



City of Commerce

Meeting Minutes

Tuesday, June 24, 2025 - 5:00 PM

**CONCURRENT JOINT MEETINGS OF THE CITY COUNCIL OF THE CITY OF
COMMERCE, JOINT POWERS FINANCING AUTHORITY AND THE GOVERNING BODY
OF THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT
COMMISSION**

5:00 P.M. CLOSED SESSION

CALL TO ORDER

Mayor Altamirano called the meeting to order at 5:08 p.m.

ROLL CALL

Present: 5 - Mayor Altamirano
Mayor Pro Tem Lainez
Councilmember Argumedo
Councilmember Garcia
Councilmember Rebollo

PUBLIC COMMENT ON CLOSED SESSION ITEMS

There were no individuals wishing to address the City Council on any Closed Session items.

RECESS TO CLOSED SESSION

City Council/Successor Agency recessed to Closed Session at 5:08 p.m.

1. Conference with Legal Counsel Pursuant to Government Code Sections 54956.9(d)(2) & (e)(2) - Regarding Anticipated/Potential Litigation - Two (2) Matters.
2. Pursuant to Government Code §54956.8, the City Council will confer with its real property negotiator, Ernie Hernandez, with respect to real estate negotiations:
 - A. Wash-Tel Commerce, LLC concerning proposed price and other terms relating thereto, comprised of 6233 -6241 Telegraph Road and 6329 Washington Blvd (APN: 6336-010-030, 031, 032, 033, 034, 035, & 038, 6336-010-922 & 927).
 - B. 6300 Telegraph Road, Commerce, CA
3. CITY COUNCIL CONFERENCE REGARDING PUBLIC EMPLOYEE PERFORMANCE EVALUATION pursuant to Government Code 54957 (b) (1)
Employee Title: City Manager

RECONVENE TO OPEN SESSION

City Council/Successor Agency reconvened to Open Session at 6:18 p.m.

ORAL CLOSED SESSION ANNOUNCEMENT

City Attorney Tapia reported on Closed Session items:

Item #1, #2 and #3. City staff made a presentation, the City Council provided direction and no reportable action was taken on this item.

6:00 P.M. - CITY COUNCIL MEETING

CALL TO ORDER

Mayor Altamirano called the regular City Council meeting to order at 6:19 p.m.

ROLL CALL

Present: 5 - Mayor Altamirano
Mayor Pro Tem Lainez
Councilmember Argumedo
Councilmember Garcia
Councilmember Rebollo

PLEDGE OF ALLEGIANCE

Public Works Director Abbas led the Pledge of Allegiance

INVOCATION

Vice Mayor Lainez offered the invocation.

APPEARANCES AND PRESENTATIONS

1. City Videos

PUBLIC COMMENT

Gloria Nezahoycoyotl addressed the Council regarding the Art in Public Places program. She advocated for open public input on both the selection and placement of public art. While noting that some proposed art may not be relevant to the City of Commerce, she emphasized the importance of honoring the City's rich history. Ms. Nezahoycoyotl proposed the creation of a historic mural within the City and encouraged increased resident involvement in the Art in Public Places program. Additionally, she suggested that community members be included in the development of the City's forthcoming historic book and recommended forming a committee to support this effort.

Richard Burns, a representative of the Council of Carpenters Union, spoke regarding the proposed development project at 500 Citadel Drive. He urged the

City to ensure strong labor standards are upheld, including the provision of medical benefits and prioritizing opportunities for local hire.

CONSENT CALENDAR

Vice Mayor Lainez requested to pull Item No. 5 from the Consent Calendar, and Councilmember Garcia requested to pull Item No. 7 for discussion.

Item No. 5 – Vice Mayor Lainez inquired about whether the assessment involves evaluating how the railroad portion would be affected, and whether Union Pacific (UP) has the authority to halt the project.

Public Works Director Abbas responded that communication with UP has been ongoing and that the agreement pertains to a minor review. The design is currently 60% complete, and the City will be sharing it with UP. Director Abbas noted that UP has historically been responsive and cooperative with the City.

Mayor Pro Tem Lainez moved, seconded by Councilmember Argumedo, to adopt a Resolution approving the Reimbursement Agreement with Union Pacific Railroad Company for Preliminary Engineering Services associated with the Randolph Corridor Active Transportation Project.

The motion passed by the following vote:

AYES: Councilmembers Argumedo, Garcia, Rebollo, Mayor Pro Tem Lainez, and Mayor Altamirano (5)

Item No. 7 – Councilmember Garcia requested that the Probation Officer's report be included along with the Sheriff's report moving forward.

Councilmember Garcia moved, seconded by Councilmember Rebollo, to adopt a Resolution approving an Agreement with the County of Los Angeles Probation Department, to provide a Prevention and Intervention Program. The motion was carried by the following vote:

AYES: Councilmembers Argumedo, Garcia, Rebollo, Mayor Pro Tem Lainez and Mayor Altamirano (5)

Councilmember Rebollo moved, seconded by Councilmember Garcia, to approve the Consent Calendar minus items #5 and #7. The motion was

carried by the following vote:

Ayes: 5 - Mayor Altamirano, Mayor Pro Tem Lainez, Councilmember Argumedo, Councilmember Garcia, and Councilmember Rebollo

2. Approval of Warrant Register Nos. 22A, 22A SA, 22B, and 22C

3. Approval of Minutes

The City Council and Successor Agency will consider for approval the minutes of the City Council meeting of Tuesday, May 13, 2025, held at 5:00 p.m., the minutes of the Special Concurrent City Council meeting of Tuesday, May 13, 2025, held at 5:05 p.m., the minutes of the City Council meeting of Tuesday, May 27, 2025, held at 5:00 p.m. the minutes of the Special Concurrent meeting of Tuesday, May 27, 2025, held at 6:00 p.m, the minutes of the Special City Council meeting of Thursday, May 29, 2025, held at 4:00 p.m. and the minutes of the City Council meeting of Tuesday, June 10, 2025, held at 5:00 p.m.

4. Fourth Amendment to the TransTrack Systems, Inc for a Maintenance and Support Agreement

5. Agreement with Union Pacific Railroad for Randolph Corridor Active Transportation Project

6. California High-Speed Rail Project Update

7. Agreement with County of Los Angeles Probation Department for Fiscal Year 2025-2026

PUBLIC HEARING

8. Public Hearing - Appeal of the Planning Commission's Decision to Approve Conditional Use Permit No. 25-02 to Allow a Hotel Use in the City's Unlimited Commercial ("C-2") Zoning District at 500 Citadel Drive in the City of Commerce

City Attorney Tapia explained that, pursuant to procedural requirements, the appeal must be scheduled for the next regular City Council meeting following the filing of the appeal. Although the appellant requested the hearing be held on July 8, 2025, the public hearing was noticed for the current meeting. Therefore, the public hearing must be opened at this meeting to allow public comment; however, the presentation and full discussion will be continued to the July 8, 2025 City Council meeting.

Mayor Altamirano formally opened the public hearing.

There were no individuals present who wished to address the City Council on the item.

Director of Administrative Services and City Clerk Shumway reported that 21 letters in opposition to the project at 500 Citadel Drive were received by the City.

The item will return for full presentation and Council consideration on July 8, 2025.

Mayor Pro Tem Lainez moved, seconded by Councilmember Argumedo, to continue this public hearing item to July 8, 2025, City Council meeting. The was carried by the following vote:

Ayes: 5 - Mayor Altamirano, Mayor Pro Tem Lainez, Councilmember Argumedo, Councilmember Garcia, and Councilmember Rebollo

9. Adoption of Resolutions Approving the City's Annual Budget for Fiscal Year 2025-26

Finance Director Castellon provided an overview of the staff report regarding the proposed Fiscal Year 2025–2026 City budget. He reported that projected revenues are expected to exceed \$80.8 million. The proposed General Fund budget totals \$81.7 million, while the total budget across all City funds is \$131.3 million.

Councilmembers expressed appreciation to Finance Director Castellon for leading a thorough and transparent budget process. Several members commented that the process was informative and provided valuable insight into the City's financial operations.

Councilmember Argumedo inquired about the reference to corrective actions taken to prevent recurrence of past budgeting discrepancies. He noted concern that while revenues are projected to increase by 2%, expenditures are expected to grow by 4%, and he asked how this imbalance is being addressed. City Manager Hernandez responded that past practices involved spending funds that were not fully reflected in the adopted budget. He explained that the current proposed budget includes corrective measures and more accurately reflects actual City expenditures versus prior-year expectations.

Councilmember Argumedo also raised a concern regarding the addition of new positions to the budget. He stated that there had been no prior Council discussion

about these positions and requested that staff present and explain each new or modified position individually. City Manager Hernandez stated that some of the positions added were previously unfunded but have now been incorporated into the budget. Finance Director Castellon added that some of the positions involved reclassifications rather than entirely new roles. Councilmember Argumedo cautioned against adding positions without a long-term fiscal plan, noting the risk of facing financial challenges in future years.

Councilmember Garcia requested that the flea market be agendized as a stand-alone item at the next City Council meeting to allow for a full discussion. City Manager Hernandez confirmed that the flea market is currently budgeted and that if the Council wishes to make any changes in the future, the budget would be amended accordingly.

Mayor Altamirano requested the addition of a part-time position in the Graphics Department to support visual communications and graphic design needs.

Councilmember Lainez moved, seconded by Councilmember Garcia, to adopt several Resolutions to finalize the City's fiscal planning for the upcoming year and ensure continuity of operations across all departments and funds: increasing appropriations for fiscal year ("FY") 2024-25; reappropriating project balances and encumbrances for FY 2024-25; approving the City of Commerce's Proposed Budget for FY 2025-26; setting the FY 2025-26 appropriations limit; adopting the FY 2025-26 Salary Schedule; and approving the General Fund Reserves and Investment Policy Statement. The motion was carried by the following vote:

Ayes: 5 - Mayor Altamirano, Mayor Pro Tem Lainez, Councilmember Argumedo, Councilmember Garcia, and Councilmember Rebollo

SCHEDULED MATTERS

10. Presentation/Update from the Sheriff's Department of Public Safety in the City of Commerce

Sergeant Jimenez provided an overview for the last two week.

Councilmember Garcia reported receiving a call regarding Veterans Park and a homelessness situation near Agra Street. She expressed concern and requested follow-up on the matter. Sergeant Jimenez responded that he would provide a report on the situation at a later time.

11. Approval of Encampment Delegated Maintenance Agreement with the State of California Department of Transportation

City Manager Hernandez provided an update on the maintenance of on- and off-ramps near the highways, an issue previously raised by Councilmember Argumedo approximately a year ago. He reported that the City Council had approved an agreement with Caltrans at the last Council meeting, transferring maintenance responsibility for the ramps to the City.

Councilmember Argumedo thanked staff and the City Manager for their involvement in securing the agreement and emphasized the need to begin the Request for Proposals (RFP) process to ensure that a contractor is selected to maintain the ramps at an appropriate level. City Manager Hernandez noted that, in the interim, the City's existing contractor would temporarily take on the maintenance duties while staff prepares the RFP for formal consideration.

Councilmember Rebollo expressed her view that, since the City already employs staff with landscaping capabilities, there may be no need to initiate an RFP process.

City Attorney Tapia clarified that while the agreement with Caltrans has already been approved, the purpose of this discussion is to determine whether the Council would prefer to utilize the current contractor or move forward with issuing an RFP for ramp maintenance.

Councilmember Argumedo moved to receive and file the report as recommended by staff. Further discussion ensued, with Councilmember Rebollo reiterating that the staff report calls for direction regarding an RFP, which she believed was unnecessary.

After deliberation, the City Council provided consensus feedback that issuing an RFP was not necessary at this time. No action was taken on the motion.

12. Food and Brewery District Potential Funding Strategies and Incentives

Finance Director Castellon provided an overview of the staff report.

Mayor Altamirano recommended allocating approximately \$75,000 per month from lease revenue generated at 7025 Slauson Avenue—funds negotiated by the City—as seed money to establish a dedicated account for the Brewery and Food

District. The intent of this account is to spur development within the district and offer incentives to attract interested businesses.

City Manager Hernandez clarified that the examples outlined in the report pertain to economic development incentives, and that in order to offer such incentives or rebates to potential businesses, the City must first create a designated fund to finance these efforts.

Councilmember Argumedo raised a question regarding whether such incentives might be considered a gift of public funds. City Attorney Tapia responded that there would be no legal issue in this case.

Mayor Altamirano moved, and Councilmember Garcia seconded, to approve staff's recommendation to create the Brewery and Food District Fund and to transfer the monthly lease revenue from 7025 Slauson into this fund. The motion also included the direction that the allocation be applied retroactively to October 2024, the effective start date of the lease. The motion was carried by the following vote:

AYES: Councilmemebtrs Argumedo, Garcia, Rebollo, Mayor Pro Tem Lainez and Mayor Altamirano (5)

In response to Councilmember Rebollo's inquiry about the fiscal impact, staff confirmed that transferring these funds would reduce the General Fund by nearly \$1 million.

13. Committee and Commission Appointments

Councilmember Argumedo appointed James Padilla to the Youth Advisory Commission.

14. Art Consultant for the Art in Public Places Program the Model City in Color Campaign

Robert Molina and Humberto Perez, from R Media, presented an overview of the Model City in Color public art campaign, highlighting the services his company would provide. The campaign aims to identify mural locations, collaborate with artists, and offer logistical and curatorial support. In addition to producing art, R Media would create a dedicated website, provide social media and Google listing coverage, and promote existing public art throughout the city.

Robert Molina noted that local residents would be hired to participate in the

campaign, ensuring community involvement. He explained that the proposed non-refundable fee would cover a full year of services, including artist coordination, outreach to businesses, media coverage, and online content creation.

Councilmember Garcia expressed support for the proposal, emphasizing that the City Council has previously called for greater transparency in public art initiatives. She noted that hiring a professional firm such as R Media would help meet that goal.

Mayor Pro Tem Lainez requested that hiring local residents be explicitly included in the proposal. Umberto, speaking on behalf of the project, added that involving local youth to assist and learn from the artists would also be a key component of the campaign.

In response to Mayor Pro Tem Lainez's inquiry about community engagement, Robert Molina and Humberto Perez stated that they plan to send mailers, make radio announcements, host Facebook events, and utilize various social media platforms. A community festival would also be organized to foster public participation.

Mayor Pro Tem Lainez asked how R Media would collaborate with the City Council in the artist selection process. He emphasized the Council's preference to issue a Request for Proposals (RFP) to ensure transparency and asked whether R Media could integrate that process into their operations. Further discussion took place regarding how RFP procedures might be incorporated.

While expressing general support for Option 1, Mayor Pro Tem Lainez requested a more detailed proposal and scope of work for the agreement.

Mayor Pro Tem Lainez moved to direct staff to begin negotiations with R Media under Option 1 of the proposed agreement, at a cost of \$125,000. Councilmember Argumedo seconded the motion. The motion passed unanimously.

15. Consider Providing Direction to City Staff Regarding Temporary Use Permit No. 2025-025 to Allow Temporary Uses in Conjunction with an Existing Restaurant at 2909 Supply Avenue

Director of Economic Development and Planning Serrano provided an overview of the staff report regarding the proposed temporary use permit.

Councilmember Rebollo expressed strong support, stating that the proposed entertainment venue represents the future of entertainment in the City of Commerce. She noted that this project is an opportunity to establish a foundation for local arts and entertainment, similar to surrounding communities. Councilmember Rebollo commended Dirt Dog for being a valuable community partner and said the venue would complement both the Arts District and Brewery and Food District.

Councilmember Garcia raised concerns regarding the alcohol license, pointing out that the application did not include that information. Director Serrano clarified that the applicant does possess an alcohol license and that the Fire Department will conduct inspections as part of the approval process.

Although Councilmember Garcia expressed support for the project, she noted public safety concerns, especially regarding the number of events per month and the capacity of the venue—one event was listed with an expected attendance of 2,000 people.

Director Serrano explained that the draft conditions include a requirement for a security plan. Discussion followed regarding the financial bond, with Director Serrano stating that the \$25,000 bond would cover any city-incurred expenses. If costs exceed that amount, the applicant would be responsible for the difference, including Fire Department fees.

Councilmember Argumedo stated that previous concerns appear to have been addressed and expressed support for moving forward under the proposed conditions. He also recommended hosting some events outdoors to help alleviate capacity issues and emphasized the need to prioritize public safety.

Director Serrano clarified that the temporary use permit would be issued for an initial six-month period, with the opportunity to reevaluate based on performance and compliance.

Mayor Pro Tem Lainez voiced strong support, emphasizing that the City Council is focused on reimagining and transforming the City. He noted that the venue already exists and should be activated for community benefit.

Mayor Altamirano acknowledged the challenges the applicant has faced in the

past and emphasized that these events are essential to sustaining operations. He added that Dirt Dog has expressed interest in activating a snack bar a few times a week and offering services during City events.

City Manager Hernandez reminded the Council that this is a temporary permit, and staff is working with legal counsel to pursue a permanent solution for the site.

Councilmember Argumedo supported moving forward with Option 3 and stressed the importance of adhering to occupancy guidelines to ensure public safety.

Councilmember Garcia requested that the applicant resubmit the application to ensure all procedures are properly followed.

Councilmember Rebollo made a motion to approve Staff Recommendation No. 1, along with Option 3, contingent upon compliance with legal occupancy standards for both indoor and outdoor events. Mayor Pro Tem Lainez seconded the motion. The motion passed 4-0-1, with Councilmember Garcia voting in opposition.

City Council recessed to Closed Session at 9:40 p.m.

CITY COUNCIL/SUCCESSOR AGENCY REPORTS

There were no Council reports.

ADJOURNMENT

Meeting adjourned at 11:00 p.m.