owner who is liable for the apportioned charges levied by City and secured by the apportioned lien and against no other portion of the Site. Owner acknowledges and agrees City

may also pursue any and all other remedies available in law or equity. Owner shall be liable for any and all attorneys' fees, and other legal costs or fees incurred in collecting said maintenance costs.

6.3 Obligation to Refrain from Discrimination.

(a) There shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, creed, religion, sex, marital status, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, nor shall Owner itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Site or any portion thereof or vendees of the Site. The foregoing covenants shall run with the land and shall remain in effect in perpetuity.

(b) Owner certifies and agrees that all persons employed or applying for employment by it, its Affiliates, subsidiaries, or holding companies, and all subcontractors, bidders and vendors, are and will be treated equally by it without regard to, or because of race, color, religion, ancestry, national origin, sex, age, pregnancy, childbirth or related medical condition, medical condition or physical or mental disability, and in compliance with Title VII of the Civil Rights Act of 1964, 42 U.S.C. Section 2000, *et seq.*, the Federal Equal Pay Act of 1963, 29 U.S.C. Section 206(d), the Age Discrimination in Employment Act of 1967, 29 U.S.C. Section 621, *et seq.*, the Immigration Reform and Control Act of 1986, 8 U.S.C. Section 1324b, *et seq.*, 42 U.S.C. Section 1981, the California Fair Employment and Housing Act, Cal. Government Code Section 12900, *et seq.*, the California Equal Pay Law, Cal. Labor Code Section 1197.5, Cal. Government Code Section 11135, the Americans with Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, and all other applicable anti-discrimination laws and regulations of the United States and the State of California as they now exist or may hereafter be amended.

6.4 Effect and Duration of Covenants. Except as otherwise expressly provided in this Agreement, the indemnities, covenants, conditions, restrictions, warranties and representations ("Covenants") established in this Agreement shall without regard to technical classification or designation, be binding upon and inure to the benefit of the successors, transferees and assigns of each of the Parties hereto, whether by merger, consolidation, sale, transfer, liquidation or otherwise and as to the Covenants of Owner, shall run with the land. Each of the Covenants is for the benefit of real property under the jurisdiction of the City and owned by City within the boundaries of the City.

City is a beneficiary of the terms and provisions of this Agreement and of the restrictions and Covenants running with the land, for and in its own right and for the purpose of protecting the interests of the community in whose favor and for whose benefit the Covenants running with the land have been provided. The Covenants in favor of the City shall run without regard to whether City has been, remains or is an owner of any land or interest therein in the Site, and shall be effective as both Covenants and equitable servitudes against the Site. City shall have the right, if any of the Covenants set forth in this Agreement which are provided for its benefit are breached, to exercise all rights and remedies and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it may be entitled. The

Covenants contained in Sections 5.1, 6.1 and 6.2 shall remain in effect for the Operating Period. The Covenants described in Section 6.3 shall remain in effect in perpetuity. The Covenants described in Section 5.2 shall remain in effect until the applicable statute of limitation expires with respect to the Public Works Statutes.

7. DEFAULTS, REMEDIES AND TERMINATION

7.1 Defaults. Occurrence of any of the following (a “Breach”) shall, after the giving of the notice required by Section 7.2, constitute a default (“Default(s)”) under this Agreement by the non performing Party:

(a) failure or delay in the due, timely and complete observance and performance of each and every condition, restriction, covenant or obligation applicable to the non-performing Party including, without limitation, the failure of a Party to comply with City standards and the Hotel Operating Agreement; or

(b) failure or delay in the due, timely and complete observance and performance of each and every condition, restriction, covenant or obligation to be observed or performed by Owner under this Agreement; or

(c) a default under any Hotel Operating Agreement which is not cured within the applicable cure period, if any, provided therein.

7.2 Right to Cure Following a Breach/Default. Unless a different cure period is expressly provided elsewhere in this Agreement, the Party whose acts or omissions to act give rise to a Breach as defined in Section 7.1 shall be entitled to cure, correct, or remedy such Breach, if (i) such defaulting Party commences curing said Breach within thirty (30) days of receipt of the Notice of Breach, as defined in Section 7.3, and (ii) such defaulting Party thereafter diligently and continuously pursues the curing of said Breach, and (iii) such defaulting Party fully completes such cure, correction or remedy within sixty (60) days of receipt of said Notice of Breach, or, if such Breach cannot reasonably be cured within said 60-day period, within such additional time as is reasonably necessary to cure such Breach, but in no event more than one hundred and fifty (150) days; provided, that (A) in the event the Breach is a failure to pay or discharge any monetary obligation hereunder when due (i.e., a monetary default), the defaulting Party shall fully complete such cure, correction or remedy within ten (10) days of receipt of the Notice of Breach and (B) in the event of a Breach under Section 7.1 (iii) above, there shall be no additional cure period under this Agreement. If a Breach is not cured within the applicable period provided above, it shall thereafter constitute a “Default”.

7.3 Notice of Breach. The non-breaching Party shall give written notice of default (“Notice of Breach”) to the non-performing Party, specifying the breach of this Agreement complained of by the non-breaching Party. Failure or delay in giving such notice shall not constitute a waiver of any breach of this Agreement.

7.4 Waiver of Breach or Default. Except as otherwise expressly provided in this Agreement, any failure or delay by either Party in asserting any of its rights or remedies as to any Breach or Default shall not operate as a waiver of any Breach or Default or of any rights or remedies in connection therewith or of any other rights and remedies provided by this Agreement

or by law, or deprive such Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

7.5 Legal Actions and Remedies.

7.5.1 Institution of Legal Actions; Judicial Reference. Any of the Parties may institute legal action to enforce the provisions of Section 7.6. All actions arising under this Agreement or relating to its interpretation shall be heard by a referee of the Los Angeles County Superior Court pursuant to Code of Civil Procedure Sections 638, *et seq.* With respect to all judicial reference proceedings under this Agreement, Owner and City shall agree upon a single referee who shall then try all issues, whether of fact or law, and report a finding and judgment thereon and issue all legal and equitable relief appropriate under the circumstances of the controversy. If Owner and the City are unable to agree on a referee within ten (10) days of a written request to do so by either Party, either Party may seek to have one appointed pursuant to Code of Civil Procedure Section 640. The cost of such proceeding shall initially be borne equally by Owner and the City, but shall ultimately be borne by the Party who does not prevail. Any referee selected pursuant to this Section shall be considered a temporary judge appointed pursuant to Article 6, Section 21 of the California Constitution.

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED WITHIN THE SCOPE OF THE JUDICIAL REFERENCE PROVISION ABOVE DECIDED BY A NEUTRAL REFEREE AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW, YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE JUDICIAL REFERENCE PROVISION OR THE STATUTES INCORPORATED THEREIN BY REFERENCE. IF YOU REFUSE TO SUBMIT TO JUDICIAL REFERENCE AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO SUBMIT UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS JUDICIAL REFERENCE PROVISION IS VOLUNTARY. WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF MATTERS INCLUDED IN THE JUDICIAL REFERENCE PROVISION TO A NEUTRAL REFEREE.



Owner's Initials

City's Initials

7.5.2 Applicable Law. The laws of the State of California applicable to agreements executed and to be performed in this state shall govern the interpretation and enforcement of this Agreement.

7.6 Limitation on Owner Remedies. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IF THE CITY COMMITS A DEFAULT UNDER THIS AGREEMENT, THE OWNER'S REMEDIES SHALL BE LIMITED TO THE RIGHT TO COMPEL PAYMENT OF ALL INCENTIVE PAYMENTS OWED. IN NO EVENT SHALL OWNER SEEK OR SHALL CITY BE LIABLE FOR ANY OTHER OR FURTHER DAMAGES,

INCLUDING, WITHOUT LIMITATION, ANY ACTUAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY NATURE. OWNER ACKNOWLEDGES THAT THE CITY WOULD NOT ENTER INTO THIS AGREEMENT WITHOUT THIS LIMITATION UPON THE DAMAGES WHICH MAY BE RECOVERED FROM THE CITY IN THE EVENT OF A BREACH.



Owner's Initials

City's Initials

7.7 Rights and Remedies Are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same Breach or Default or any other Breach or Default by the other Party.

7.8 Right of Inspection. City and its authorized Representatives shall have the right during business hours, upon not less than twenty-four (24) hours oral or written notice to Owner (except in the case of an emergency, the existence of which shall be determined by City in its reasonable discretion, in which event no advance notice shall be required) to enter upon the Site and/or Project for purposes of inspection and exercising its rights under this Agreement, provided that such inspections shall not unreasonably interfere with Owner's operation of the Site and/or Project. Inspection by City of the Site and/or Project is for the sole purpose of protecting the interests of the City and is not to be construed as an acknowledgment, acceptance or representation by City that there has been compliance with any plans approved pursuant to this Agreement or any terms or provisions of this Agreement, or that the Site and/or Project will be free of faulty materials or workmanship.

8. GENERAL PROVISIONS

8.1 Notices, Demands and Communications Between the Parties. Formal notices, demands and communications between the City and Owner shall be deemed sufficiently given if delivered to the principal offices of the City or the Owner, as applicable, by (i) personal service or (ii) express mail, federal express, or other like overnight delivery service, (iii) telecopy, if such telecopy is followed by a notice sent out on the same day by mail or overnight delivery service, or (iv) registered or certified mail, postage prepaid, return receipt requested. Such notice shall be addressed:

To City: City of Claremont
 207 Harvard Avenue
 Claremont, California 91711
 Attention: City Manager

with a copy to: Rutan & Tucker LLP
 18575 Jamboree Road, 9th Floor
 Irvine, California 92612
 Attention: Alisha Patterson, Esq.

To Owner: Sushil Capital LLC
1050 West Ball Road
Anaheim, CA 92802
Attention: Ashok Patel

Any such notices shall be deemed given on (i) actual receipt, if delivered personally, (ii) the date of actual or attempted delivery provided such attempted delivery is made on a business day, if by federal express, express mail or another like overnight delivery service, (iii) upon transmission on any business day (if prior to 5:00 p.m. in the recipient's time zone; but if after 5:00 p.m., then as of 9:00 a.m. on the next business day after such transmission) if transmitted by telecopy, if such telecopy is followed by a notice sent by mail or overnight delivery service on the same day as the telecopy transmission, or (iv) the date of actual delivery as shown by the addressee's registry or certification of receipt or the third business day after mailing, whichever is earlier, if mailed to the person to whom notice is to be given, by first class mail, registered or certified, postage prepaid, return receipt requested and properly addressed as provided above. The person and the place to which notices are to be mailed may be changed by either Party by notice to the other in accordance with this Section.

8.2 Conflict of Interest. No member, official or employee of the City shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to the Agreement which is prohibited by law.

8.3 Owner's Covenants, Representations and Warranties. Owner jointly and severally covenants, represents, and warrants to City as follows:

8.3.1 Warranty Against Payment of Consideration for Agreement. Owner has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement, other than the normal cost of conducting business and the costs of professional services such as architects, engineers, attorneys, and brokers' commissions payable in connection with the development of the Project.

8.3.2 Organization and Standing of Owner. Owner is a California corporation duly organized, qualified and validly existing and in good standing under the laws of the State of California, and duly qualified to do business in the State of California, and has all requisite power and authority to enter into and perform its obligations under this Agreement. Owner has provided to the City true and complete copies of all of its governing documents, and the percentage ownership interests reflected therein are accurate as of the date of this Agreement.

8.3.3 Licenses. Owner will obtain and maintain all material licenses, permits, consents and approvals required by all applicable governmental authorities to operate the Project.

8.3.4 Authorization And Consents. The execution, delivery and performance of this Agreement is consistent with Owner's articles of organization and operating agreement and has been duly authorized by all necessary action of Owner's managing members. All consents, approvals and authorizations of all applicable governmental authorities, other than City, and all consents or approvals of Owner's members required in connection with the execution and delivery

by Owner of this Agreement will have been obtained and delivered to the City on or before the Effective Date.

8.3.5 Due and Valid Execution. This Agreement and all other instruments to be executed in connection herewith, will, as of the date of their execution, have been duly and validly executed by Owner.

8.3.6 Tax Returns and Reports. All filings, reports and tax returns of Owner which are required to be made or filed with any governmental authority with respect to the Site or the Project have been duly made and filed, and all taxes, assessments, fees and other governmental charges upon Owner or upon the Site, which are due and payable by Owner, have been paid, other than those which are presently payable without penalty or interest, or which Owner is in good faith contesting.

8.3.7 Litigation and Compliance. To Owner's actual knowledge, there are no suits, other proceedings or investigations pending or threatened against, or affecting the business or the properties of Owner or any of its officers which could materially impair its ability to perform its obligations under this Agreement, nor is Owner or any of its officers in violation of any laws or ordinances which could materially impair Owner's ability to perform its obligations under this Agreement.

8.3.8 Default. To Owner's actual knowledge, there are no facts now in existence which would, with the giving of notice or the lapse of time, or both, constitute a "Default" hereunder, as described in Section 7.1.

8.3.9 Notice From Governing Jurisdiction. To Owner's actual knowledge, Owner has not received any notice from any governing jurisdiction of any violation of laws and ordinances with respect to the Site.

8.3.10 Adverse Conditions, Etc. To Owner's actual knowledge, there is no adverse condition or circumstance, pending or threatened litigation, governmental action, or other condition which could prevent or materially impair Owner's ability to operate the Project as contemplated by the terms of this Agreement.

8.4 Insurance.

8.4.1 Liability Insurance. Prior to demolition of the existing structure on Site, Owner shall obtain and shall thereafter at all times maintain, at its sole expense, with a reputable and financially responsible insurance company that is acceptable to City, in its reasonable discretion, commercial general liability insurance against claims and liability for personal injury, death, or property damage arising from the use, occupancy or condition of the Site, the Project thereon, or any abutting public rights-of-way, which insurance shall provide combined single limit protection, including contractual liability, of at least Two Million Dollars (\$2,000,000) per occurrence and Five Million Dollars (\$5,000,000) in the aggregate, written on an occurrence form, naming, by endorsement, City and its respective officers, agents, representatives, volunteers, and employees as additional insureds. Provided it meets all applicable requirements set forth in this Section, a portion of such coverage may be provided pursuant to the terms of a customary umbrella coverage policy.

The insurance required by this Section 8.4 shall be carried only with responsible insurance companies licensed to do business in California. The City's minimum acceptable Best's rating of an insurer is generally A VII. The insurance required by this Section shall be nonassessable and shall contain language to the effect that (i) the policy is primary and noncontributing with any insurance or self-insurance that may be carried or maintained by City, and (ii) the policy cannot be canceled or materially changed except after thirty (30) days' notice by the insurer to City. All such insurance shall have a deductibility limit of not more than Fifty Thousand Dollars (\$50,000).

8.4.2 Property Insurance. During the Operating Period, Owner shall maintain comprehensive all-risk property insurance on the Site in an amount equal to the full replacement costs of all improvements, including equipment and contents, now or hereafter located on the Site. The form of such property insurance shall be: (i) during any construction, such coverage shall be written on an all-risk builders risk (course of construction) form, extended to include transportation risks, or (ii) during operations after substantial completion and with no gap in coverage from that provided by the builders risk insurance, such coverage shall be written on an all-risk property insurance form and shall include, without limitation, boiler and machinery coverage. The insurance carrier(s) providing such insurance shall have a rating by Bests of not less than A VII. Owner shall provide certificates evidencing such insurance to City upon request, and such insurance shall not be cancelled or modified without at least thirty (30) days prior written notice to the City. In the event of any physical damage to the Site or Project, City shall cooperate with Owner and any Mortgagee in connection with the repair and reconstruction of the Project and City shall not take any position inconsistent with repair and reconstruction of the Project.

8.5 Nonliability of City Officials; Joint and Several Liability. No City Representative shall be personally liable to the Owner, or any successor in interest, in the event of any Default or breach by the City or for any amount which may become due to the Owner or any successor or on any obligation under the terms of this Agreement.

8.6 Inspection of Books and Records. Without limitation of any other provisions of this Agreement, City has the right to inspect (at the Owner's office, upon not less than seventy-two (72) hours' notice, and during regular business hours) the books and records of the Owner pertinent to the purposes of this Agreement.

8.7 Incorporation of Attachments. All Attachments referred to in this Agreement are hereby incorporated herein by such reference and made a part hereof.

8.8 Time of Essence: Context and Construction. Time is hereby declared to be of the essence of this Agreement and of every part hereof. When the context and construction so require, all words used in the singular herein shall be deemed to have been used in the plural, and the masculine shall include the feminine and neuter and vice versa. Whenever the word "Day" or "Days" is used herein, such shall refer to calendar day or days, unless otherwise specifically provided herein. Whenever a reference is made herein to a particular Section of this Agreement, it shall mean and include all subsections and subparts thereof. The word "Include" or "Including" shall describe examples of the antecedent clause, and shall not be construed to limit the scope of such clause.

8.9 Indemnity. From and after the execution of this Agreement, Owner hereby agrees to indemnify, defend and hold harmless City and any and all City Representatives and each of them, from and against all Losses and Liabilities related directly or indirectly to, or arising out of or in connection with (i) any of Owner's acts or omissions under, related to, or in any respect connected with this Agreement and/or the ownership (or possession) and operation of the Site and/or the Project, the condition of the Site, and/or Owner's activities on the Site and/or the Project (or the activities of Owner's agents, employees, lessees, representatives, licensees, guests, invitees, successors, assigns, contractors, subcontractors or independent contractors on the Site and/or the Project), including without limitation the use or condition of the Project, (ii) the failure of Owner to pay the property, transient occupancy or other taxes, imposed on the Site and/or the Project or the operation thereof, (iii) any claim, litigation or administrative proceeding asserting that this Agreement, City's approval of this Agreement, or the Owner's actions pursuant to or in implementation hereof violate any Governmental Requirements, (iv) any claim, litigation or administrative proceeding concerning the Entitlements or this Agreement or the Prevailing Wage Statutes; or (v) any claim, litigation or administrative proceeding arising from the ownership (or possession), operation or use of the Site and/or the Project, including any claim relating to or arising from the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, or release on or from the Site and/or the Project of any Hazardous Materials, and any Losses and Liabilities arising from or related to any Governmental Requirements applicable to Hazardous Materials located on the Site and/or the Project; and (vi) any claim, litigation or administrative proceeding arising from this Agreement. Notwithstanding anything in this Agreement which is or appears to be to the contrary, this indemnity shall survive any termination or cancellation of this Agreement, regardless of how caused.

8.10 Police Power. Nothing contained in this Agreement shall be deemed to limit, restrict, amend or modify, nor to constitute a waiver or release of, any ordinances, notices, orders, rules, regulations or requirements (now or hereafter enacted or adopted and/or as amended from time to time) of the City, its departments, commissions, agencies and boards and the officers thereof (for the purposes of this Section 8.10, collectively referred to as "City Bodies"), including, without limitation, the Entitlements, the Specific Plan, the City's General Plan, the Claremont Municipal Code any zoning ordinances, or any duties, obligations, rights or remedies thereunder or pursuant thereto or the general police powers, rights, privileges and discretion of any City Bodies in the furtherance of the public health, welfare and safety of the community, including, without limitation, the right under law to make and implement independent judgments, decisions and/or acts with respect to planning, environmental, and development (including, without limitation, approval or disapproval of plans and/or withholding of building permits) whether or not consistent with the provisions of this Agreement, any Exhibit attached hereto, or any other documents contemplated hereby (collectively, "City Rules and Powers"). In the event of any conflict, inconsistency or contradiction between any terms, conditions, or provisions of this Agreement, the Attachments, or such other documents, on the one hand, and any such City Rules and Powers providing additional or broader rights to the City, on the other hand, the latter shall prevail and govern in each case. This Section shall be interpreted for the benefit of the City.

8.11 No Obligation to Third Parties. This Agreement shall not be deemed to confer any rights upon, nor obligate either of the Parties to this Agreement to, any person or entity not a Party to this Agreement, except that (i) with respect to a Lender owning or holding a mortgage encumbering the Site which is authorized by this Agreement, such Lender shall be entitled to the

benefit of the Lender protection rights included herein expressly for its benefit, and (ii) with respect to the statement of compliance provisions set forth in Section 8.21 below, the third parties described therein shall be entitled to rely upon the provisions expressly provided for their benefit in that Section.

8.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

8.13 Amendments in Writing. The provisions of this Agreement may not be amended or altered except by a written instrument fully executed by each of the Parties hereto.

8.14 Further Acts; No Deemed Approval. Each of the Parties shall execute such other and further documents and do such further acts as may be reasonably required to effectuate the intent of the Parties and carry out the terms of this Agreement. City agrees not to unreasonably withhold its consent to any requested modification to the lender protection provisions of this Agreement requested by the project lender(s) financing the development of the Project, to the extent any such modification is necessary to facilitate the financing of the Project; provided, City shall not, in any event, be obligated to agree to any modification or amendment to this Agreement if it would result in any impairment of the rights or increase in the obligations and responsibilities of the City under this Agreement or any document to be executed pursuant hereto or include approval of a hotel that is not consistent with City requirements or which would materially change the Project. Except as otherwise expressly provided in this Agreement, in no event shall the failure of a Party to act within the time prescribed by this Agreement with respect to processing of any approval result in or be construed to constitute a deemed approval of any matter or item submitted to such Party for its review in accordance with the terms of this Agreement.

8.15 Severability. Should any part, term, portion or provision of this Agreement, or the application thereof to any person or circumstance be held to be illegal, invalid or in conflict with any Governmental Requirements, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms, portions or provisions, or the application thereof to other persons or circumstances, shall be deemed severable and the same shall remain enforceable and valid to the fullest extent permitted by law.

8.16 Waiver. The waiver by either Party of the breach of any provision of this Agreement shall not be deemed a waiver of any subsequent breach whether of the same or another provision of this Agreement.

8.17 Authority. Each person executing this Agreement on behalf of Owner and on behalf of City hereby represents and warrants (i) his authority to do so, and (ii) that such authority has been duly and validly conferred by that entity's governing body or board.

8.18 Enforced Delay; Extension of Times for Performance. In the event that any of the Parties to this Agreement are prevented from proceeding with any of their obligations under this Agreement by reason of events that are completely and strictly beyond that Party's control, such as supernatural causes, strikes, lockouts, earthquake, war, insurrection, riots, floods, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, unusually severe

weather, delays or inaction of independent contractors, delays caused by a shortage of materials or skilled labor due to circumstances beyond Owner's control, delays caused by actions or omissions of the City or any public or governmental entity (provided that the acts of, or failure to act by, the City shall not excuse performance by the City), litigation brought against the Site or the Project or a Party without that Party's consent, including a land use challenge, remediation of Hazardous Materials located upon the Site, or similar events which are completely and strictly beyond that Party's control, then that Party shall be entitled to an additional grace period or extension of time in which to perform the obligations whose performance is precluded by such event, equal to the period of delay caused by such event beyond that Party's control, which period shall commence to run from the time of the commencement of the cause for delay and shall terminate upon termination of that cause. A Party wishing to invoke this Section shall notify in writing the other Parties to this Agreement of that intention within thirty (30) days of the commencement of any such cause for delay and shall, at that time, specify the reasons therefor, the provisions of this Agreement that will be delayed as a result, and the period of such extension, if known, or, if not known, the party's best estimate thereof. The failure to so notify the other Parties within that period as to the cause for delay shall constitute a waiver of any right to later rely upon this Section with respect to that cause. In the event any such extension continues for more than one hundred eighty (180) days, any Party not then in Default of its obligations hereunder, shall be entitled to terminate this Agreement upon written notice to the other and, in that event, the Parties shall have no further obligations hereunder. Notwithstanding any provision of this Agreement to contrary effect, the lack of funding to operate the Project shall not constitute grounds of enforced delay under this Section 8.18.

8.19 Record of Extensions; Effect of Extension on Schedule of Performance. Any Party is also entitled, as often as reasonably required, to request any other Party to confirm in writing the then applicable deadlines for performance of each Party's obligations or the exercise of each Party's rights under this Agreement, and each Party shall, within twenty (20) days after receipt of such a written request, respond thereto. The failure of a Party to respond to a request from another Party under this Section as required above shall constitute a waiver of any right to later rely on any asserted extension(s) inconsistent with the deadlines set forth in such written request.

8.20 Administrative Extensions; Approval of Items. The City Manager or his designee is authorized to approve extensions of time hereunder (but shall have no obligation to do so) provided that:

(a) such extension is in writing and is signed by the City Manager or his designee and Owner; and

(b) no single extension of time granted under this Section shall exceed thirty (30) days and all such extensions in the aggregate shall not exceed ninety (90) days without a formal amendment hereto duly approved by the City Council.

Where City approval of any Owner submissions or requests specified in Sections 2 *et seq.* or 3 *et seq.* is required, the City Manager, or his designee, may, acting on behalf of the City, grant, in writing, such approval or, in the City Manager's sole discretion, refer such matters to the City Council for their approval or disapproval. If the City Manager, or his designee, elects to approve any Owner submissions or requests tendered pursuant to the foregoing Sections, such approval, in

order to be effective, shall be express and in writing. Once a final City approval is granted by the City Manager, or his designee, on behalf of the City, in the required written form, it may thereafter be relied upon by Owner.

8.21 Statement of Compliance. Within ten (10) days following receipt of any written request which either City or Owner may make from time to time, but no more frequently than twice annually, the other Party shall execute and deliver to the requesting Party a statement certifying that: (1) this Agreement is unmodified and in full force and effect, if such be the case, or, if there have been modifications hereto, that this Agreement is in full force and effect, as modified, and stating the date and nature of such modifications; (2) to the knowledge of the certifying Party, there are no current Defaults under this Agreement or specifying the dates and nature of any such Defaults; and (3) any other reasonable information requested. The City Manager, or his designee, is hereby authorized to execute any certificate requested by Owner under this Section.

The Party requesting such statement shall reimburse the other Party, within ten (10) days after written request, for all actual and direct third party costs incurred by such Party in connection with preparation of such statement.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

“CITY”

CITY OF CLAREMONT
a municipal corporation

By: _____

Adam Pirrie
City Manager

ATTEST:

Shelley Desautels, City Clerk

APPROVED AS TO FORM:



Alisha Patterson
City Attorney

“OWNER”

SUSHIL CAPITAL LLC,
a California limited liability company

By:  _____

Ashok Patel, President

ATTACHMENT NO. 1

Legal Description of the Site

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF CLAREMONT, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

A PARCEL OF LAND IN THE CITY OF CLAREMONT, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING THAT PORTION OF LOT 21 OF THE NORTHEAST POMONA TRACT, AS PER MAP RECORDED IN BOOK 5 PAGE 461 OF MISCELLANEOUS RECORDS, IN SAID OFFICE OF THE COUNTY RECORDER, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE LAND DESCRIBED IN A DEED TO THE STATE OF CALIFORNIA, FILED ON APRIL 22, 1953 AS DOCUMENT NO. 7683-V, IN THE OFFICE OF THE REGISTRAR OF LAND TITLES AND NOW ON FILE IN SAID OFFICE OF THE COUNTY RECORDER, WITH A LINE THAT IS PARALLEL WITH AND DISTANT 50 FEET WESTERLY, MEASURED AT RIGHT ANGLES, FROM THE CENTER LINE OF ALEXANDER AVENUE "NOW INDIAN HILL BOULEVARD" AS SAID CENTER LINE IS SHOWN ON MAP OF TRACT NO. 24837 RECORDED IN BOOK 642 PAGE 44 OF MAPS, IN SAID OFFICE OF THE COUNTY RECORDER;

THENCE ALONG SAID PARALLEL LINE NORTH 0° 09' 55" EAST, 150 FEET TO THE TRUE POINT OF BEGINNING FOR THIS DESCRIPTION;

THENCE PARALLEL WITH SAID NORTHERLY LINE, NORTH 85° 18' 08" EAST, 20.07 FEET TO A LINE THAT IS PARALLEL WITH AND DISTANT 30 FEET WESTERLY, MEASURED AT RIGHT ANGLES, FROM SAID CENTER LINE;

THENCE ALONG SAID LAST MENTIONED PARALLEL LINE, NORTH 00° 09' 55" EAST, 165.95 FEET TO A LINE THAT IS PARALLEL WITH AND DISTANT 30 FEET SOUTHERLY, MEASURED AT RIGHT ANGLES, FROM THE CENTER LINE OF SAN JOSE AVENUE, AS SAID LAST MENTIONED CENTER LINE IS SHOWN ON SAID MAP OF TRACT NO. 24837;

THENCE ALONG SAID LAST MENTIONED PARALLEL LINE, SOUTH 85° 54' 10" WEST, 581.78 FEET;

THENCE SOUTH 4° 05' 50" EAST, 169.03 FEET; THENCE SOUTH 85° 54' 10" WEST 20 FEET;

THENCE SOUTH 4° 05' 50" EAST, 63 FEET; THENCE SOUTH 85° 54' 10" WEST, 40 FEET;

THENCE SOUTH 4° 05' 50" EAST, 89.53 FEET TO SAID HEREINBEFORE MENTIONED NORTHERLY LINE:

THENCE ALONG SAID NORTHERLY LINE, NORTH 85° 18' 08" EAST, 448.27 FEET TO A POINT DISTANT

THEREON SOUTH 85° 18' 08" WEST, 150 FEET FROM THE FIRST ABOVE MENTIONED PARALLEL LINE;

THENCE PARALLEL WITH SAID CENTERLINE OF INDIAN HILL BOULEVARD, NORTH 0° 09' 55" EAST, 150 FEET TO A LINE THAT IS PARALLEL WITH SAID NORTHERLY LINE AND WHICH PASSES THROUGH THE TRUE POINT OF BEGINNING;

THENCE ALONG SAID LAST MENTIONED PARALLEL LINE, NORTH 85° 18' 08" EAST, 150 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 2:

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS OVER THE NORTHERLY FEET OF THAT PORTION OF LOT 21 OF THE NORTHEAST POMONA TRACT, IN THE CITY OF CLAREMONT, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 5 PAGE 461 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE LAND DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, FILED ON APRIL 22, 1953 AS INSTRUMENT NO. 7683-V, IN THE OFFICE OF THE REGISTRAR OF LAND TITLES AND NOW ON FILE IN SAID OFFICE OF THE COUNTY RECORDER, WITH A LINE THAT IS PARALLEL WITH AND DISTANT 50 FEET WESTERLY, MEASURED AT RIGHT ANGLES, FROM THE CENTER LINE OF ALEXANDER AVENUE "NOW INDIAN HILL BOULEVARD" AS SAID CENTER LINE IS SHOWN ON MAP OF TRACT NO. 24837, RECORDED IN BOOK 642 PAGE 44 OF MAPS, IN SAID OFFICE OF THE COUNTY RECORDER;

THENCE ALONG SAID PARALLEL LINE NORTH 0° 09' 55" EAST, 150 FEET;

THENCE PARALLEL WITH SAID NORTHERLY LINE, SOUTH 85° 18' 08" WEST, 150 FEET;

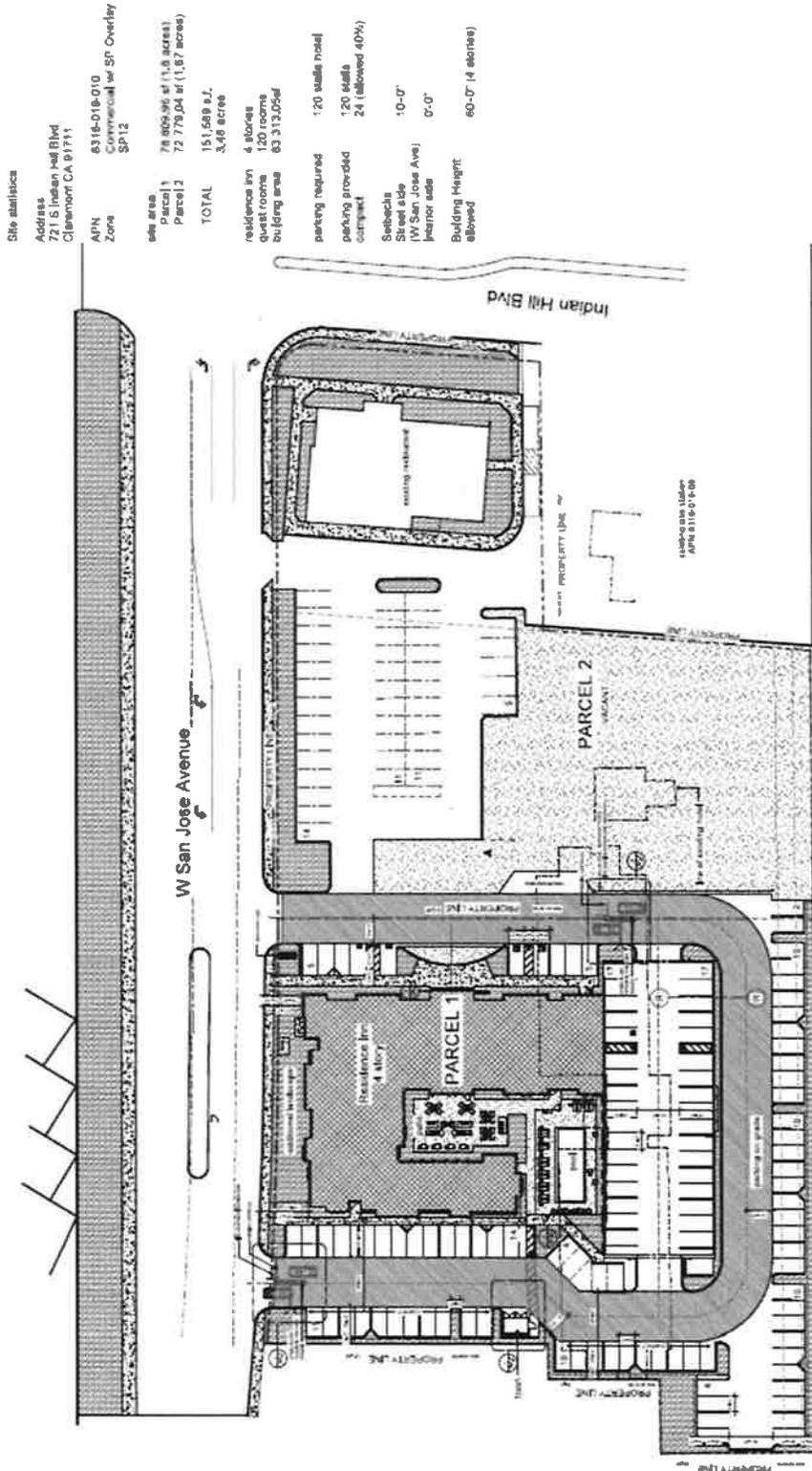
THENCE PARALLEL WITH SAID CENTER LINE, SOUTH 0° 09' 55" WEST, 150 FEET TO SAID NORTHERLY LINE;

THENCE ALONG SAID NORTHERLY LINE, NORTH 85° 18' 08" EAST, 150 FEET TO THE POINT OF BEGINNING.

APN: **8316-019-010**

ATTACHMENT NO. 2

Site Plan



Site statistics

Address: 7216 Indian Hill Blvd
Claremont, CA 91711

APN: 6316-D16-010
Zone: Commercial w/ SP Overlay
SP12

site area	76,805.96 sf (1.8 acres)
Parcel 1	72,779.04 sf (1.67 acres)
Parcel 2	
TOTAL	151,589 s.f. 3.46 acres

residence inn: 4 stories
guest rooms: 120 rooms
building area: 83,313.05sf

parking required: 120 stalls (note)

parking provided compact: 24 (allowed 40%)

Setbacks:
Street side (W San Jose Ave): 10'-0"
Rear/side: 0'-0"

Building Height: 60'-0" (4 stories) allowed

Site Plan
1000 WARD DR SUITE 200, CLAREMONT, CA 91711
Sushil Capital LLC
1000 WARD DR SUITE 200, CLAREMONT, CA 91711

Site Plan
1000 WARD DR SUITE 200, CLAREMONT, CA 91711
Claremont Residence Inn
1000 WARD DR SUITE 200, CLAREMONT, CA 91711

Site Plan
1000 WARD DR SUITE 200, CLAREMONT, CA 91711
Robert F. Tuttle Architects, Inc.
1000 WARD DR SUITE 200, CLAREMONT, CA 91711

ATTACHMENT NO. 3

Memorandum of Agreement

RECORDING REQUESTED BY)
 AND WHEN RECORDED MAIL TO:)
)
 City of Claremont)
 207 Harvard Avenue)
 Claremont, California 91711)
 _____)

Exempt From Recording Fee Pursuant to
Government Code Section 27383

MEMORANDUM OF AGREEMENT

This **MEMORANDUM OF AGREEMENT** (the "Memorandum") is entered into as of _____, 2026 by and between the **CITY OF CLAREMONT**, a municipal corporation duly organized and existing under the Constitution and laws of the State of California (the "City"), and **SUSHIL CAPITAL LLC**, a California limited liability company (hereinafter referred to as "Owner").

RECITALS

1. Recordation of Memorandum of Agreement. This Memorandum of Agreement evidences that certain unrecorded agreement entitled "Operating Covenant Agreement" between the City and the Owner dated as of _____, 2026 ("Agreement") and when recorded shall encumber that certain property referred to herein as the "Site", which Site is more particularly described in Exhibit A attached hereto and incorporated herein by reference. If the boundaries of the Site are changed by one or more lot splits or subdivisions after the approval of the Agreement, then the Site shall become the legal parcel (or legal parcels) that contains the Project, as defined in Recital B of the Agreement. Capitalized terms not defined herein shall have the meaning set forth in the Agreement. The City and the Owners have agreed, among other things, that the Project shall contain the facilities and amenities, and be of a design, finish and overall quality meeting the standards set forth in the Agreement and be operated as an Hotel in compliance with the Agreement for a period commencing as of the Opening of the Hotel and continuing until the tenth (10th) anniversary of the Opening of the Hotel (the "Operating Covenant Period") in accordance with the requirements of the Agreement, including without limitation, the requirement that it be operated as a Residence Inn by Marriott. The Agreement is on file with the City as a public record.

2. Uses and Operation. Under the Agreement, the Owner has covenanted and agreed for itself, its successors and assigns, which covenants shall run with the land and bind every successor or assign in interest of Owner, that during operation of the Project pursuant to this Agreement and thereafter, neither the Site nor the Project, nor any portion thereof, shall be improved, used or occupied in violation of any Governmental Requirements or the restrictions of the Agreement. Furthermore, Owner and its successors and assigns shall not initiate, maintain, commit, or permit the maintenance or commission on the Site or within the Project, or any portion

thereof, of any nuisance, public or private, as now or hereafter defined by any statutory or decisional law applicable to the Site and/or the Project, or any portion thereof. The Owner has further covenanted and agreed on behalf of itself and its successors and assigns to devote, use, operate and maintain the Site in accordance with the Agreement, including without limitation, the Residence Inn by Marriot brand standards.

Notwithstanding anything to the contrary or that appears to be to the contrary in the Agreement, Owner has covenanted, on behalf of itself, and its successors and assigns, which covenants shall run with the land and bind every successor and assign in interest of Owner, that Owner and such successors and assigns shall use the Site solely for the purpose of maintaining and operating the Project.

3. Maintenance of Site; Damage or Destruction. Owner shall, at its expense, maintain the Site and improvements thereon, including landscaping as well as the public right of way adjacent to the Site, in an attractive condition in accordance with the City Municipal Code, all Governmental Requirements, and the Residence Inn by Marriott brand standards (the foregoing collectively constitute the “Maintenance Standards”). In the event of any damage or destruction of the Project, the Owner shall promptly commence and diligently pursue to completion the repair and reconstruction of those improvements damaged or destroyed so that they are returned to an operable whole in accordance with the original approved plans at the earliest feasible date.

In the event Owner does not maintain the Site or the Hotel in the manner set forth herein and in accordance with the Maintenance Standards, City shall have the right to maintain such private and/or public improvements, or to contract for the correction of such deficiencies, after written notice to Owner. However, prior to taking any such action, City agrees to notify Owner in writing if the condition of said improvements does not meet with the Maintenance Standards and to specify the deficiencies and the actions required to be taken by Owner to cure the deficiencies. Upon notification of any maintenance deficiency, Owner shall have thirty (30) days within which to correct, remedy or cure the deficiency. If the written notification states the problem is urgent relating to the public health and safety or graffiti at the Site, then Owner shall have forty eight (48) hours to rectify the problem.

In the event Owner fails to correct, remedy, or cure or has not commenced correcting, remedying or curing such maintenance deficiency after notification and after the period of correction has lapsed, then City shall have the right to maintain such improvements. Owner agrees to pay City such charges and costs. Until so paid, City shall have a lien on the Site for the amount of such charges or costs, which lien shall be perfected by the recordation of a “Notice of Claim of Lien” against the Site. Upon recordation of a Notice of a Claim of Lien against the Site, such lien shall constitute a lien on the fee estate in and to the Site prior and superior to all other monetary liens except: (i) all taxes, bonds, assessments, and other levies which, by law, would be superior thereto; (ii) the lien or charge of any mortgage, deed of trust, or other security interest then of record made in good faith and for value, it being understood that the priority of any such lien for costs incurred to comply with the Agreement shall date from the date of the recordation of the Notice of Claim of Lien. Any such lien shall be subject and subordinate to any lease or sublease of the interest of Owner in the Site or any portion thereof and to any easement affecting the Site or any portion thereof entered into at any time (either before or after) the date of recordation of such a Notice. Any lien in favor of City created or claimed hereunder is expressly made subject

and subordinate to any mortgage or deed of trust made in good faith and for value, recorded as of the date of the recordation of the Notice of Claim of Lien describing such lien as aforesaid, and no such lien shall in any way defeat, invalidate, or impair the obligation or priority of any such mortgage or deed of trust, unless the mortgage or beneficiary thereunder expressly subordinates his interest, of record, to such lien. No lien in favor of City created or claimed hereunder shall in any way defeat, invalidate, or impair the obligation or priority of any lease, sublease or easement unless such instrument is expressly subordinated to such lien. Upon foreclosure of any mortgage or deed of trust made in good faith and for value and recorded prior to the recordation of any unsatisfied Notice of Claim of Lien, the foreclosure purchaser shall take title to the Site free of any lien imposed by City that has accrued up to the time of the foreclosure sale, and upon taking title to the Site, such foreclosure purchaser shall only be obligated to pay costs associated with the Agreement accruing after the foreclosure purchaser acquires title to the Site. If the Site is ever legally divided with the written approval of City and fee title to various portions of the Site is held under separate ownerships, then the burdens of the maintenance obligations set forth herein and in the Agreement and the charges levied by City to reimburse City for the cost of undertaking such maintenance obligations of Owner and its successors and the lien for such charges shall be apportioned among the fee owners of the various portions of the Site under different ownerships according to the square footage of the land contained in the respective portions of the Site owned by them. Upon apportionment, no separate owner of a portion of the Site shall have any liability for the apportioned liabilities of any other separate owner of another portion of the Site, and the lien shall be similarly apportioned and shall only constitute a lien against the portion of the Site owned in fee by the owner who is liable for the apportioned charges levied by City and secured by the apportioned lien and against no other portion of the Site. Owner acknowledges and agrees City may also pursue any and all other remedies available in law or equity. Owner shall be liable for any and all attorneys' fees, and other legal costs or fees incurred in collecting said maintenance costs.

4. Obligation to Refrain from Discrimination.

(a) There shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, creed, religion, sex, marital status, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, nor shall Owner itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Site or any portion thereof or vendees of the Site. The foregoing covenants shall run with the land and shall remain in effect in perpetuity.

(b) Owner certifies and agrees that all persons employed or applying for employment by it, its Affiliates, subsidiaries, or holding companies, and all subcontractors, bidders and vendors, are and will be treated equally by it without regard to, or because of race, color, religion, ancestry, national origin, sex, age, pregnancy, childbirth or related medical condition, medical condition or physical or mental disability, and in compliance with Title VII of the Civil Rights Act of 1964, 42 U.S.C. Section 2000, *et seq.*, the Federal Equal Pay Act of 1963, 29 U.S.C. Section 206(d), the Age Discrimination in Employment Act of 1967, 29 U.S.C. Section 621, *et seq.*, the Immigration Reform and Control Act of 1986, 8 U.S.C. Section 1324b, *et seq.*, 42 U.S.C. Section 1981, the California Fair Employment and Housing Act, Cal. Government Code Section 12900, *et seq.*, the

California Equal Pay Law, Cal. Labor Code Section 1197.5, Cal. Government Code Section 11135, the Americans with Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, and all other applicable anti-discrimination laws and regulations of the United States and the State of California as they now exist or may hereafter be amended.

5. This short form Memorandum is intended to provide notice of the Agreement and shall not be used to interpret the terms of the Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Memorandum of Agreement as of the ____ day of _____, 2026.

All signatures must be notarized.

“CITY”

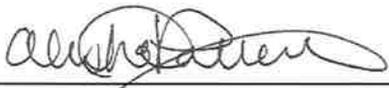
CITY OF CLAREMONT
a municipal corporation

By: _____
Adam Pirrie
City Manager

ATTEST:

Shelley Desautels, City Clerk

APPROVED AS TO FORM:



Alisha Patterson
City Attorney

“OWNER”

SUSHIL CAPITAL LLC,
a California limited liability company

By: 

Ashok Patel
President

EXHIBIT A

Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF CLAREMONT, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

A PARCEL OF LAND IN THE CITY OF CLAREMONT, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING THAT PORTION OF LOT 21 OF THE NORTHEAST POMONA TRACT, AS PER MAP RECORDED IN BOOK 5 PAGE 461 OF MISCELLANEOUS RECORDS, IN SAID OFFICE OF THE COUNTY RECORDER, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE LAND DESCRIBED IN A DEED TO THE STATE OF CALIFORNIA, FILED ON APRIL 22, 1953 AS DOCUMENT NO. 7683-V, IN THE OFFICE OF THE REGISTRAR OF LAND TITLES AND NOW ON FILE IN SAID OFFICE OF THE COUNTY RECORDER, WITH A LINE THAT IS PARALLEL WITH AND DISTANT 50 FEET WESTERLY, MEASURED AT RIGHT ANGLES, FROM THE CENTER LINE OF ALEXANDER AVENUE "NOW INDIAN HILL BOULEVARD" AS SAID CENTER LINE IS SHOWN ON MAP OF TRACT NO. 24837 RECORDED IN BOOK 642 PAGE 44 OF MAPS, IN SAID OFFICE OF THE COUNTY RECORDER;

THENCE ALONG SAID PARALLEL LINE NORTH 0° 09' 55" EAST, 150 FEET TO THE TRUE POINT OF BEGINNING FOR THIS DESCRIPTION;

THENCE PARALLEL WITH SAID NORTHERLY LINE, NORTH 85° 18' 08" EAST, 20.07 FEET TO A LINE THAT IS PARALLEL WITH AND DISTANT 30 FEET WESTERLY, MEASURED AT RIGHT ANGLES, FROM SAID CENTER LINE;

THENCE ALONG SAID LAST MENTIONED PARALLEL LINE, NORTH 00° 09' 55" EAST, 165.95 FEET TO A LINE THAT IS PARALLEL WITH AND DISTANT 30 FEET SOUTHERLY, MEASURED AT RIGHT ANGLES, FROM THE CENTER LINE OF SAN JOSE AVENUE, AS SAID LAST MENTIONED CENTER LINE IS SHOWN ON SAID MAP OF TRACT NO. 24837;

THENCE ALONG SAID LAST MENTIONED PARALLEL LINE, SOUTH 85° 54' 10" WEST, 581.78 FEET;

THENCE SOUTH 4° 05' 50" EAST, 169.03 FEET; THENCE SOUTH 85° 54' 10" WEST 20 FEET;

THENCE SOUTH 4° 05' 50" EAST, 63 FEET; THENCE SOUTH 85° 54' 10" WEST, 40 FEET;

THENCE SOUTH 4° 05' 50" EAST, 89.53 FEET TO SAID HEREINBEFORE MENTIONED NORTHERLY LINE:

THENCE ALONG SAID NORTHERLY LINE, NORTH 85° 18' 08" EAST, 448.27 FEET TO A POINT DISTANT

THEREON SOUTH 85° 18' 08" WEST, 150 FEET FROM THE FIRST ABOVE MENTIONED PARALLEL LINE;

THENCE PARALLEL WITH SAID CENTERLINE OF INDIAN HILL BOULEVARD, NORTH 0° 09' 55" EAST, 150 FEET TO A LINE THAT IS PARALLEL WITH SAID NORTHERLY LINE AND WHICH PASSES THROUGH THE TRUE POINT OF BEGINNING;

THENCE ALONG SAID LAST MENTIONED PARALLEL LINE, NORTH 85° 18' 08" EAST, 150 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 2:

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS OVER THE NORTHERLY FEET OF THAT PORTION OF LOT 21 OF THE NORTHEAST POMONA TRACT, IN THE CITY OF CLAREMONT, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 5 PAGE 461 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE LAND DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, FILED ON APRIL 22, 1953 AS INSTRUMENT NO. 7683-V, IN THE OFFICE OF THE REGISTRAR OF LAND TITLES AND NOW ON FILE IN SAID OFFICE OF THE COUNTY RECORDER, WITH A LINE THAT IS PARALLEL WITH AND DISTANT 50 FEET WESTERLY, MEASURED AT RIGHT ANGLES, FROM THE CENTER LINE OF ALEXANDER AVENUE "NOW INDIAN HILL BOULEVARD" AS SAID CENTER LINE IS SHOWN ON MAP OF TRACT NO. 24837, RECORDED IN BOOK 642 PAGE 44 OF MAPS, IN SAID OFFICE OF THE COUNTY RECORDER;

THENCE ALONG SAID PARALLEL LINE NORTH 0° 09' 55" EAST, 150 FEET;

THENCE PARALLEL WITH SAID NORTHERLY LINE, SOUTH 85° 18' 08" WEST, 150 FEET;

THENCE PARALLEL WITH SAID CENTER LINE, SOUTH 0° 09' 55" WEST, 150 FEET TO SAID NORTHERLY LINE;

THENCE ALONG SAID NORTHERLY LINE, NORTH 85° 18' 08" EAST, 150 FEET TO THE POINT OF BEGINNING.

APN: 8316-019-010

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 LOS ANGELES)

On MARCH 3, 2026, before me, SHELLEY A. BURCH DESAUTELS
(insert name and title of the officer)

Notary Public, personally appeared ASHOK PATEL,
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.

Signature Shelley A Burch Desautels

(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 LOS ANGELES)

On MARCH 3, 2026, before me SHELLEY A BURCH DESAUTELS
(insert name and title of the officer)

Notary Public, personally appeared ASHOK PATEL,
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.

Signature *Shelley A Burch Desautels*

(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 _____)

On _____, before me, _____,
(insert name and title of the officer)

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.

Signature _____

(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 _____)

On _____, before me, _____,
(insert name and title of the officer)

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.

Signature _____

(Seal)

AB 562 REPORT
Operating Covenant Agreement
City of Claremont and Sushil Capital LLC
Residence Inn by Marriott

I. INTRODUCTION AND PURPOSE

This report is prepared pursuant to California Government Code Section 53083, as amended by Assembly Bill 562 (Chapter 238, Statutes of 2013). The statute requires local agencies to prepare an annual report for any economic development subsidy provided to a private entity in excess of \$100,000.

The purpose of this report is to describe the proposed Operating Covenant Agreement between the City of Claremont (“City”) and Sushil Capital LLC (“Owner”) related to the ownership and operation of the Residence Inn by Marriott (“Hotel”), and to evaluate the fiscal and public benefits associated with the agreement.

II. DESCRIPTION OF THE AGREEMENT

A. Parties

- **Local Agency:** City of Claremont
- **Private Entity:** Sushil Capital LLC
- **Hotel Operator/Brand:** Residence Inn by Marriott

B. Project Description

The project consists of the operation of a four-story, 120-room Residence Inn by Marriott hotel located at 721 South Indian Hill Boulevard within the City of Claremont. The Hotel provides extended-stay accommodations and related amenities, contributing to the City’s visitor-serving infrastructure.

C. Type of Economic Development Subsidy

The Agreement provides for a sharing of Transient Occupancy Tax revenues generated by the Hotel. Under the terms of the Agreement, the City agrees to remit a defined portion of TOT revenues collected from the Hotel to Sushil Capital LLC, subject to the conditions and limitations set forth in the Agreement.

This TOT sharing arrangement constitutes an economic development subsidy as defined by Government Code Section 53083.

III. TERMS OF THE ECONOMIC DEVELOPMENT SUBSIDY

A. Term of Agreement

- **Agreement Effective Date:** April 1, 2026
- **Agreement Expiration Date:** March 31, 2036
- **Total Term:** Ten (10) years

B. Subsidy Amount

- **Estimated Annual TOT Generated:** \$700,000
- **City Share of TOT:** 50%
- **Owner Share of TOT:** 50%
- **Maximum Total Subsidy (if applicable):** \$4,500,000

The estimated annual TOT generated, and the total amount of the subsidy is contingent upon actual hotel occupancy levels and TOT revenues generated during the term of the Agreement.

C. Public Purpose

The Agreement is intended to:

- Encourage commercial development and operation within the City;
- Increase overnight visitation and tourism spending;
- Generate long-term TOT and sales tax revenues for the City;
- Support local employment opportunities; and
- Enhance the City's economic base and hospitality offerings.

IV. FISCAL IMPACT AND PUBLIC BENEFITS

A. Fiscal Benefits to the City

Even with the TOT sharing arrangement in place, the City is expected to receive:

- A net positive share of TOT revenues during the term of the Agreement;
- Increased sales tax revenues from visitor spending at local businesses;
- Long-term TOT revenues following the expiration of the Agreement; and
- Ancillary economic benefits associated with hotel guests and operations.

B. Employment

The Hotel supports 20-25 full-time equivalent positions, 0 part-time positions, and 0 temporary positions. In addition to direct employment at the Hotel, indirect employment through local vendors and service providers will also provide additional employment opportunities.

V. PERFORMANCE MEASURES

The Agreement includes performance obligations requiring the Hotel to:

- Operate as a branded Residence Inn by Marriott (or similar-quality branded, licensed hotel);
- Remain open and in good standing during the term of the Agreement; and
- Generate Transient Occupancy Tax revenues for the City.

Failure to meet the conditions of the Agreement may result in reduction or termination of the subsidy, consistent with the Agreement's provisions.

This report is submitted in compliance with Government Code Section 53083 and shall be made available for public review as required by law.



Claremont City Council

Agenda Report

File #: 5898

Item No: 8.

TO: CLAREMONT CITY COUNCIL

FROM: ADAM PIRRIE, CITY MANAGER

DATE: MARCH 10, 2026

Reviewed by:

City Manager: AP

SUBJECT:

CONSIDER PLACING A LOCAL SALES AND USE TAX MEASURE ON THE NOVEMBER 2026 BALLOT (FUNDING SOURCE: GENERAL FUND)

SUMMARY

The purpose of this staff report is to inform the City Council on the process and cost to place a local sales and use tax measure on the November 3, 2026 ballot, and provide an analysis of the potential impacts of other public agencies considering sales tax measures.

RECOMMENDATION

Staff recommends the City Council:

- A. Discuss a potential local sales and use tax measure; and
- B. If the direction is for the City to pursue a local sales and use tax measure, authorize the City Manager to enter into an agreement with Fairbank, Maslin, Maullin, Metz & Associates (FM3) in an amount not-to-exceed \$37,750 to conduct research and polling consulting services; and
- C. Direct staff to bring back the necessary documents to place a local sales and use tax measure on the November 2026 ballot for City Council consideration at a future meeting.

ALTERNATIVES TO RECOMMENDATION

In addition to the recommendation, there are the following alternatives:

- A. The City Council may direct staff to pursue a local sales and use tax measure without the benefit of hiring a Research and Polling consultant.
- B. The City Council may direct staff to not pursue a local sales and use tax measure at this time.

FINANCIAL REVIEW

The City's current sales and use tax rate is 9.75 percent and is estimated to yield approximately \$10.4 million in General Fund revenue in 2026-27. A one cent sales tax measure is estimated to yield an additional \$6.7 million in annual General Fund revenue. This additional revenue could be used to enhance several of the priorities and objectives that have been identified by the community and the City Council, including park and facility improvements, enhanced maintenance of City infrastructure, and new/expanded programming. If approved by Claremont voters in November 2026, the effective date of the proposed sales and use tax would be April 1, 2027, with the first monthly advances received in June 2027.

Using the estimation tool on the County's website, the projected County elections costs for three City Council seats (Districts 2, 3 and 4) and one local ballot measure for all five districts is \$198,036.67, broken down as follows:

At-large Ballot Measure - \$110,988.57
District 2 Seat- \$28,063.82
District 3 Seat - \$25,277.93
District 4 Seat - \$32,496.35
Election Preparation Cost (Flat Rate) - \$1,210

Additionally, staff time would be required for public education and outreach, as well as associated administrative and coordination efforts.

The City Council may also consider hiring a Strategy and Communications consultant to support these efforts. This consultant would provide specific recommendations on tax rate, tax structure, ballot measure features, and messaging. The consultant would also design educational material tailored to Claremont's diverse stakeholders and would be available to present information and updates at City Council meetings.

It is recommended that the City Council authorize polling and receive the results prior to discussing the need for a Strategy and Communications consultant. Staff estimates the cost of engaging a consultant for five months (April through August) is \$37,500 with an additional cost of \$25,000 - \$40,000 for printing and mailing informational materials. As election costs and staff/consultant time associated with a sales tax measure are not currently budgeted, a funding appropriation would need to be approved by the City Council should it move forward with placing a measure on the ballot.

ANALYSIS

Background

At the City Council Priorities and Objectives Workshop held on January 31, 2026, the City Council expressed interest in receiving additional information on placing a local sales and use tax measure on the ballot for the November 2026 election. The purpose of this staff report is to inform the City Council on the process and cost to move forward, and to provide an analysis of the potential impacts of other jurisdictions' potential sales tax measures.

The City's current sales and use tax rate is 9.75 percent. From this 9.75 percent, the City receives 1 percent in General Fund revenue, which is used towards general City services (i.e., public safety,

recreation/special events, administration, community development, etc.). The City also receives a portion of funding from County tax measures, which are detailed below (Propositions A and C; and Measures A, M, and R). These allocations, however, are not General Fund and are each deposited into a Special Revenue Fund to be used for specific purposes as designated by each proposition/measure. Since the local return amounts for the County propositions and measures are based on population and other factors, only a relatively small portion of what is generated in Claremont is allocated to the City to benefit non-General Fund purposes. Staff estimates that the City receives between 20 and 25 cents for every dollar collected in County transportation taxes (Propositions A and C, Measures M and R) within the City. There is no local return allocation for Measure A, which is intended to fund affordable housing and homeless services, therefore the City receives an even smaller annual allocation compared the amount collected in Claremont.

The total rate in Claremont of 9.75 percent is allocated as follows:

	Rate
State General Fund	6.25%
City of Claremont	1.00%
Proposition A (Transportation)	0.50%
Proposition C (Transportation)	0.50%
Measure R (Transportation)	0.50%
Measure M (Transportation)	0.50%
Measure A (Homelessness)	0.50%
Total	9.75%

The State maximum for total sales and use tax is 10.75 percent. As noted above, Claremont’s sales and use tax is currently 9.75 percent, leaving room for up to a one percent (or 1 cent) increase within the State cap. Should the City Council direct staff to bring back the necessary documents to place a local sales and use tax measure on the November 2026 ballot, it would be a general purpose tax, requiring the approval of a simple majority of Claremont voters. If approved by voters, a one cent local sales tax measure would provide approximately \$6.7 million annually in direct revenue to the City of Claremont. This locally-controlled funding could be used to enhance several of the priorities and objectives that have been identified by the community and the City Council, including park and facility improvements, enhanced maintenance of City infrastructure, wildfire mitigation and emergency preparedness, and new/expanded programming.

The last time the City of Claremont had a transactions and use tax measure on the ballot was in 2019 (Measure CR). Measure CR was proposed as a ¾ cent sales tax measure that would have increased Claremont’s tax rate from 9.5% to 10.25%. Measure CR failed to pass by a slim margin with 50.89% of votes against the measure and 49.11% supporting the measure. Since 2019, voters in several local cities have approved new local transaction and use tax measures, including the cities of Alhambra (2022), Monrovia (2022), and San Gabriel (2020). Below is a chart of local cities’ current sales tax rates. The San Bernardino County cities appear lower primarily because the San Bernardino County has adopted far fewer countywide “district” sales taxes than Los Angeles County. Claremont currently has the lowest sales tax rate of the Los Angeles County cities surveyed.

Jurisdiction	County	Current Local Sales Tax Rate
Alhambra	Los Angeles	10.25%
Azusa	Los Angeles	10.75%
Chino	San Bernardino	8.75%
Chino Hills	San Bernardino	7.75%
Claremont	Los Angeles	9.75%
Covina	Los Angeles	10.25%
La Verne	Los Angeles	10.25%
Monrovia	Los Angeles	10.25%
Montclair	San Bernardino	9.00%
Ontario	San Bernardino	8.75%
Pomona	Los Angeles	10.50%
San Dimas	Los Angeles	10.25%
San Gabriel	Los Angeles	10.50%
Upland	Los Angeles	8.75%
West Covina	Los Angeles	10.25%

Estimated Costs and Other Considerations

Staff is aware of other local public agencies that are exploring increasing sales and use tax rates or placing bond measures on upcoming ballots, including Los Angeles County and the Claremont Unified School District (CUSD). Given the current fiscal environment, it is possible that Claremont voters may be hesitant to support an additional tax measure. As such, staff feels it is prudent that the City hire a consultant to collect data and conduct an analysis to determine the likelihood that a local sales and use tax measure would be approved by voters in November. If the direction from City Council is to pursue a local sales and use tax measure, staff recommends that the City Council also authorize the City Manager to enter into an agreement with Fairbank, Maslin, Maullin, Metz & Associates (FM3) in an amount not-to-exceed \$37,750 for research and polling consultant services. More information is provided in the sections below.

Los Angeles County Measure (Anticipated June 2026 Election)

On February 10, 2026, the Los Angeles County Board of Supervisors (BOS) voted to place a temporary one-half cent (0.5%) general sales tax measure on the June 2, 2026 primary election ballot. The measure is intended to offset anticipated federal funding reductions under H.R. 1 that would significantly impact County health care and safety-net services. The proposed tax is structured as a general tax, meaning revenues would be deposited into the County’s general fund and would require a simple majority vote of County voters for approval.

Although the motion expresses the intent to prioritize funding for health services, hospitals, public health programs, and other safety-net services, as a general tax the revenues would not be legally restricted to a specific program. The measure proposes a five-year period, anticipated to run from October 1, 2026 through October 1, 2031, if approved by voters. The additional 0.5% would generate approximately \$1 billion in County funding and apply to all taxable retail transactions Countywide. Importantly, the proposed increase is designed to bring the County’s combined sales tax rate up to a statutory cap of 11.25%. The Board has formally adopted the ordinance language necessary to place

the measure on the ballot. Implementation of the tax would occur only if the measure receives majority voter approval.

Claremont Unified School District Measure (Anticipated November 2026 Election)

During the Special Workshop meeting of the Board of Education on January 15, 2026, the Board directed CUSD staff to begin investigating the feasibility of placing a facilities bond initiative on the ballot for November 2026, citing aging campuses and the 2029 sunset of the district's Measure Y bond. As a first step in exploring a possible facilities bond initiative, a Facilities Focus Group was established and subsequently convened on February 12, 2026. The group was comprised of community members and various representatives from CUSD. During this initial meeting, the group discussed: facilities needs assessment; additional revenue for facilities; timing; potential projects; and community engagement meetings. During the February 19, 2026 Board of Education meeting, CUSD Superintendent Dr. James Elsasser shared that the group discussed that there should be no increase to what taxpayers are currently paying under Measure Y, which is \$31.96 per \$100,000 of assessed property value. The Board directed CUSD staff to continue with analysis and outreach efforts, and to present further findings at the June 4, 2026 Board of Education meeting, so that the Board can make a decision at that time regarding the placement of a bond measure on the November ballot.

Research and Polling Consultant Agreement

Fairbank, Maslin, Maullin, Metz & Associates (FM3) is a reputable research firm that helps California cities, counties, and special districts objectively evaluate the viability of passing local ballot measures to secure additional revenue. If the City Council directs staff to pursue a local sales and use tax measure, prior to calling the November election, staff recommends authorizing the City Manager to enter into an agreement with FM3 in an amount not-to-exceed \$37,750 to conduct a voter survey to determine ballot measure feasibility. If authorized by the City Council, FM3 would conduct a dual-mode voter survey, with interviews conducted online and via telephone (landline and wireless). FM3 would contact 350-400 likely Claremont voters by email, text message, and phone call, with options available in English and Spanish. Following completion of the survey, FM3 would provide a key findings analysis of survey results and would present this information during a regular City Council meeting. These findings would be presented to the City Council prior to June, so that the Council could consider the results before making a decision to place a measure on the November ballot.

The City Council may also consider hiring a Strategy and Communications consultant to support these efforts. This consultant would work with FM3 to provide specific recommendations on tax rate, tax structure, ballot measure features, and messaging. The consultant would also design educational material tailored to Claremont's diverse stakeholders and would be available to present information and updates at City Council meetings. It is recommended that the City Council authorize polling and receive the results prior to discussing the need for a Strategy and Communications consultant. Staff estimates the cost of engaging a consultant for five months (April through August) is \$37,500 with an additional cost of \$25,000 - \$40,000 for printing and mailing informational materials. Staff received these estimates from TeamCivX, a reputable firm that has worked with other local cities to pass bond and tax measures, including the cities of La Verne, Diamond Bar, Pomona, and South Pasadena.

Next Steps

Should the City Council direct staff to bring back the necessary documents to place a local sales and use tax measure on the November 2026 ballot for City Council consideration at a future meeting, staff recommends the following as next steps:

- *Optional, but recommended:* Authorize the City Manager to enter into an agreement with Fairbank, Maslin, Maullin, Metz & Associates (FM3) in an amount not-to-exceed \$37,750 to conduct research and polling consulting services. FM3 would present its findings to City Council before its June 9, 2026 meeting so that the City Council has more comprehensive data related to the feasibility of a successful November ballot measure. At that time, the City Council may also consider hiring a Strategy and Communications consultant to support education and outreach efforts.

The City Council would be required to take the following actions on or before its June 9, 2026 meeting to place a local sales and use tax measure on the November 3, 2026 ballot:

1. Call the election as described below, by Resolution (including 75-word Ballot Measure Text).
2. Provide direction on developing arguments and impartial analyses, by Resolution - if two members of the City Council are designated as drafters for full City Council review, another item for City Council consideration would be required. Alternatively, two members can be delegated to author and file the argument on behalf of the City Council, or per Elections Code Section (9282(b)): For measures placed on the ballot by the legislative body, the legislative body, or a member or members of the legislative body authorized by that body, or an individual voter who is eligible to vote on the measure, or bona fide association of citizens, or a combination of voter and associations, may file a written argument for or against any city measure (300 words). No more than five signers.
3. Direct the deadline for filing arguments and impartial analyses, by Resolution at meeting calling election. The City Clerk shall fix a date 14 days from the calling of the election as a deadline for arguments. The City Clerk will transmit a copy of the measure to the City Attorney to prepare an impartial analysis (500 words) due on the date set for the filing of primary arguments.
4. Following the deadline for filing direct arguments, rebuttal arguments (250 words) will be due not more than 10 days after the final filing date for arguments. The City Clerk shall fix a date 14 days from the calling of the election as a deadline for arguments.

RELATIONSHIP TO CITY PLANNING DOCUMENTS

Staff has evaluated the agenda item in relationship to the City’s strategic and visioning documents and finds that it applies to the following City Planning Documents: Council Priorities, Sustainable City Plan, Economic Sustainability Plan, and the 2024-26 Budget.

CEQA REVIEW

This item is not subject to environmental review under the California Environmental Quality Act (CEQA).

PUBLIC NOTICE PROCESS

The agenda and staff report for this item have been posted on the City website and distributed to interested parties. If you desire a copy, please contact the City Clerk’s Office.

Submitted by:

Adam Pirrie
City Manager

Prepared by:

Katie Wand
Deputy City Manager



Claremont City Council

Agenda Report

File #: 5900

Item No: 9.

TO: CITY COUNCIL

FROM: ADAM PIRRIE, CITY MANAGER

DATE: MARCH 10, 2026

Reviewed by:

City Manager: AP

SUBJECT:

APPROVAL OF THE 2026-28 CITY COUNCIL PRIORITIES AND OBJECTIVES (FUNDING SOURCES: VARIOUS)

SUMMARY

In late 2025, the City began a public engagement campaign to gather community feedback on City Council Priorities for the next two years (July 1, 2026 through June 30, 2028). The City engaged Jacob Green and Associates (JGA) to facilitate two community forums and a City Council Priorities Workshop. The City also opened a community survey on December 4, 2025, that asked participants for their opinions on City programs and services, priorities for the City Council, and suggestions for improvements.

At the workshop, the City Council made a modification to the seven existing priorities, which were initially approved in April 2022. The City Council also provided direction to staff on work plan objectives that fall under the seven overarching priorities. As such, staff recommends the City Council approve the 2026-28 City Council Priorities and Objectives (Attachment), which will inform the budget development process for 2026-28 (July 1, 2026 through June 30, 2028).

RECOMMENDATION

Staff recommends the City Council approve the 2026-28 City Council Priorities and Objectives.

ALTERNATIVES TO RECOMMENDATION

In addition to the recommendation there are the following alternatives:

- A. Request additional information.
- B. Provide additional direction to staff regarding the 2026-28 Priorities and Objectives.

FINANCIAL REVIEW

The process of updating City Council Priorities and Objectives is intended to inform the development of the City's 2026-28 Operating and Capital Improvement Program Budget. In many cases, objectives identified by the City Council may require the allocation of funding and/or resources through the budget development process. Accordingly, the financial impacts related to the 2026-28 Council Priorities and Objectives will be accounted for in the City's 2026-28 Budget, which will be presented to the City Council for its consideration at a later date.

The cost to prepare this report is estimated at \$1,000 and is included in the operating budget of the Administrative Services Department.

ANALYSIS

Late last year, the City began a public engagement campaign to gather community feedback on City Council Priorities for the next two years (July 1, 2026 through June 30, 2028). The City engaged Jacob Green and Associates (JGA) to facilitate two community forums and a City Council Priorities Workshop. The City also opened a community survey on December 4, 2025 that asked participants for their opinions on City programs and services, priorities for the City Council, and suggestions for improvements. At the workshop, the City Council made a modification to the seven existing priorities, which were initially approved in April 2022. The seven proposed priorities are:

- Preserve Our Natural, Cultural, and Historic Resources;
- Strengthen Long-Term Fiscal and Organizational Health;
- Invest In The Maintenance And Improvement Of Our Infrastructure;
- Ensure the Safety of Our Community Through Community-Based Policing and Emergency Preparedness;
- Increase Livability In Our Neighborhoods And Expand Opportunities For Our Businesses;
- Promote Community Engagement Through Transparency And Communication; and
- Develop Anti-Racist, Anti-Discrimination Policies And Plan To Achieve Community And Organizational Diversity, Equity And Inclusion.

The City Council also provided direction to staff on work plan objectives that fall under the seven overarching priorities. It should be noted that several items that were identified as objectives in 2024-26 have either been completed or have become on-going items that have been built into day-to-day operations, and therefore, removed from the 2026-28 City Council Priorities and Objectives. Staff recommends that the City Council approve the 2026-28 City Council Priorities and Objectives (Attachment A), which will inform the budget development process for 2026-28 (July 1, 2026 through June 30, 2028).

RELATIONSHIP TO CITY PLANNING DOCUMENTS

Staff has evaluated the agenda item in relationship to the City's strategic and visioning documents and finds that it applies to the following City Planning Documents: Council Priorities, Sustainable City Plan, Economic Sustainability Plan, General Plan, Youth and Family Master Plan.

CEQA REVIEW

This item is not subject to environmental review under the California Environmental Quality Act (CEQA).

PUBLIC NOTICE PROCESS

The agenda and staff report for this item have been posted on the City website and distributed to interested parties. If you desire a copy, please contact the City Clerk's Office.

Submitted by:

Adam Pirrie
City Manager

Prepared by:

Katie Wand
Deputy City Manager

Attachment:

Proposed 2026-28 Council Priorities and Objectives

DRAFT CITY OF CLAREMONT
CITY COUNCIL PRIORITIES & 2026-28 OBJECTIVES

Preserve Our Natural, Cultural, and Historic Resources		
Council Task or Objective	Department	Action Items
Ensure that the City’s Sustainable City Plan, Urban Forest Management Plan, General Plan, Municipal Code, Tree Policies and Guidelines Manual; internal policies/procedures; and staff/contractor qualifications and instructions are all consistent with best urban forest practices and with one another.	Community Services	<ul style="list-style-type: none">• Staff will review the Urban Forest Management Plan and other documents for consistency and enhancements in the management of the urban forest.
Consider consolidation of the Community and Human Services Commission appointed Committees to form the creation of a Natural Resources/Environmental Quality Commission, who would be responsible for studying a broad range of environmental and tangential issues.	Community Services and Community Development	<ul style="list-style-type: none">• Staff will evaluate potential consolidation and will report findings and recommendations to the City Council.• The City’s General Plan and Municipal Code may need amendments, which may require additional staff and City Attorney time.
Present a report to the City Council regarding best practices for enforcing prohibitions on gas leaf blowers.	Community Development	<ul style="list-style-type: none">• Staff will work with the AQMD on educational opportunities for homeowners and professional landscapers, including Sustainable Claremont’s Earth Day event.• Staff will research other cities’ ordinances, such as South Pasadena, and will present its findings and recommendations to the City Council. At that time, staff will also discuss best industry practices, including enforcement efforts.

		<ul style="list-style-type: none">• Lastly, staff will evaluate the efficacy of the City’s current “fix-it ticket” policy and will report to City Council the volume of tickets that have been waived due to transitioning from gas to electric leaf blowers.
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Strengthen Long-Term Fiscal and Organizational Health		
Council Task or Objective	Department	Action Items
Consider increasing General Fund reserve to 40%.	Financial Services	<ul style="list-style-type: none"> Staff will provide a report to City Council that discusses best practices and budgetary impacts and will seek City Council direction on this potential policy change.
Develop and implement succession planning efforts throughout the municipal organization.	Administrative Services	<ul style="list-style-type: none"> Staff will complete a citywide assessment to identify departmental professional development and succession planning needs.
Evaluate revenue enhancement opportunities, such as potentially placing a local sales tax measure for voter consideration at the November 2026 election.	Financial Services & Administrative Services	<ul style="list-style-type: none"> Staff presented at item to City Council on March 10, 2026, seeking further direction on a potential November sales tax measure. The direction received from City Council will determine staff’s next steps.

Invest In The Maintenance And Improvement Of Our Infrastructure		
Council Task or Objective	Department	Action Items
Prioritize completion of southern portion of Indian Hill Blvd. project.	Community Services & Community Development	<ul style="list-style-type: none"> Staff will work to identify funds to complete this project.
Develop a Sports Parks Improvement Plan, including Guthrie Skate Park and Pump Track Feasibility Study.	Community Services	<ul style="list-style-type: none"> Staff will present an item to City Council that discusses potential opportunities for enhancement of existing facilities (i.e., Guthrie Park) as well as associated budgetary impacts. Staff will present an item to City Council that discusses potential opportunities for new facilities (i.e., a bicycle pump track) as well as associated budgetary impacts. These reports will include recommendations based on cost, industry best practices, and staffing impacts.
Prioritize completion of ADA-compliant corner sidewalk ramps in the Arbol Verde neighborhood.	Community Development	<ul style="list-style-type: none"> Staff will work to identify funds to complete this project.
Present to City Council a report with options to increase available hours of sports fields.	Recreation & Human Services and Community Development	<ul style="list-style-type: none"> Staff will present an item to City Council with options to increase available hours of sports fields.
Evaluate small-scale parking solutions specific to timed parking spots in the Village, and evaluate off-site parking opportunities for Village employees. These efforts may lead to the consideration of a broader Parking Management Plan.	Administrative Services & Community Development	<ul style="list-style-type: none"> Staff will evaluate small-scale parking solutions specific to timed parking spots in the Village, and will evaluate off-site parking opportunities for Village employees. A report of staff's findings and recommendations will be presented to the City Council for its consideration. The report will include recommendations based on cost, impacts to Village businesses, and staffing (enforcement) impacts.

Ensure the Safety of Our Community Through Community-Based Policing and Emergency Preparedness

Council Task or Objective	Department	Action Items
Conduct a feasibility study of a police department drone program.	Police	<ul style="list-style-type: none"> Staff will conduct a feasibility study of a police department drone program and will report back to City Council with update(s).
Develop strategies to implement the Active Transportation Plan including Walking Audits within a half-mile radius of school sites.	Community Development	<ul style="list-style-type: none"> Staff will develop strategies to implement the Active Transportation Plan, including implementing recommendations identified through walking audits conducted within a half-mile radius of school sites, and will report back to City Council with updates.
Complete improvements to the existing Police Department facility.	Police & Administrative Services	<ul style="list-style-type: none"> Staff will ensure that the Women’s Locker Room Project, which is currently underway and fully-funded, is completed. Staff will work to identify funding for the seismic upgrade of the facility.
Assess feasibility of adding an additional sworn officer position.	Police	<ul style="list-style-type: none"> This item will be considered by the City Council as part of the 2026-28 budget development process.
Consider establishing focused police patrols in specific areas (i.e., Village area and San Jose/Auto Center/American Ave. area)	Police	<ul style="list-style-type: none"> Staff will evaluate the feasibility and effectiveness of establishing focused police patrols in specific areas (i.e., Village area and San Jose/Auto Center/American Ave. area) and will provide update(s) to the City Council. City Council authority may be required if additional staffing and/or budgetary needs are identified.

Increase Livability In Our Neighborhoods And Expand Opportunities For Our Businesses		
Council Task or Objective	Department	Action Items
Explore and promote resources for people experiencing housing instability and/or displacement, including third-party rental assistance programming.	Administrative Services	<ul style="list-style-type: none"> Per City Council direction, staff will be providing a report on the Claremont Temporary Housing Stabilization and Relocation Program in April to determine if the program will end in June as currently planned. Staff will work with the SGVCOG and LACAHSa to ensure eligible Claremont tenants are made aware of available rental assistance programming.
Adopt an Airport Land Use Compatibility Plan for Cable Airport and incorporate it into our General Plan and Municipal Code.	Community Development	<ul style="list-style-type: none"> Staff will present an item to City Council seeking adoption of an Airport Land Use Compatibility Plan for Cable Airport. The recommendations staff make to City Council will include incorporation of the plan into our General Plan and Municipal Code.
Conduct a City Council study session regarding the effectiveness of the City’s Inclusionary Housing Ordinance and potential amendments to further desired policy outcomes.	Community Development	<ul style="list-style-type: none"> Staff recommends that the City Council conduct a study session regarding the effectiveness of the City’s Inclusionary Housing Ordinance. During the study session, the City Council may revisit the current incentive structure and identify potential amendments to the Ordinance that would further desired policy outcomes.
Consideration of lifting/modifying the prohibition of dogs in parks.	Recreation & Human Services and Community Services	<ul style="list-style-type: none"> Staff will present a report to City Council with options to consider lifting or modifying the current prohibition of dogs in parks. The report will explore opportunities for separate dog and children’s play area in existing parks as well as the feasibility of creating a second dog park in the northern part of town. The report will include recommendations based on cost, industry best practices (including proper signage and dog waste bags), and staffing (enforcement) impacts.
Assess the potential for a permit amnesty program to achieve compliance with City Building Codes.	Community Development	<ul style="list-style-type: none"> Staff will assess the potential for a permit amnesty program to achieve compliance with City Building Codes and will prepare recommendations for City Council consideration. The report will include recommendations based on cost, industry best practices, and staffing impacts.

Promote Community Engagement Through Transparency And Communication

Council Task or Objective	Department	Action Items
<p>Implementation of hybrid meetings of the City Council in compliance with SB 707 including adoption of a policy for recessing and reconvening hybrid meetings in the event of a technical disruption.</p>	<p>Administrative Services</p>	<ul style="list-style-type: none"> • Staff will present a report to the City Council creating a policy outlining procedures to be followed in the event of a technical disruption of hybrid meetings. • Staff will conduct community outreach to ensure community members are informed of options to engage in the public process.
<p>Modernize website to comply with updated Title II Americans with Disabilities Act (ADA) regulations.</p>	<p>Administrative Services</p>	<ul style="list-style-type: none"> • Staff will modernize website to comply with updated Title II Americans with Disabilities Act (ADA) regulations by the April 26, 2027 deadline. • Part of these efforts may include adopting local policies on web and app accessibility; creating processes for people to make an accessibility request and report issues; and training staff on how to make online content accessible.

Develop Anti-Racist, Anti-Discrimination Policies And Plan To Achieve Community And Organizational Diversity, Equity And Inclusion

Council Task or Objective	Department	Action Items
Hold community workshops in partnership with CPS HR and the Committee on Human Relations.	Recreation & Human Services	<ul style="list-style-type: none">Community workshops in partnership with CPS HR and the Committee on Human Relations are scheduled for February and April 2026. Additional community workshops may be held based on the outcomes of the first two workshops.