



**AUGUST 17, 2016**

**CITY COUNCIL CHAMBERS**

**3:30 P.M. Closed Session; 4:30 P.M. Regular Session**

**201 N. Broadway, Escondido, CA 92025**

MAYOR

**Sam Abed**

DEPUTY MAYOR

**Michael Morasco**

COUNCIL MEMBERS

**Olga Diaz**

**Ed Gallo**

**John Masson**

CITY MANAGER

**Graham Mitchell**

CITY CLERK

**Diane Halverson**

CITY ATTORNEY

**Jeffrey Epp**

DIRECTOR OF COMMUNITY DEVELOPMENT

**Bill Martin**

DIRECTOR OF PUBLIC WORKS

**Ed Domingue**

**ELECTRONIC MEDIA:**

Electronic media which members of the public wish to be used during any public comment period should be submitted to the City Clerk's Office at least 24 hours prior to the Council meeting at which it is to be shown.

The electronic media will be subject to a virus scan and must be compatible with the City's existing system. The media must be labeled with the name of the speaker, the comment period during which the media is to be played and contact information for the person presenting the media.

The time necessary to present any electronic media is considered part of the maximum time limit provided to speakers. City staff will queue the electronic information when the public member is called upon to speak. Materials shown to the Council during the meeting are part of the public record and may be retained by the Clerk.

The City of Escondido is not responsible for the content of any material presented, and the presentation and content of electronic media shall be subject to the same responsibilities regarding decorum and presentation as are applicable to live presentations.



# Council Meeting Agenda

**August 17, 2016  
3:30 P.M. Meeting**

## **Escondido City Council**

### **CALL TO ORDER**

**ROLL CALL:** Diaz, Gallo, Masson, Morasco, Abed

### **ORAL COMMUNICATIONS**

In addition to speaking during particular agenda items, the public may address the Council on any item which is not on the agenda provided the item is within the subject matter jurisdiction of the City Council. State law prohibits the Council from discussing or taking action on such items, but the matter may be referred to the City Manager/staff or scheduled on a subsequent agenda. (Please refer to the back page of the agenda for instructions.) Speakers are limited to only one opportunity to address the Council under Oral Communications.

### **CLOSED SESSION: (COUNCIL/SUCCESSOR AGENCY/RRB)**

#### **I. CONFERENCE WITH LABOR NEGOTIATOR (Government Code §54957.6)**

- a. **Agency Negotiator:** Sheryl Bennett and Graham Mitchell  
**Employee Organization:** Non-Sworn Police Bargaining Unit
- b. **Agency Negotiator:** Sheryl Bennett and Graham Mitchell  
**Employee Organization:** Escondido City Employee Association: Supervisory (SUP) Bargaining Unit
- c. **Agency Negotiator:** Sheryl Bennett and Graham Mitchell  
**Employee Organization:** Escondido City Employee Association: Administrative/Clerical/Engineering (ACE) Bargaining Unit

#### **II. CONFERENCE WITH LEGAL COUNSEL-- EXISTING LITIGATION (Government Code 54956.9(d)(1))**

**Case Name:** Southwest Key Programs, Inc. v. City of Escondido  
**Case No:** '15-CV-1115-H (BLM)

#### **III. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code §54956.8)**

- a. **Property:** 1750 W. Citracado Parkway, Lot #74  
**City Negotiator:** Debra Lundy, Real Property Manager  
**Negotiating Parties:** Randall Farrar  
**Under Negotiation:** Price and Terms of Agreement

## ADJOURNMENT





# Council Meeting Agenda

**August 17, 2016  
4:30 P.M. Meeting**

**Escondido City Council  
Mobilehome Rent Review Board**

## **CALL TO ORDER**

### **MOMENT OF REFLECTION:**

*City Council agendas allow an opportunity for a moment of silence and reflection at the beginning of the evening meeting. The City does not participate in the selection of speakers for this portion of the agenda, and does not endorse or sanction any remarks made by individuals during this time. If you wish to be recognized during this portion of the agenda, please notify the City Clerk in advance.*

### **FLAG SALUTE**

**ROLL CALL:** Diaz, Gallo, Masson, Morasco, Abed

## **ORAL COMMUNICATIONS**

The public may address the Council on any item that is not on the agenda and that is within the subject matter jurisdiction of the legislative body. State law prohibits the Council from discussing or taking action on such items, but the matter may be referred to the City Manager/staff or scheduled on a subsequent agenda. (Please refer to the back page of the agenda for instructions.) NOTE: Depending on the number of requests, comments may be reduced to less than 3 minutes per speaker and limited to a total of 15 minutes. Any remaining speakers will be heard during Oral Communications at the end of the meeting.

## CONSENT CALENDAR

Items on the Consent Calendar are not discussed individually and are approved in a single motion. However, Council members always have the option to have an item considered separately, either on their own request or at the request of staff or a member of the public.

1. **AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/SUCCESSOR AGENCY/RRB)**
2. **APPROVAL OF WARRANT REGISTER (Council/Successor Agency )**
3. **APPROVAL OF MINUTES: A) Regular Meeting of July 13, 2016 B) Regular Meeting of July 20, 2016**

4. **GRANT OF FIRST AMENDMENT TO EASEMENT DEED TO SAN DIEGO GAS & ELECTRIC COMPANY FOR THE EXPANSION OF AN EXISTING EASEMENT AREA IN THE LAKE WOHLFORD AREA FOR ITS FIRE RISK MITIGATION POLE REPLACEMENT PROJECT -**

Request the City Council approve authorizing the Real Property Manager to execute a First Amendment to the Grant of Easement Deed for the benefit of San Diego Gas & Electric Company's Fire Risk Mitigation Pole Replacement Project.

Staff Recommendation: **Approval (City Manager's Office: Joyce Masterson and Debra Lundy)**

RESOLUTION NO. 2016-119

5. **LEASE AGREEMENT WITH DAVE MCMAHON CONSTRUCTION, INC. AT 525 NORTH QUINCE STREET -**

Request the City Council approve authorizing the Real Property Manager and City Clerk to execute a First Amendment to Lease Agreement with Dave McMahon Construction, Inc. at 525 North Quince Street.

Staff Recommendation: **Approval (City Manager's Office: Joyce Masterson and Debra Lundy)**

RESOLUTION NO. 2016-120

6. **WRITE-OFF OF CITY RECEIVABLES BUDGET ADJUSTMENT - FISCAL YEAR 2015/2016 -**
- Request the City Council approve the write-off of various receivables and related budget adjustment.

Staff Recommendation: **Approval (Finance Department: Sheryl Bennett)**

7. **ESTABLISHING THE PROPERTY TAX RATE AND FIXED CHARGE ASSESSMENTS FOR GENERAL OBLIGATION BONDED INDEBTEDNESS -**

Request the City Council approve establishing the property tax rate and fixed charge assessments for bonded indebtedness for the Fiscal Year 2016-17.

Staff Recommendation: **Approval (Finance Department: Sheryl Bennett)**

RESOLUTION NO. 2016-113

8. **TREASURER'S INVESTMENT REPORT FOR THE QUARTER ENDED JUNE 30, 2016 -**

Request the City Council receive and file the April through June 2016 Quarterly Investment Report.

Staff Recommendation: **Receive and File (City Treasurer's Office: Kenneth C. Hugins)**

9. **2016 DISADVANTAGED COMMUNITY PLANNING GRANT APPLICATION -**  
Request the City Council approve authorizing the Director of Utilities to apply for a 2016 Disadvantaged Community Planning Grant from the California Department of Water Resources through the San Diego Integrated Regional Water Management application.
- Staff Recommendation: **Approval (Utilities Department: Christopher W. McKinney)**
10. **OCEAN OUTFALL - EXECUTION OF LEASE NO. PRC 3228.9 WITH CALIFORNIA STATE LANDS COMMISSION -**  
Request the City Council approve authorizing the Mayor and City Clerk to execute Lease No. PRC 3288.9 with the California State Lands Commission for the San Elijo Ocean Outfall on behalf of the City of Escondido.
- Staff Recommendation: **Approval (Utilities Department: Christopher W. McKinney)**
- RESOLUTION NO. 2016-102
11. **DECLARATION OF RESPONSE LEVEL ONE - WATER SHORTAGE WATCH CONDITION -**  
Request the City Council approve declaring a Response Level One - Water Shortage Watch Condition in place of the current Response Level Two - Water Shortage Alert Condition.
- Staff Recommendation: **Approval (Utilities Department: Christopher W. McKinney)**
- RESOLUTION NO. 2016-118
12. **AMENDMENT TO THE ESCONDIDO MUNICIPAL CODE PERTAINING TO THE COMMUNITY SERVICES COMMISSION - YOUTH COMMISSIONER POSITION -**  
Request the City Council approve amending the Escondido Municipal Code Section 18-18, to reduce the term of office for the Community Services Youth Commissioner from a four-year to a one-year term.
- Staff Recommendation: **Approval (Community Services Department: Loretta McKinney)**
- ORDINANCE NO. 2016-08 (Introduction and First Reading)
13. **PURCHASE ONE BACKHOE LOADER FROM SONSRAY MACHINERY OF EL CAJON, CALIFORNIA -**  
Request the City Council approve authorizing Fleet Services to purchase one new Case 590SN backhoe loader in the amount of \$119,143.85 through a Cooperative Purchase Contract with the National Joint Powers Alliance.
- Staff Recommendation: **Approval (Public Works Department/Fleet Services: Ed Domingue)**
- RESOLUTION NO. 2016-114
14. **PURCHASE OF ONE 10-YARD DUMP TRUCK FROM SAN DIEGO FREIGHTLINER -**  
Request the City Council approve authorizing Fleet Services to purchase one new 10-yard dump truck through a cooperative purchase contract with Imperial Irrigation District for \$134,745.34.
- Staff Recommendation: **Approval (Public Works Department/Fleet Services: Ed Domingue)**
- RESOLUTION NO. 2016-115

15. **FIRST AMENDMENT TO THE PUBLIC SERVICES AGREEMENT FOR VEHICLE OUTFITTING SERVICES WITH AMERICAN EMERGENCY PRODUCTS -**  
Request the City Council approve authorizing the Mayor and the City Clerk to execute a First Amendment to the Public Services Agreement (PSA) exercising the Option Period 1 and amending paragraph two of the PSA to clarify that three optional contract periods were included in the Vehicle Outfitting Services Request for Proposal No. 14-01.  
Staff Recommendation: **Approval (Public Works Department/Fleet Services: Ed Domingue)**  
RESOLUTION NO. 2016-121
16. **FIRST AMENDMENT TO ASSIGNMENT AND ASSUMPTION TO OBLIGATION AGREEMENT WITH SAN DIEGO GAS & ELECTRIC -**  
Request the City Council approve a First Amendment to the Agreement regarding payment of in lieu franchise fees for the consumption of natural gas at the Palomar Energy Plant.  
Staff Recommendation: **Approval (City Attorney's Office: Jeffrey Epp)**  
RESOLUTION NO. 2016-116
17. **APPROVAL AND AUTHORIZATION FOR RELEASE OF NOTICE OF FUNDING AVAILABILITY FOR EMERGENCY SOLUTIONS GRANT FUNDS (CASE NO. 0871-15) -**  
Request the City Council approve authorizing Housing Division staff to release a Notice of Funding Availability to provide assistance to persons experiencing homelessness or at-risk of homelessness.  
Staff Recommendation: **Approval (City Manager's Office: Jay Petrek)**
18. **ADOPTION OF A RESOLUTION RELATED TO THE LONG-FORM RENT REVIEW BOARD HEARING FOR SUNDANCE MOBILEHOME PARK (CASE #0697-20-10092) -**  
Request the City Council approve granting an increase of \$102.22 per space per month to the 19 spaces regulated by the Escondido Mobilehome Rent Protection Ordinance, plus legal fee recovery to the 88 spaces in Sundance Mobile Home Park.  
Staff Recommendation: **Approval (City Manager's Office: Jay Petrek)**  
RRB RESOLUTION NO. 2016-12
19. **APPROVAL OF CONTRACT TO COMPLETE 100 PERCENT ENGINEERING DESIGN OF SPRUCE STREET DRAINAGE IMPROVEMENT PROJECT -**  
Request the City Council approve authorizing the Mayor and City Clerk to execute a Consulting Agreement for \$225,925 with Michael Baker International for design of the Spruce Street Drainage Improvement Project.  
Staff Recommendation: **Approval (Utilities Department: Christopher W. McKinney)**  
RESOLUTION NO. 2016-117

## **CONSENT – RESOLUTIONS AND ORDINANCES (COUNCIL/SUCCESSOR AGENCY/RRB)**

The following Resolutions and Ordinances were heard and acted upon by the City Council/Successor Agency/RRB at a previous City Council/Successor Agency/Mobilehome Rent Review meeting. (The title of Ordinances listed on the Consent Calendar are deemed to have been read and further reading waived.)

## PUBLIC HEARINGS

20. **MODIFICATION TO A REGIONAL MARKET SIGN PERMIT FOR THE ESCONDIDO AUTO PARK, AND ZONING CODE AMENDMENT (PHG 16-0009, AZ 16-0004) -**

Request the City Council approve a Modification to a Regional Market Sign Permit for the replacement of an existing Escondido Auto Park freeway sign with a new, larger sign incorporating LED technology; and approve amending Escondido Zoning Code Section 33-1395.10 to allow for larger Regional Market Signs than currently permitted.

Staff Recommendation: **Approval (Community Development Department: Bill Martin)**

A) RESOLUTION NO. 2016-109 B) ORDINANCE NO. 2016-07 (Introduction and First Reading)

## CURRENT BUSINESS

21. **APPROVAL OF CHANGE ORDERS, AN AMENDMENT, AND BUDGET ADJUSTMENT FOR THE CEMETERY AREA WATER PIPELINE REPLACEMENT PROJECT -**

Request the City Council approve authorizing change orders to the Public Improvement Agreement with MNR Construction, Inc. not to exceed \$600,000, resulting in a new contract amount of \$8,069,275; authorize a first amendment to the Consulting Agreement with Michael Baker International not to exceed \$111,258, resulting in a new contract amount of \$440,706; and approve a budget adjustment in the amount of \$629,000 to Capital Improvement Project No. 704911 to cover the costs of change orders and an amendment required to complete construction of the Cemetery Area Water Pipeline Replacement Project.

Staff Recommendation: **Approval (Utilities Department: Christopher W. McKinney)**

A) RESOLUTION NO. 2016-111 B) RESOLUTION NO. 2016-112

## FUTURE AGENDA

22. **FUTURE AGENDA -**

The purpose of this item is to identify issues presently known to staff or which members of the City Council wish to place on an upcoming City Council agenda. Council comment on these future agenda items is limited by California Government Code Section 54954.2 to clarifying questions, brief announcements, or requests for factual information in connection with an item when it is discussed.

Staff Recommendation: **None (City Clerk's Office: Diane Halverson)**

## COUNCIL MEMBERS' SUBCOMMITTEE REPORTS

## **CITY MANAGER'S UPDATE/BRIEFING**

The most current information from the City Manager regarding Economic Development, Capital Improvement Projects, Public Safety and Community Development.

- [CITY MANAGER'S UPDATE -](#)

## **ORAL COMMUNICATIONS**

The public may address the Council on any item that is not on the agenda and that is within the subject matter jurisdiction of the legislative body. State law prohibits the Council from discussing or taking action on such items, but the matter may be referred to the City Manager/staff or scheduled on a subsequent agenda. Speakers are limited to only one opportunity to address the Council under Oral Communications.

## **ADJOURNMENT**

<b>UPCOMING MEETING SCHEDULE</b>				
<b>Date</b>	<b>Day</b>	<b>Time</b>	<b>Meeting Type</b>	<b>Location</b>
August 24	Wednesday	3:30 & 4:30 p.m.	Regular Meeting	Council Chambers
August 31	-	-	No Meeting	-
September 7	-	-	No Meeting	-
September 14	Wednesday	3:30 & 4:30 p.m.	Regular Meeting	Council Chambers

## TO ADDRESS THE COUNCIL

The public may address the City Council on any agenda item. Please complete a Speaker's form and give it to the City Clerk. Submission of Speaker forms prior to the discussion of an item is highly encouraged. Comments are generally limited to 3 minutes.

If you wish to speak concerning an item not on the agenda, you may do so under "Oral Communications." Please complete a Speaker's form as noted above.

Nomination forms for Community Awards are available at the Escondido City Clerk's Office or at <http://www.escondido.org/city-clerks-office.aspx>

Handouts for the City Council should be given to the City Clerk. To address the Council, use the podium in the center of the Chambers, STATE YOUR NAME FOR THE RECORD and speak directly into the microphone.

## AGENDA, STAFF REPORTS AND BACK-UP MATERIALS ARE AVAILABLE:

- Online at <http://www.escondido.org/meeting-agendas.aspx>
- In the City Clerk's Office at City Hall
- In the Library (239 S. Kalmia) during regular business hours and
- Placed in the Council Chambers (See: City Clerk/Minutes Clerk) immediately before and during the Council meeting.

**AVAILABILITY OF SUPPLEMENTAL MATERIALS AFTER AGENDA POSTING:** Any supplemental writings or documents provided to the City Council regarding any item on this agenda will be made available for public inspection in the City Clerk's Office located at 201 N. Broadway during normal business hours, or in the Council Chambers while the meeting is in session.

## LIVE BROADCAST

Council meetings are broadcast live on Cox Cable Channel 19 and U-verse Channel 99 – Escondido Gov TV. They can also be viewed the following Sunday and Monday evenings at 6:00 p.m. on those same channels. The Council meetings are also available live via the Internet by accessing the City's website at [www.escondido.org](http://www.escondido.org), and clicking the "Live Streaming –City Council Meeting now in progress" button on the home page.

**Please turn off all cellular phones and pagers while the meeting is in session.**

**The City Council is scheduled to meet the first four Wednesdays  
of the month at 3:30 in Closed Session and 4:30 in Open Session.  
(Verify schedule with City Clerk's Office)**

**Members of the Council also sit as the Successor Agency to the CDC, Escondido Joint Powers  
Financing Authority and the Mobilehome Rent Review Board.**

**CITY HALL HOURS OF OPERATION  
Monday-Friday 8:00 a.m. to 5:00 p.m.**



*If you need special assistance to participate in this meeting, please contact our ADA Coordinator at 839-4643. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility.*

*Listening devices are available for the hearing impaired – please see the City Clerk.*

**CITY OF ESCONDIDO**  
**July 13, 2016**  
**3:30 P.M. Meeting Minutes**  
**Escondido City Council**

**CALL TO ORDER**

The Regular Meeting of the Escondido City Council was called to order at 3:30 p.m. on Wednesday, July 13, 2016 in the Council Chambers at City Hall with Mayor Abed presiding.

**ATTENDANCE:**

The following members were present: Councilmember Olga Diaz, Councilmember Ed Gallo, Councilmember John Masson, Deputy Mayor Michael Morasco, and Mayor Sam Abed. Quorum present.

**ORAL COMMUNICATIONS**

**CLOSED SESSION: (COUNCIL/SUCCESSOR AGENCY/RRB)**

**MOTION:** Moved by Councilmember Masson and seconded by Councilmember Gallo to recess to Closed Session. Motion carried unanimously.

**I. CONFERENCE WITH LABOR NEGOTIATOR (Government Code §54957.6)**

- |    |                               |   |             |
|----|-------------------------------|---|-------------|
| a. | <b>Agency Negotiator:</b>     | Sheryl Bennett and Graham Mitchell                  |             |
|    | <b>Employee Organization:</b> | Escondido City Employee Association:                |             |
|    |                               | Administrative/Clerical/Engineering Bargaining Unit |             |
| b. | <b>Agency Negotiator:</b>     | Sheryl Bennett and Graham Mitchell                  |             |
|    | <b>Employee Organization:</b> | Escondido City Employee Association:                | Supervisory |
|    |                               | Bargaining Unit                                     |             |
| c. | <b>Agency Negotiator:</b>     | Sheryl Bennett and Graham Mitchell                  |             |
|    | <b>Employee Organization:</b> | Non-Sworn Police Bargaining Unit                    |             |

**II. CONFERENCE WITH LEGAL COUNSEL-- EXISTING LITIGATION (Government Code 54956.9(d)(1))**

<b>Case Name:</b>	<u>Downey v. City of Escondido, et al.</u>
<b>Case No:</b>	37-2015-00021205-CU-PA-NC



**III. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code §54956.8)**

- a.     **Property:**             Municipal Parking Lot #1, Municipal Parking Lot #2, and APNs 233-091-01 through -17  
          **City Negotiator:**     Graham Mitchell, City Manager  
          **Negotiating Parties:**   Touchstone Communities  
          **Under Negotiation:**   Price and Terms of Agreement

**COUNCILMEMBER MASSON ABSTAINED FROM ITEM III. a. AND LEFT THE CLOSED SESSION.**

<b>ADJOURNMENT</b>
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Mayor Abed adjourned the meeting at 4:28 p.m.

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MAYOR

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MINUTES CLERK

**CITY OF ESCONDIDO**  
**July 13, 2016**  
**4:30 P.M. Meeting Minutes**

**Escondido City Council**

**CALL TO ORDER**

The Regular Meeting of the Escondido City Council was called to order at 4:30 p.m. on Wednesday, July 13, 2016 in the Council Chambers at City Hall with Mayor Abed presiding.

**MOMENT OF REFLECTION:**

Joan Read led the Moment of Reflection.

**FLAG SALUTE**

Mayor Abed led the Flag Salute.

Mayor Abed announced a Moment of Silence for the Dallas, TX attack.

**ATTENDANCE:**

The following members were present: Councilmember Olga Diaz, Councilmember Ed Gallo, Councilmember John Masson, Deputy Mayor Michael Morasco, and Mayor Sam Abed.

Also present were: Graham Mitchell, City Manager; Michael McGuinness, Assistant City Attorney; Bill Martin, Director of Community Development; Julie Procopio, Assistant Director of Public Works; Diane Halverson, City Clerk; and Michael Thorne, Minutes Clerk.

**ORAL COMMUNICATIONS**

**CONSENT CALENDAR**

**MOTION:** Moved by Deputy Mayor Morasco and seconded by Councilmember Diaz to approve the following Consent Calendar items. Motion carried unanimously.

1. **AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/SUCCESSOR AGENCY/RRB)**
2. **APPROVAL OF WARRANT REGISTER (Council/Successor Agency )**
3. **APPROVAL OF MINUTES: Regular Meeting of June 15, 2016**

4. **EXCHANGE AGREEMENT WITH RINCON DEL DIABLO MUNICIPAL WATER DISTRICT TO PROVIDE WATER SERVICE TO THREE PROPERTIES ON NORTH AVENUE -**

Request City Council approve authorizing the Mayor and City Clerk to execute an Agreement for Exchange of Water Service with the Rincon del Diablo Municipal Water District. (File No. 0145-85)

Staff Recommendation: **Approval (Christopher W. McKinney)**

RESOLUTION NO. 2016-77

**5. SETTING SPECIAL TAX LEVY FOR COMMUNITY FACILITIES DISTRICT NO. 2000-01 (HIDDEN TRAILS) -**

Request City Council approve setting the Special Tax Levy for Community Facilities District No. 2000-01 (Hidden Trails) for Fiscal Year 2016-17. (File No. 0685-20)

Staff Recommendation: **Approval (Finance Department: Sheryl Bennett)**

RESOLUTION NO. 2016-96

**6. SETTING A SPECIAL TAX LEVY FOR COMMUNITY FACILITIES DISTRICT NO. 2006-01 (EUREKA RANCH) -**

Request City Council approve setting the Special Tax Levy for Community Facilities District No. 2006-01 (Eureka Ranch) for Fiscal Year 2016-17. (File No. 0685-20)

Staff Recommendation: **Approval (Finance Department: Sheryl Bennett)**

RESOLUTION NO. 2016-97

**CONSENT – RESOLUTIONS AND ORDINANCES (COUNCIL/SUCCESSOR AGENCY/RRB)**

The following Resolutions and Ordinances were heard and acted upon by the City Council/Successor Agency/RRB at a previous City Council/Successor Agency/Mobilehome Rent Review meeting. (The title of Ordinances listed on the Consent Calendar are deemed to have been read and further reading waived.)

**CURRENT BUSINESS**

**7. DESIGNATION OF VOTING DELEGATE - LEAGUE OF CALIFORNIA CITIES CONFERENCE -**

Request City Council designate a voting delegate, and up to two alternatives, to represent the City of Escondido at the business meeting to be held during the League of California Cities Annual Conference October 5-7, 2016 in Long Beach, California. (File No. 0130-10)

Staff Recommendation: **Approval (City Clerk's Office: Diane Halverson)**

Mayor Abed designated Councilmember Masson as the voting delegate to represent the City of Escondido at the League of California Cities Conference and Deputy Mayor Morasco as the alternate representative.

**MOTION:** Moved by Councilmember Gallo and seconded by Councilmember Diaz to approve designating a voting delegate, and up to two alternatives, to represent the City of Escondido at the business meeting to be held during the League of California Cities Annual Conference October 5-7, 2016 in Long Beach, California. Motion carried unanimously.

**FUTURE AGENDA**

**8. FUTURE AGENDA -**

The purpose of this item is to identify issues presently known to staff or which members of the Council wish to place on an upcoming City Council agenda. Council comment on these future agenda items is limited by California Government Code Section 54954.2 to clarifying questions, brief announcements, or requests for factual information in connection with an item when it is discussed.

Staff Recommendation: **None (City Clerk's Office: Diane Halverson)**

## **COUNCIL MEMBERS' SUBCOMMITTEE REPORTS**

Councilmember Gallo reported that North County Transit District will offer a "Pony Express" round trip ticket to the Del Mar Horse Races which includes admission; SANDAG Borders Committee reported that most people cross the U.S. - Mexico border, for shopping.

Mayor Abed reported on the dedication of the new baseball field at the Boys and Girls club; noted the success of the Grape Day Park Independence Day Celebration and shared a photo.

## **CITY MANAGER'S UPDATE/BRIEFING**

The most current information from the City Manager regarding Economic Development, Capital Improvement Projects, Public Safety and Community Development.

- **CITY MANAGER'S UPDATE -**

## **ORAL COMMUNICATIONS**

## **ADJOURNMENT**

Mayor Abed adjourned the meeting at 4:57 p.m.

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MINUTES CLERK

**CITY OF ESCONDIDO**  
**July 20, 2016**  
**3:30 P.M. Meeting Minutes**  
**Escondido City Council**

**CALL TO ORDER**

The Regular Meeting of the Escondido City Council was called to order at 3:30 p.m. on Wednesday, July 20, 2016 in the Council Chambers at City Hall with Mayor Abed presiding.

**ATTENDANCE:**

The following members were present: Councilmember Olga Diaz, Councilmember Ed Gallo, Councilmember John Masson, Deputy Mayor Michael Morasco, and Mayor Sam Abed. Quorum present.

**ORAL COMMUNICATIONS**

**CLOSED SESSION: (COUNCIL/SUCCESSOR AGENCY/RRB)**

**MOTION:** Moved by Deputy Mayor Morasco and seconded by Councilmember Gallo to recess to Closed Session. Motion carried unanimously.

**I. CONFERENCE WITH LABOR NEGOTIATOR (Government Code §54957.6)**

- a.     **Agency Negotiator:** Sheryl Bennett and Graham Mitchell  
       **Employee Organization:** Escondido City Employee Association:  
  Administrative/Clerical/Engineering Bargaining Unit
- b.     **Agency Negotiator:** Sheryl Bennett and Graham Mitchell  
       **Employee Organization:** Escondido City Employee Association: Supervisory  
  Bargaining Unit
- c.     **Agency Negotiator:** Sheryl Bennett and Graham Mitchell  
       **Employee Organization:** Non-Sworn Police Bargaining Unit

**II. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code §54956.8)**

- a.     **Property:** 700 West Grand Avenue  
       **City Negotiator:** Debra Lundy, Real Property Manager  
       **Negotiating Parties:** Integral Communities  
       **Under Negotiation:** Price and Terms of Agreement

**THE CITY COUNCIL TOOK UP ITEM II.a, REAL PROPERTY NEGOTIATIONS FOR PROPERTY AT 700 WEST GRAND AT 3:45 P.M.**

**MAYOR ABED ABSTAINED FROM PARTICIPATING IN THIS ITEM AND LEFT THE ROOM DUE TO PROXIMITY OF REAL PROPERTY HE OWNS; COUNCILMEMBER MASSON ABSTAINED FROM PARTICIPATING IN THIS ITEM AND LEFT THE ROOM DUE TO PLANNED WORK FOR INTEGRAL MAKING THEM A SOURCE OF INCOME.**



**CITY OF ESCONDIDO**  
**July 20, 2016**  
**4:30 P.M. Meeting Minutes**

**Escondido City Council**  
**Mobilehome Rent Review Board**

**CALL TO ORDER**

The Regular Meeting of the Escondido City Council was called to order at 4:30 p.m. on Wednesday, July 20, 2016 in the Council Chambers at City Hall with Mayor Abed presiding.

**MOMENT OF REFLECTION:**

Tammy DeArmas led the Moment of Reflection.

**FLAG SALUTE**

Mayor Abed led the Flag Salute.

**PRESENTATIONS:**

Equinox Project 2016 San Diego Regional Quality of Life Dashboard

**ATTENDANCE:**

The following members were present: Councilmember Olga Diaz, Councilmember Ed Gallo, Councilmember John Masson, Deputy Mayor Michael Morasco, and Mayor Sam Abed.

Also present were: Graham Mitchell, City Manager; Jeffrey Epp, City Attorney; Rozanne Cherry, Principal Planner; Julie Procopio, Assistant Director of Public Works; Diane Halverson, City Clerk; and Michael Thorne, Minutes Clerk.

**ORAL COMMUNICATIONS**

**David Martin, Escondido**, concerned about residue left on dishes after using his dishwasher.

**Wally Gutierrez, Escondido**, provided updates on the Escondido Little League and noted upcoming championship games.

**Martha Flores, Escondido**, introduced the Escondido Girls All-Star Softball League.

## CONSENT CALENDAR

Deputy Mayor Morasco removed item 6 from the Consent Calendar for discussion.

**MOTION:** Moved by Councilmember Diaz and seconded by Deputy Mayor Morasco to approve the following Consent Calendar items with the exception of item 6. Motion carried unanimously.

1. **AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/SUCCESSOR AGENCY/RRB)**
2. **APPROVAL OF WARRANT REGISTER (Council/Successor Agency )**
3. **APPROVAL OF MINUTES: Regular Meeting of June 22, 2016**

4. **NOTICE OF COMPLETION: HALE AVENUE RESOURCE RECOVERY FACILITY INFLUENT PUMP STATION -**

Request the City Council approve authorizing the Director of Utilities to file a Notice of Completion for the Hale Avenue Resource Recovery Facility (HARRF) Influent Pump Station. (File No. 0600-10 [A-3063])

Staff Recommendation: **Approval (Utilities Department: Christopher W. McKinney)**

RESOLUTION NO. 2016-95

5. **ANNUAL DESTRUCTION OF RECORDS -**

Request the City Council approve authorizing the destruction of the specified Police Department records and City records for the following departments and divisions: City Attorney, City Clerk, City Treasurer, Community Development, Community Services, Employee Benefits, Finance, Fire, HARRF, Housing, Human Resources, Library, Payroll, Police, Public Works, Risk Management, and Utilities. (File No. 0160-35)

Staff Recommendation: **Approval (City Clerk's Office: Diane Halverson)**

RESOLUTION NO. 2016-98

6. **ADOPTION OF A MITIGATED NEGATIVE DECLARATION FOR AMBER LANE SINGLE-FAMILY RESIDENTIAL LOT DEVELOPMENT (ENV 16-0003) -**

Request the City Council approve the adoption of a Mitigated Negative Declaration and Mitigation Monitoring Program prepared for the Amber Lane Residential Development. (File No. 0820-20)

Staff Recommendation: **Approval (Community Development Department: Bill Martin)**

RESOLUTION NO. 2016-99

Deputy Mayor Morasco noted the process property owners must go through to satisfy regulations for the Mitigated Negative Declaration.

**MOTION:** Moved by Councilmember Masson and seconded by Deputy Mayor Morasco to approve the adoption of a Mitigated Negative Declaration and Mitigation Monitoring Program prepared for the Amber Lane Residential Development and adopt Resolution No. 2016-99. Motion carried unanimously.



7. **LEASE AGREEMENT WITH ESCONDIDO COMMUNITY GARDEN AT THE CORNER OF NORTH CENTRE CITY PARKWAY AND WEST LINCOLN AVENUE (APN: 228-073-15, -16, & -17 POR.)**  
Request City Council approve authorizing Real Property Manager and the City Clerk to execute a Lease Agreement with Escondido Community Garden for land situated at the corner of North Centre City Parkway and West Lincoln Avenue (APN: 228-073-15, -16, & -17 Por.). (File No. 0600-10 [A-2260])

Staff Recommendation: **Approval (City Manager's Office: Joyce Masterson/Debra Lundy)**

RESOLUTION NO. 2016-105

8. **LEASE AGREEMENT WITH ESCONDIDO SENIOR COMMUNITY GARDEN AT THE CORNER OF NORTH CENTRE CITY PARKWAY AND WEST LINCOLN AVENUE (APN: 228-073-16 & -17 POR.) -**  
Request the City Council approve authorizing the Real Property Manager and the City Clerk to execute a Lease Agreement with Escondido Senior Community Garden for land situated on the corner of North Centre City Parkway and West Lincoln Avenue (APN: 228-073-16 & -17 Por.). (File No. 0600-10 [A-2979])

Staff Recommendation: **Approval (City Manager's Office: Joyce Masterson/Debra Lundy)**

RESOLUTION NO. 2016-106

9. **LEASE AGREEMENT WITH EJE, INC., DBA NORTH COUNTY KIA AT FLOOD CONTROL LAND ADJACENT TO 1501 AUTO PARK WAY -**  
Request the City Council approve authorizing the Real Property Manager and the City Clerk to execute a Lease Agreement with EJE, Inc., dba North County Kia, for flood control land situated adjacent to 1501 Auto Park Way. (File No. 0600-10 [A-2405])

Staff Recommendation: **Approval (City Manager's Office: Joyce Masterson/Debra Lundy)**

RESOLUTION NO. 2016-107

10. **APPROVAL OF A CONSULTING AGREEMENT FOR DESIGN OF THE TRANSIT CENTER ACTIVE TRANSPORTATION PROJECT -**  
Request the City Council approve a Consulting Agreement with Kleinfelder for design of the Transit Center Active Transportation Connections Project. (File No. 0600-10 [A-3199])

Staff Recommendation: **Approval (Public Works Department/Engineering: Ed Domingue)**

RESOLUTION NO. 2016-110

#### **CONSENT – RESOLUTIONS AND ORDINANCES (COUNCIL/SUCCESSOR AGENCY/RRB)**

The following Resolutions and Ordinances were heard and acted upon by the City Council/Successor Agency/RRB at a previous City Council/Successor Agency/Mobilehome Rent Review meeting. (The title of Ordinances listed on the Consent Calendar are deemed to have been read and further reading waived.)

## PUBLIC HEARINGS

### 11. **LONG-FORM RENT REVIEW BOARD HEARING FOR SUNDANCE MOBILEHOME PARK -**

Request the City Council hear public testimony and determine the appropriate method and factors to utilize for calculating any resulting rent increase as well as the specific rent increase. (File No. 0697-20-10092)

Staff Recommendation: **Provide Direction (City Manager's Office: Jay Petrek)**

Karen Youel, Housing Manager, presented the staff report, utilizing a PowerPoint presentation.

Jamie Zeller, Code Enforcement, and Stephen Jacobson, Code Enforcement, were available to answer questions.

Mayor Abed opened the public hearing and asked if anyone would like to speak on this issue in any way.

**Bill Dahlin, Owners Representative**, provided information supporting the rent increase request and requested the application cost be spread over applicant spaces.

**Bob Wise, Residents Representative**, spoke about Rent Control Ordinance and noted rate protections that are available to residents.

**Jeremy Singer, Residents Representative**, stated the current application is unjust to the residents of Sundance Mobile Home Park and requested denial of the rent increase.

**Helena Lopez, Escondido**, noted the difficulty in selling a Mobilehome.

**Suzie Livermore, Escondido**, stated she does not support the rent increase.

**Georgina Barnes, Escondido**, stated that senior residents cannot increase their income to afford the rent increase.

**Lynn O'Brien, Escondido**, noted rent increases over time in the park and stated that owners do not work with residents.

**David Martin, Escondido**, stated that the park owners should pay the legal fees associated with the application.

**David Connors, Escondido**, stated that mobile home residents have filled civil complaints in the past and does not support the rent increase.

**Bud Livermore, Escondido**, noted senior citizens in the park may not be able to afford the rent increase.

**Tim Sheahan, San Marcos**, does not support the rental increase.

Mayor Abed asked if anyone else wanted to speak on this issue in any way. No one asked to be heard. Therefore, he closed the public hearing.

**MOTION:** Moved by Councilmember Gallo and seconded by Deputy Mayor Morasco to accept staff recommendation of a rent increase of \$102.22, based on an MNOI analysis; and the legal costs associated with preparing and presenting the rent increase application to be prorated among all the spaces in the park and amortized over a five year period, with an interest rate of 7 percent. Ayes: Gallo, Morasco and Abed. Noes: Diaz and Masson. Absent: None. Motion carried.

**12. LOCAL REGISTER DESIGNATION OF THE PROPERTY AT 2612 LOMA VISTA AVENUE (HP 16-0001) -**

Request the City Council approve listing the structures on the City's Local Register and approve the CEQA Exemption. (File No. 0880-10)

Staff Recommendation: **Approval (Community Development Department: Bill Martin)**

RESOLUTION NO. 2016-93

Paul Bingham, Planning, presented the staff report, utilizing a PowerPoint presentation.

Mayor Abed opened the public hearing and asked if anyone would like to speak on this issue in any way. No one asked to be heard. Therefore, he closed the public hearing.

**MOTION:** Moved by Councilmember Gallo and seconded by Councilmember Diaz to approve listing the structures on the City's Local Register and approve the CEQA Exemption and adopt Resolution No. 2016-93. Motion carried unanimously.

**13. APPROVAL TO ACCEPT EMERGENCY SOLUTIONS GRANT FUNDS AND TO AMEND FISCAL YEAR 2015-2019 FIVE YEAR CONSOLIDATED PLAN AND FISCAL YEAR 2016-2017 ANNUAL ACTION PLAN -**

Request City Council solicit and consider citizen input regarding the Emergency Solutions Grant (ESG) program; approve accepting ESG funds in the amount \$135,322 for Fiscal Year (FY) 2016-2017; approve a budget adjustment to FY 2016-2017 Community Development Block Grant (CDBG) allocations in response to a recipient terminating their services in Escondido and reallocate the CDBG funds; approve accepting ESG funds; approve the ESG and CDBG budget; authorize the Assistant City Manager and City Clerk to execute contracts as appropriate; approve submittal of the amended FY 2016-2019 Consolidated Plan and the amended FY 2016-2017 One-Year Action Plan to the U.S. Department of Housing and Urban Development (HUD) for the use of CDBG, HOME Investment Partnership (HOME), and ESG funds. (File No. 0871-10)

Staff Recommendation: **Approval (City Mangers' Office: Jay Petrek)**

A) RESOLUTION NO. 2016-100 (R) B) RESOLUTION NO. 2016-103

Karen Youel, Housing Manager, and Nancy Melander, Management Analyst, presented the staff report, utilizing a PowerPoint presentation.

Mayor Abed opened the public hearing and asked if anyone would like to speak on this issue in any way.

**Hedi Kane, Representative for Meals on Wheels**, requested additional funding to provide assistance to low income seniors.

Mayor Abed asked if anyone else wanted to speak on this issue in any way. No one asked to be heard. Therefore, he closed the public hearing.

**MOTION:** Moved by Councilmember Diaz and seconded by Councilmember Masson to approve accepting ESG funds in the amount \$135,322 for Fiscal Year (FY) 2016-2017; approve a budget adjustment to FY 2016-2017 Community Development Block Grant (CDBG) allocations in response to a recipient terminating their services in Escondido and reallocate the CDBG funds; approve accepting ESG funds; approve the ESG and CDBG budget; authorize the Assistant City Manager and City Clerk to execute contracts as appropriate; approve submittal of the amended FY 2016-2019 Consolidated Plan and the amended FY 2016-2017 One-Year Action Plan to the U.S. Department of Housing and Urban Development (HUD) for the use of CDBG, HOME Investment Partnership (HOME), and ESG funds and adopt Resolution No. 2016-100 (R) and Resolution No. 2016-103. Motion carried unanimously.

## CURRENT BUSINESS

### 14. CONSULTING AGREEMENT FOR THE FIRST PHASE OF THE REDESIGN OF A MEMBRANE FILTRATION/REVERSE OSMOSIS FACILITY FOR TREATMENT OF RECYCLED WATER FOR AGRICULTURAL IRRIGATION -

Request the City Council approve authorizing the Mayor and City Clerk to execute a Consulting Agreement with Black and Veatch Corporation in the amount of \$200,000 for engineering services for the first phase of the redesign of a Membrane Filtration and Reverse Osmosis facility at a new location. (File No. 0600-10 [A-3132])

Staff Recommendation: **Approval (Utilities Department: Christopher W. McKinney)**

RESOLUTION NO. 2016-108

Angela Morrow, Deputy Director of Utilities Construction and Engineering, presented the staff report, utilizing a PowerPoint presentation.

**David Sherman, Escondido**, noted the 3 story retirement community adjacent to the proposed site and expressed concern with noise generated from the facility.

**MOTION:** Moved by Councilmember Gallo and seconded by Councilmember Masson to approve authorizing the Mayor and City Clerk to execute a Consulting Agreement with Black and Veatch Corporation in the amount of \$200,000 for engineering services for the first phase of the redesign of a Membrane Filtration and Reverse Osmosis facility at a new location and adopt Resolution No. 2016-108. Motion carried unanimously.

## FUTURE AGENDA

### 15. FUTURE AGENDA -

The purpose of this item is to identify issues presently known to staff or which members of the Council wish to place on an upcoming City Council agenda. Council comment on these future agenda items is limited by California Government Code Section 54954.2 to clarifying questions, brief announcements, or requests for factual information in connection with an item when it is discussed.

Staff Recommendation: **None (City Clerk's Office: Diane Halverson)**

## COUNCIL MEMBERS' SUBCOMMITTEE REPORTS

## CITY MANAGER'S UPDATE/BRIEFING

The most current information from the City Manager regarding Economic Development, Capital Improvement Projects, Public Safety and Community Development.

- **CITY MANAGER'S UPDATE -**

## ORAL COMMUNICATIONS

## ADJOURNMENT

Mayor Abed adjourned the meeting at 8:19 p.m.

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MINUTES CLERK

## CITY COUNCIL

For City Clerk's Use:

☐ **APPROVED** ☐ **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.:** 4  
**Date:** August 17, 2016

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Debra Lundy, Real Property Manager

**SUBJECT:** Grant of First Amendment to Easement Deed to San Diego Gas & Electric Company for the Expansion of an Existing Easement Area in the Lake Wohlford Area for its Fire Risk Mitigation Pole Replacement Project

**RECOMMENDATION:**

It is requested that the City Council adopt Resolution No. 2016-119, authorizing the Real Property Manager to execute a First Amendment to the Grant of Easement Deed for the benefit of San Diego Gas & Electric Company's ("SDG&E") Fire Risk Mitigation Pole Replacement Project.

**FISCAL ANALYSIS:**

N/A

**PREVIOUS ACTION:**

N/A

**BACKGROUND:**

SDG&E has an existing overhead electric transmission line across City property with Assessor's Parcel Numbers 190-110-04 and 190-120-01 in the Lake Wohlford area. SDG&E has requested an amendment to the existing easement to expand the easement from 10 feet wide to 15 feet wide in order to accommodate new fire resistant poles and wires. The expanded easement area does not impact the City's use of the property, and the new facilities will serve to provide a positive community benefit due to the fire safety enhancements that are being implemented county-wide with SDG&E's Fire Risk Mitigation Pole Replacement Project.

Respectfully submitted,



Debra Lundy  
Real Property Manager

RESOLUTION NO. 2016-119

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AUTHORIZING THE REAL PROPERTY  
MANAGER AND CITY CLERK, TO EXECUTE,  
ON BEHALF OF THE CITY, A FIRST  
AMENDMENT TO GRANT OF EASEMENT  
TO SAN DIEGO GAS & ELECTRIC  
COMPANY FOR ITS FIRE RISK MITIGATION  
POLE REPLACEMENT PROJECT

WHEREAS, real property identified as Assessor's Parcel Numbers 190-110-04  
and 190-120-01 is owned by the City of Escondido ("City"); and

WHEREAS, San Diego Gas & Electric ("SDG&E") has an existing electric  
transmission line which crosses the subject parcel under an existing easement; and

WHEREAS, SDG&E requires an expanded easement width from ten feet to  
fifteen feet to accommodate new fire resistant poles as part of its Fire Risk Mitigation  
Pole Replacement Project; and

WHEREAS, the additional area requested has no negative impact on the City's  
use of the property and the fire safety features of the upgraded facilities provides a  
positive community benefit; and

WHEREAS, to accomplish the pole replacement, the City wishes to approve the  
First Amendment to Grant of Easement to SDG&E ("Easement").

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of  
Escondido, California, as follows:

1. That the above recitations are true.

2. That the Real Property Manager and City Clerk are authorized to execute, on behalf of the City, the First Amendment to Grant of Easement, which is attached as Exhibit "A" and is incorporated by this reference.



Recording Requested by  
San Diego Gas & Electric Company

When recorded, mail to:

San Diego Gas & Electric Company  
P O Box 129831  
San Diego, CA 92123  
Attn: Real Estate Records – SD1170

Resolution No. 2016-119  
EXHIBIT A  
Page 1 of 3

SPACE ABOVE FOR RECORDER'S USE

Project No.: 458797-140  
Const. No.: 2432583  
APN.: 190-110-04, 190-120-01  
SR No.: 223950

Transfer Tax None

**SAN DIEGO GAS & ELECTRIC COMPANY**

**R/W 364884**

FIRST AMENDMENT TO GRANT OF EASEMENT

THIS FIRST AMENDMENT TO EASEMENT OF RIGHT-OF-WAY (the "First Amendment") is entered into as of \_\_\_\_\_, 20\_\_\_\_ by and between, THE CITY OF ESCONDIDO, A MUNICIPAL CORPORATION ("Grantor"), as successor-in-interest to ESCONDIDO MUTUAL WATER COMPANY ("Original Grantor") and SAN DIEGO GAS & ELECTRIC COMPANY, a corporation ("Grantee"),

RECITALS

A. Grantor is the owner of that certain parcel of real property (the "Property") more particularly described as follows:

Those portions of the South Half of the Northeast Quarter of Section 33 and of the Southwest Quarter of the Northwest Quarter and of the North Half of the Northwest Quarter of Section 34, all in Township 11 South, Range 1 West, San Bernardino Meridian, more particularly described in Deeds all recorded December 30, 1987 at Document Nos. 87-712933, 87-712934 and 87-712950, all of Official Records of the County of San Diego, State of California.

B. On March 17, 1947, Original Grantor entered into that certain Right-of-Way (the "Easement") with Grantee, recorded on July 15, 1947 in Book 2434, Page No. 376 of Official Records of the County of San Diego, whereby the Original Grantor granted to Grantee an easement over the Property for the purpose of constructing, maintaining, repairing, and using poles, wires, equipment, and all appurtenances for the transmission and distribution of electricity for all purposes. The Easement extends to and binds successors and assigns of the Original Grantor and Grantee.

C. Grantor and Grantee desire to amend the Easement to clarify the rights that Grantee already has regarding the Easement area and to widen the existing easement width.

AMENDMENT

NOW, THEREFORE, Grantor and Grantee agree as follows:

1. Said easement description encumbering said Property will be as follows:

The easement in the aforesaid lands shall be 15.00 feet in width, being 7.50 feet on each side of the center line of the existing facilities as written and described in the Easement.

2. Grantor shall not erect, place or construct, nor permit to be erected, placed or constructed, any building or other structure, plant any tree, drill or dig any well, within this easement.
3. Grantor shall not increase or decrease the ground surface elevations within this easement after installation of Grantee's facilities, without prior written consent of Grantee, which consent shall not unreasonably be withheld.
4. Grantee shall have the right but not the duty, to trim or remove trees and brush along or adjacent to this easement and remove roots from within this easement whenever Grantee deems it necessary. Said right shall not relieve Grantor of the duty as owner to trim or remove trees and brush to prevent danger or hazard to property or persons.

Except as modified by this First Amendment, the Grant shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be duly executed effective as of the date first written above.

THE CITY OF ESCONDIDO,  
A MUNICIPAL CORPORATION

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

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

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

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

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

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

SAN DIEGO GAS & ELECTRIC COMPANY,  
a California corporation

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

Chris Faretta  
Land Services Manager

Prepared by: MFlanagan

Date: 5/4/16

Checked: MF

R/W No.: 18932

## CITY COUNCIL

For City Clerk's Use:

☐ **APPROVED** ☐ **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.:** 5

**Date:** August 17, 2016

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Debra Lundy, Real Property Manager

**SUBJECT:** Lease Agreement with Dave McMahon Construction, Inc. at 525 North Quince Street

**RECOMMENDATION:**

It is requested that the City Council adopt Resolution No. 2016-120, authorizing the Real Property Manager and City Clerk to execute a First Amendment to Lease Agreement with Dave McMahon Construction, Inc. at 525 North Quince Street.

**FISCAL ANALYSIS:**

Rent revenue of \$2,575 per month will be deposited into the City's General Fund.

**PREVIOUS ACTION:**

The City Council approved the original lease agreement with McMahon Construction via Resolution No. 2013-133 on November 20, 2013. The Planning Commission issued a Conditional Use Permit (PHG 13-0039) on February 11, 2014, via Resolution No. 6000.

**BACKGROUND:**

The former structure on this site was razed in 2013 in an effort to eliminate blight and enhance efforts to discourage trespassing and other illegal activities, as well as to make room for future Business Park Redevelopment. The City received a proposal from David McMahon Construction to lease the property in the interim for storage of construction equipment and materials. The City Council approved a Lease Agreement on November 20, 2013 ("Original Lease"), and the Lessee obtained a Conditional Use Permit for the interim use. Since the Lessee took possession of the property and fenced it off, the City's original objective of decreasing trespassing and blight has been satisfied and the City is generating rental revenue for the interim use. The Original Lease expired on August 11, 2016, and contains an additional option to extend the term for another year to August 11, 2017. The lease is subject to early termination by either party with a 90 day notice.

Respectfully submitted,

  
Debra Lundy  
Real Property Manager

Staff Report - Council

**RESOLUTION NO. 2016-120**

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AUTHORIZING THE REAL PROPERTY  
MANAGER AND CITY CLERK TO EXECUTE,  
ON BEHALF OF THE CITY, A FIRST  
AMENDMENT TO LEASE AGREEMENT  
WITH DAVE MCMAHON CONSTRUCTION,  
INC.

(525 North Quince Street)

WHEREAS, the City of Escondido and Dave McMahon Construction, Inc. ("Lessee") entered into a lease agreement dated November 20, 2013, for interim use of 525 North Quince Street as construction materials and equipment storage ("Original Lease"); and

WHEREAS, the Original Lease expired on August 11, 2016, and provides for an extension for another year to August 11, 2017; and

WHEREAS, the City Council desires at this time and deems it to be in the best public interest to approve of the First Amendment to Lease Agreement to extend the term of the lease for another year.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. The Real Property Manager and City Clerk are authorized to execute, on behalf of the City, the First Amendment to Lease Agreement with Dave McMahon

Construction, Inc., which is attached hereto as Exhibit "A" and incorporated by this reference.

**FIRST AMENDMENT TO LEASE AGREEMENT**

**(525 North Quince Street)**

This First Amendment is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

Between: City of Escondido  
201 North Broadway  
Escondido, California 92025  
("CITY")

And: Dave McMahon Construction, Inc.  
540 North Spruce Street  
Escondido, CA 92025  
("LESSEE")

**WITNESSESS THAT WHEREAS:**

- A. CITY and LESSEE entered into a lease agreement dated November 20, 2013 ("Lease") for the lease of real property for the storage of construction materials and equipment at 525 North Quince Street, Escondido, California 92025; and
- B. The Lease allows for two renewals of the Lease, each renewal for an additional one year term; and
- C. CITY and LESSEE desire to amend the Lease to extend the term of the lease to August 11, 2017.

NOW THEREFORE, it is mutually agreed by and between CITY and LESSEE as follows:

- 1. Pursuant to Section 5 of the Lease, the Term is hereby renewed for one year starting on August 11, 2016, and expiring on August 11, 2017.
- 2. All other terms and condition of the Lease and subsequent amendments shall remain in full force and effect.
- 3. This First Amendment, and the Lease, together with their respective attachments, are the entire understanding of the parties, and there are no other terms or conditions, written or oral, controlling this matter.

IN WITNESS WHEREOF, the parties have executed this agreement as of the  
day and year first above written.

**CITY OF ESCONDIDO**

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

By: \_\_\_\_\_  
Debra Lundy, Real Property Manager

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

By: \_\_\_\_\_  
Diane Halverson, City Clerk

**DAVE MCMAHON CONSTRUCTION, Inc.**

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

By: \_\_\_\_\_  
\_\_\_\_\_  
(Print Name & Title)

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

By: \_\_\_\_\_  
\_\_\_\_\_  
(Print Name & Title)

Approved as to Form:

Office of the City Attorney  
JEFFREY R. EPP, City Attorney

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



## CITY COUNCIL

For City Clerk's Use:

☐

**APPROVED**

☐

**DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 6**  
**Date: August 17, 2016**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Sheryl Bennett, Director of Administrative Services  
Joan Ryan, Assistant Finance Director

**SUBJECT:** Write-off of City Receivables Budget Adjustment – Fiscal Year 2015/2016

### RECOMMENDATION:

It is requested that the City Council approve the write-off of various receivables and the related budget adjustment

### FISCAL ANALYSIS:

The total amount of the write-off is \$97,042. All reasonable means of collection and/or recouping funds have been completed. This write-off of uncollectable loans is necessary to accurately report the City's overall financial status without overstating assets.

### PREVIOUS ACTION:

On December 12, 2012, the City Council adopted Resolution No. 2012-172 establishing policies for uncollectible receivables and setting the standards of when the City should remove the receivable from the financial records. In accordance with the policy, all amounts over \$5,000 are being submitted to the City Council as a group.

### BACKGROUND:

The current fiscal year write-off includes three housing loans, an accounts receivable balance requested by the Public Works Department, and one property damage citation. A list of accounts is attached in Exhibit A.

#### Housing:

The Housing Division currently oversees 575 active home assistance loans made to promote home ownership, and provide safe and sanitary housing for target households. The funding for these loans has the express purpose of assisting households with specific income limitations and has no bearing on the General Fund.

The current loan write-off request involves three first time homebuyer loans; two which were originally made to moderate-income households and one which was made to a low-income households. All

three loans were originally for \$25,000. Two of the homes went through a foreclosure process and must be completely written off; one was a short sale with \$13,000 written off. Housing Division staff works closely with the City Attorney's office regarding all housing loan defaults, foreclosures, and settlement negotiations with property owners and/or their representatives in an effort to secure partial payment opportunities prior to writing off loans.

The Housing Division initiated a more rigorous loan screening process in 2012 involving front-end and back-end ratios, and "gap" analysis. Applicants involved in this cycle's housing loan write-offs were processed prior to 2012 and did not undergo this new screening process. A new owner-occupied rehabilitation program has been funded through a state grant for work on single family homes and mobile homes. Assistance for mobile home owners will be in the form of a long-term forgivable loan with more a vigorous screening process.

#### Public Works


In August 2004 the City and the North San Diego County Transit Development Board (NCTD) signed a Memorandum of Understanding (MOU) regarding the responsibilities for local bus stops. The NCTD agreed to reimburse the City for 50 percent of the costs of cleaning bus shelters at an annual cost not to exceed \$1,500 per individual shelter. In 2015 the City billed NCTD \$31,678 for 47 shelters the City maintained during the year. Between 2010 and 2013 the City billed NCTD for 12 shelters or \$8,088 each year and in 2014 the City billed for 14 shelters or \$9,436. The invoices were paid in full each year until 2015.

Since the MOU does not specify the number of bus shelters the City will be reimbursed for, the City agreed to a payment of \$7,764 to settle the 2015 balance.

#### Property Damage

The property damage occurred in August 2014. After attempting to collect the debt the City settled the claim with the insurance company for \$1,450.

Respectfully submitted,

  
Sheryl Bennett  
Director of Administrative Services

  
Joan Ryan  
Assistant Finance Director

**CITY OF ESCONDIDO FINANCE DEPARTMENT  
WRITE-OFF REQUEST (Greater Than \$5,000)  
FOR THE FISCAL YEAR ENDING JUNE 30, 2016**

<b>Account Type</b>	<b>Justification</b>	<b>Original Balance</b>	<b>Amount Collected by City</b>	<b>Write Off Amount</b>
First Time Homebuyer Loan - HELP	Foreclosure/Trustee Sale	25,000.00	-	25,000.00
First Time Homebuyer Loan - HOME	Short Sale	25,000.00	12,000.00	13,000.00
First Time Homebuyer Loan - HOME	Foreclosure/Trustee Sale	25,000.00	-	25,000.00
North County Transit Bus Shelters	Discrepancy in the number of bus shelters that North County Transit agreed to reimburse the City for annual repairs and maintenance expenses	31,678.00	7,764.00	23,914.00
Property Damage	Risk & Safety settled the account	9,934.00	1,450.00	8,484.00

**Total Fiscal Year 2015/2016 Write Off \$ 95,398.00**



CITY OF ESCONDIDO  
BUDGET ADJUSTMENT REQUEST

Date of Request: August 17, 2016 (FY2015/2016)  
Department: Finance  
Division: \_\_\_\_\_  
Project/Budget Manager: Christina Holmes 4620  
Name Extension  
Council Date (if applicable): August 17, 2016  
(attach copy of staff report)

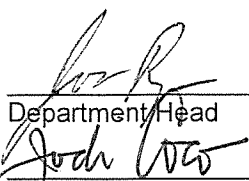
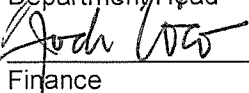
For Finance Use Only	
Log #	<u>BA 08-01</u>
Fiscal Year	<u>2017</u>
_____	Budget Balances
_____	General Fund Accts
_____	Revenue
_____	Interfund Transfers
_____	Fund Balance

Project/Account Description	Account Number	Amount of Increase	Amount of Decrease
Loan Writeoffs	5199-281-081	38,000	
Fund Balance	3050-281		38,000
Loan Writeoffs	5199-284-084	25,000	
Fund Balance	3050-284		25,000

Explanation of Request:

To write off 3 housing loans for FY2015/2016 where all reasonable means of collection and/or recouping funds have been completed.

**APPROVALS**

 Department Head	<u>8/11/2016</u> Date	_____	Date
 Finance	<u>8/4/16</u> Date	_____	Date

Distribution (after approval):

Original: Finance

## CITY COUNCIL

For City Clerk's Use:

☐ **APPROVED** ☐ **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No. 7**

**Date: August 17, 2016**

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Sheryl Bennett, Director of Administrative Services

**SUBJECT:** Establishing the Property Tax Rate and Fixed Charge Assessments for General Obligation Bonded Indebtedness

### RECOMMENDATION:

It is recommended that the City Council approve Resolution No. 2016-113 to establish the property tax rate and fixed charge assessments for bonded indebtedness for fiscal year 2016-17.

### FISCAL ANALYSIS:

A total of \$4,766,500 will be needed for the annual debt service payments for the General Obligation Bonds. This represents \$1,493,250 due in March 2017 for fiscal year 2016-17 and \$3,273,250 due in September 2017 for fiscal year 2017-18.

### PREVIOUS ACTION:

The City Council certified the results of the November 2, 2004 election approving Proposition P on December 1, 2004. On July 12, 2006, the City Council authorized the issuance and sale of the General Obligation Bonds. The Bonds provided financing for the construction of three new fire stations, a replacement of Fire Station 1, and a combined police and fire headquarters facility.

The City of Escondido General Obligation Bonds, Election of 2004, Series A (Fire, Police, and Emergency Response Measure) were sold on August 1, 2006, and subsequent to the April 22, 2015 adoption of Resolution No. 2015-60R, authorizing the sale and issuance of the City of Escondido General Obligation Refunding Bonds Series 2015, were redeemed in entirety. The General Obligation Refunding Bonds Series 2015 were issued on June 9, 2015.

### BACKGROUND:

General Obligation Bonds are secured by the legal obligation to levy an ad valorem property tax upon taxable property within the City in an amount sufficient to pay the yearly debt service (principal and interest) payment. The debt service payment for March 2017 is \$1,493,250 and

Property Tax Rate for General Obligation Bonds  
August 17, 2016  
Page 2

the debt service payment for September 2017 is \$3,273,250. The City is required to set a tax rate to meet these financial obligations. The assessed value for property in Escondido is used as the basis for applying the levy to taxable properties.

The starting point for calculating the property tax levy is the current year taxable assessed value. To this assessed value amount, a delinquency factor is applied. The City's fiscal year 2015-16 actual delinquency rates for secured and unsecured property were .63 percent and 1.58 percent respectively, and the five year average delinquency rates were .94 percent and 1.87 percent.

For fiscal year 2016-17, the City has used a 2.5 percent delinquency factor in calculating the property tax rate for both secured and unsecured property. This rate represents no change from the prior year factor, taking into account the annual trend of the same delinquency rates while still providing a conservative provision for estimated fiscal year 2016-17 delinquencies. The delinquency factors used in calculation of the property tax rate for the past five tax years 2011-12 to 2015-16 were 3.5 percent, 3.0 percent, 3.0 percent, 3.0 percent, and 2.5 percent, respectively.

The County of San Diego has provided to the City the estimated 2016-17 fiscal year assessed valuations to be used for the tax rate computation. A two-year comparison of the City's secured and unsecured assessed valuations, as adjusted by the applicable annual delinquency factor, is shown below. The net collectible assessed valuations increased by approximately 4.82 percent. This increase in net collectible assessed value will cause a decrease in the calculated property tax rate for fiscal year 2016-17.

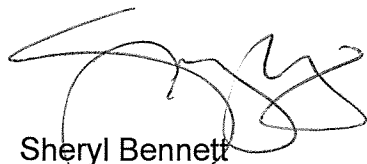
Description	FY 2015-16	FY 2016-17	% Increase (Decrease) in Valuation
Secured Assessed Valuation	\$13,067,999,086.00	\$13,718,353,532.00	
Less Delinquency Factor	(326,699,977.15)	(342,958,838.30)	
Net Collectible Secured	12,741,299,108.85	13,375,394,693.70	4.98%
Unsecured Assessed Valuation	484,438,308.00	487,598,609.00	
Less Delinquency Factor	(12,110,957.70)	(12,189,965.23)	
Net Collectible Unsecured	472,327,350.30	475,408,643.78	0.65%
TOTAL ALL NET COLLECTIBLE	\$13,213,626,459.15	\$13,850,803,337.48	4.82%

The property tax rate calculation takes into account any additional financial resources in the Debt Service Fund that may be used to reduce the amount of tax levy needed, including investment interest received, fund balance, penalties and interest received on delinquent property tax receipts, and other miscellaneous taxable revenue.

In order to collect the required debt service, the property tax rate will be set at 0.02876 per \$100 of assessed value. This represents \$28.76 per \$100,000 of assessed value, resulting in a decrease of \$1.68 when compared to last year's property tax rate of \$30.44.

Based on current and updated information, we estimate that the average annual tax rate over the life of the bonds will be \$32.35 per \$100,000. This estimate assumes a future annual growth in secured assessed valuation of 2.0 percent, and allows for estimated future delinquencies of 2.5 percent. During the November 2, 2004 election, the ballot measure provided to the citizens of Escondido estimated that the average annual tax rate over the life of the bonds would be \$34.75 for \$100,000 of assessed valuation for single family homes, based on a 3 percent annual growth rate in secured assessed valuations.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Sheryl Bennett', is written over a circular stamp or seal.

Sheryl Bennett  
Director of Administrative Services

**RESOLUTION NO. 2016-113**

**A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
ESTABLISHING THE PROPERTY TAX RATE  
AND FIXED CHARGE ASSESSMENTS FOR  
BONDED INDEBTEDNESS FOR FISCAL  
YEAR 2016-17**

WHEREAS, the City Council of the City of Escondido desires to establish the rate of property tax required to generate an amount of revenue from the tax base to provide sufficient moneys to pay debt service on the voter approved bonded indebtedness payable during the fiscal year ending June 30, 2017; and

WHEREAS, the total net taxable secured assessed valuation of the City of Escondido is now estimated at \$13,718,353,532 full value; and

WHEREAS, the total net taxable unsecured assessed valuation of the City of Escondido is now estimated at \$487,598,609 full value; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, as follows:

1. That the above recitations are true.
2. That the property tax rate within the City for the City of Escondido General Obligation Refunding Bonds, Series 2015 (Fire, Police, and Emergency Response Measure) for the fiscal year ending June 30, 2017, be and hereby is established at \$0.02876 per \$100 assessed value.



3. That the City Manager and the Director of Administrative Services are each hereby directed and authorized to take any and all actions necessary to ensure that such property tax rate is enrolled with the County of San Diego Auditor & Controller, including, but not limited to, filing the Tax Amount Rate Certificate attached hereto as Exhibit "A" and is incorporated by this reference.

**\$61,520,000**  
**CITY OF ESCONDIDO**  
**San Diego County, California**  
**General Obligation Refunding Bonds, Series 2015**  
**(Fire, Police and Emergency Response Measure)**

I, Sheryl Bennett, hereby certify that I am the Director of Administrative Services of the City of Escondido (the "City"), and as such I am authorized to execute this certificate on behalf of the City.

I hereby further certify that in connection with the City's \$61,520,000 General Obligation Refunding Bonds, Series 2015 (Fire, Police and Emergency Response Measure) the City Council has adopted the attached Resolution No. 2016-113 establishing the tax rate and fixed charge assessments for bonded indebtedness for 2016-17 and attached herewith is the summary for the calculation of the property tax rate for 2016-17.

IN WITNESS WHEREOF, I hereunto set my hand this 17th day of August, 2016.

CITY OF ESCONDIDO

By: 

\_\_\_\_\_  
Sheryl Bennett, Director of Administrative Services

City of Escondido  
General Obligation Refunding Bonds, Series 2015  
Calculation of Debt Service Requirements  
Fiscal Year 2016-17

Description	Delinquency Rate at 2.50%	FY 16-17 Tax Rate Calculation
<b>Resources Required:</b>		
FY 16-17 Debt Service Payments:		
March 2017	\$ 1,493,250.00	
September 2017	<u>3,273,250.00</u>	
<b>Total Required</b>		<b>\$ 4,766,500.00</b>
<b>Resources Available:</b>		
Cash as of June 30, 2016	3,319,731.82	
Debt Service Payment, September 2016	(2,569,150.00)	
Payment of Trustee Fees	(1,000.00)	
Consultant Fees	<u>(3,250.00)</u>	
Remaining Cash Resources after next Debt Service Payment	746,331.82	
FY 15-16 Property Tax Revenue Apportionment #13, not yet recorded in G/L	<u>29,032.74</u>	
<b>Total Resources Available for FY 16-17 Debt Service Payments</b>		<b><u>775,364.56</u></b>
<b>Net FY 16-17 Tax Revenues needed for Debt Service Requirement</b>		<b>3,991,135.44</b>
<b>Unsecured Calculation:</b>		
FY 16-17 Taxable Unsecured Assessed Valuation for the City - w/o Homeowners Exemptions:	487,598,609.00	
Delinquency Factor	<u>(12,189,965.23)</u>	
Estimated Net Collectible Unsecured Assessed Valuation	475,408,643.78	
FY 15-16 Tax Rate Per \$100 of Net Assessed Value	<u>0.030440</u>	
<b>Total Unsecured times Tax Rate divided by \$100</b>		<b><u>144,712.63</u></b>
<b>Total Remaining FY 16-17 Debt Service Coverage Requirement to be Levied against Secured Property</b>		<b><u>\$ 3,846,422.81</u></b>
<b>Secured Calculation:</b>		
FY 16-17 Taxable Secured Assessed Valuation for the City - without Homeowners Exemptions:	13,718,353,532.00	
Delinquency Factor	<u>(342,958,838.30)</u>	
Estimated Net Collectible Secured Assessed Valuation	13,375,394,693.70	
<b>Net FY 16-17 Collectible Taxable Secured Assessed Valuation divided by \$100</b>		<b><u>\$133,753,946.94</u></b>
<b>FY 16-17 Tax Rate per \$100 of Net Assessed Value</b>		<b><u>0.02876</u></b>

## CITY COUNCIL

For City Clerk's Use:

☐

**APPROVED**

☐

**DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 8**

**Date: August 17, 2016**

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Kenneth C. Hugins, City Treasurer

**SUBJECT:** Treasurer's Investment Report for the Quarter Ended June 30, 2016

**RECOMMENDATION:**

It is requested that the City Council receive and file the Quarterly Investment Report.

**PREVIOUS ACTION:**

The Investment Report for the quarter ended March 31, 2016, was filed with the City Clerk's Office on May 17, 2016, and presented to the City Council on May 25, 2016.

**BACKGROUND:**

From April 1, 2016 to June 30, 2016, the City of Escondido's (City)'s investment portfolio increased from \$104.4 million to \$131.0 million. The adjusted average annual yield increased from 1.217 percent to 1.222 percent. An excess of cash receipt inflows over cash payment outflows for the quarter resulted in an increase of \$26.6 million in the book value of the investment portfolio. Major components of the net \$26.6 million increase are:

	<u>In Millions</u>
Sales Tax Allocations	\$ 8.5
County Property Tax Allocation	7.6
County Property Tax In-Lieu Allocations	7.1
County Redevelopment Distributions	8.5
Project Reimbursements	9.5
CALPERS Contributions	(4.7)
County Water Authority Payments	(5.4)
Employee Health and Benefit Payments	(2.2)
Change in Operational Account Balance	(2.3)
Net Increase in Investment Portfolio	<u>\$26.6</u>

Details of the City's investment portfolio are included in the attached reports that are listed below:

- Summary of Investment Allocation Graph as of June 30, 2016
- Summary of Investment Portfolio Yield for the last 12 months
- Summary and Detailed Reports of Investment Portfolio – April 2016 through June 2016
- Schedule of Investments Matured and Sold – April 2016 through June 2016
- Schedule of Funds Managed by Outside Parties as of June 30, 2016

There are adequate funds to meet the next six month's expected expenditures. The Bank of New York Mellon Trust's monthly statement is the source for the market valuation. At June 30 the current portfolio investment balance exceeded the City's \$22.7 million current investment policy requirement by \$41.0 million. As of June 30, 2016, the City is in compliance with all requirements of the City Investment Policy.

Investment transactions are executed in compliance with the City of Escondido's Investment Policy. Investment purchases have been made in accordance with the City's prioritized Investment Policy objectives of safety of principal, sufficiency of liquidity and maximization of yield. The City's investment portfolio has therefore historically been comprised of United States Treasury Notes, obligations issued by United States Government Agencies, FDIC Insured Certificates of Deposit, Money Market accounts and investments in the Local Agency Investment fund (LAIF) established by the State Treasurer. Over the past five years, a decline in the City's average annual investment portfolio yield has been realized, decreasing from 2.17 percent at June 2011 to 1.22 percent at June 2016. This decline is representative of the continuous decline in investment interest rates and the portfolio's maturing, higher yielding investments being replaced with newer, lower yielding investments.

The Investment Committee will continue to monitor the City's portfolio trends and will investigate the feasibility of other allowable investment options that are consistent with the City's investment strategy and objectives. Additional information on these options and recommendations will continue to be communicated to the City Council by the Investment Committee.

Respectfully submitted,

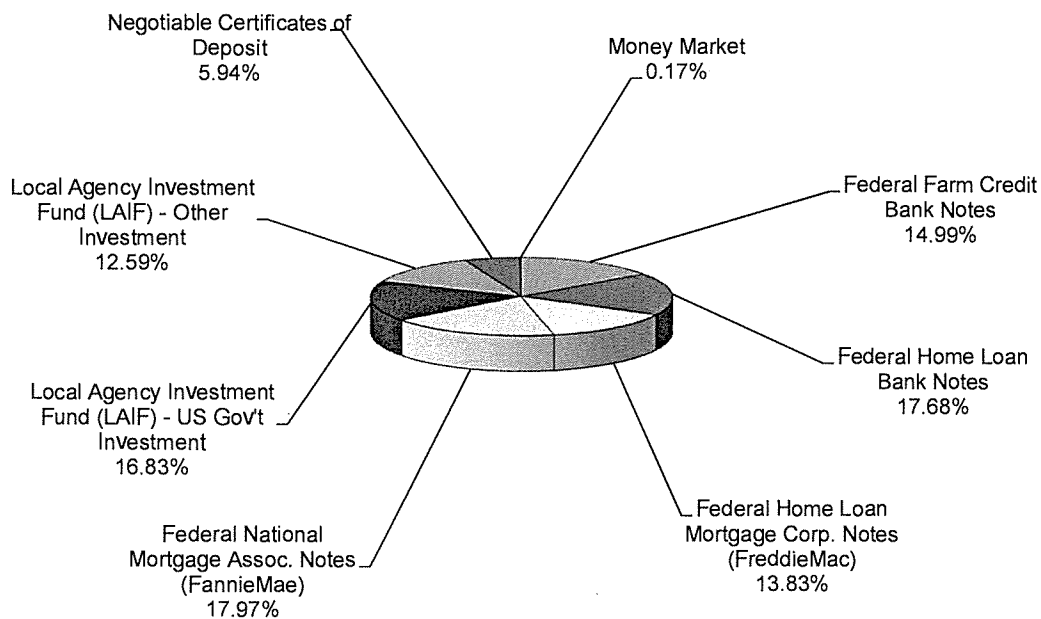


Kenneth C. Hugins  
City Treasurer

**City of Escondido  
Summary of Investment Allocation  
as of June 30, 2016**

Investment Type	Book Value	Market Value	Percent of Portfolio at Market
Federal Farm Credit Bank Notes	\$ 19,532,272.30	\$ 19,783,125.70	14.99%
Federal Home Loan Bank Notes	23,085,595.99	23,339,419.30	17.68%
Federal Home Loan Mortgage Corp. Notes (FreddieMac)	18,086,994.18	18,259,718.10	13.83%
Federal National Mortgage Assoc. Notes (FannieMae)	23,562,703.83	23,727,589.45	17.97%
Local Agency Investment Fund (LAIF) - US Gov't Investment	22,221,739.42	22,221,739.42	16.83%
Local Agency Investment Fund (LAIF) - Other Investment	16,626,572.45	16,626,572.45	12.59%
Negotiable Certificates of Deposit	7,673,000.00	7,835,903.76	5.94%
Money Market	225,131.23	225,131.23	0.17%
<b>Reported Total Investments - March 2016</b>	<b>\$131,014,009.40</b>	<b>\$132,019,199.41</b>	<b>100%</b>
<b>Reported Total Investments- December 2015</b>	<b>\$104,466,976.15</b>	<b>\$105,243,370.31</b>	
<b>Change from Prior Quarter</b>	<b>\$ 26,547,033.25</b>	<b>\$ 26,775,829.10</b>	
<b>Portfolio Effective Duration</b>	<b>1.480</b>		
<b>Portfolio Effective Duration - (Excluding LAIF and Money Market)</b>	<b>2.120</b>		

**Summary of Investment Allocation as of March 31, 2016  
(Excluding General Obligation Bond Proceeds)**



**CITY OF ESCONDIDO**  
**SUMMARY OF INVESTMENT PORTFOLIO YIELDS**  
**FOR THE LAST 12 MONTHS**  
**As of June 30, 2016**

<u>Date</u>	<u>Book Value</u>	<u>Yield</u>
Jun-16	\$131,014,009.40	1.0920%
May-16	\$114,045,989.33	1.1180%
Apr-16	\$104,931,942.39	1.2470%
Mar-16	\$104,466,976.15	1.2340%
Feb-16	\$108,710,566.83	1.2280%
Jan-16	\$113,235,004.73	1.2020%
Dec-15	\$97,247,367.02	1.3210%
Nov-15	\$99,273,215.79	1.3390%
Oct-15	\$102,797,377.26	1.3030%
Sep-15	\$110,048,611.30	1.2150%
Aug-15	\$114,575,444.98	1.2100%
Jul-15	\$123,506,111.49	1.1540%
Average Portfolio Interest Yield		1.2219%

Tracker  
City of Escondido  
Investment Portfolio - by Asset Class, Summary  
Report Format: By Totals  
Group By: Asset Class  
Portfolio/Report Group: All Portfolios  
As of 4/30/2016

Description	Face Amount	Cost Value	Market Value	Book Value	Days to Maturity	YTM @ Cost
California Local Agency Investment Fund	18,848,311.87	18,848,311.87	18,848,311.87	18,848,311.87	1	0.525
Federal Agency Coupon Securities	77,955,000.00	79,450,341.09	78,716,824.65	78,185,620.66	589	1.388
Money Market Account	225,009.86	225,009.86	225,009.86	225,009.86	1	0.140
Negotiable Certificate of Deposit	7,673,000.00	7,673,000.00	7,801,610.82	7,673,000.00	957	1.616
<b>Total / Average</b>	<b>104,701,321.73</b>	<b>106,196,662.82</b>	<b>105,591,757.20</b>	<b>104,931,942.39</b>	<b>509</b>	<b>1.247</b>

*Kenneth C. Hugins*

Kenneth C. Hugins, City Treasurer



Tracker  
City of Escondido  
Investment Portfolio - by Asset Class  
Report Format: By Transaction  
Group By: Asset Class  
Portfolio / Report Group: All Portfolios  
As of 4/30/2016

Description	CUSIP #	Settlement Date	Face Amount	Market Value	Book Value	Days to Maturity	YTM @ Cost	% of Portfolio
California Local Agency Investment Fund								
LAIF LGIP	LGIP7282	05/31/11	18,848,311.87	18,848,311.87	18,848,311.87	1	0.525	18.00
Sub Total / Average			18,848,311.87	18,848,311.87	18,848,311.87	1	0.525	18.00
Federal Agency Coupon Securities								
FFCB 1 4/2/2018	3133EEWH9	04/02/15	3,000,000.00	3,007,890.00	3,000,000.00	702	1.000	2.87
FFCB 1.11 2/20/2018	3133EEQM5	02/20/15	3,000,000.00	3,014,220.00	3,000,000.00	661	1.110	2.87
FFCB 1.46 10/28/2020	3133EFLZ8	10/28/15	1,000,000.00	1,001,610.00	1,000,000.00	1,642	1.460	0.96
FFCB 1.61 8/1/2018	3133ECW75	02/03/14	1,000,000.00	1,015,660.00	1,003,699.49	823	1.440	0.96
FFCB 1.8 11/12/2019	3133EEBN9	11/12/14	5,000,000.00	5,098,050.00	5,000,000.00	1,291	1.800	4.78
FFCB 5.125 11/15/2018	31331YE15	12/26/13	760,000.00	838,964.00	820,122.17	929	1.856	0.73
FHLB 0.7 12/19/2016	3130A0HC71	12/19/13	1,455,000.00	1,457,386.20	1,455,000.00	233	0.700	1.39
FHLB 1.05 12/29/2017	3130A3N83	12/29/14	3,000,000.00	3,010,710.00	3,000,000.00	608	1.050	2.87
FHLB 1.375 3/9/2018	313378A43	03/28/13	3,000,000.00	3,028,980.00	3,026,756.05	678	0.883	2.87
FHLB 1.375 3/9/2018	313378A43	12/26/13	2,000,000.00	2,019,320.00	1,994,934.89	678	1.516	1.91
FHLB 1.625 12/9/2016	313371PV2	12/29/11	1,500,000.00	1,509,960.00	1,504,124.14	223	1.160	1.43
FHLB 1.625 6/14/2019	313379EE5	06/16/14	3,000,000.00	3,053,850.00	2,985,281.25	1,140	1.790	2.87
FHLB 1.75 12/14/2018	313376BR5	12/26/13	895,000.00	912,738.90	892,967.55	958	1.841	0.85
FHLB 1.75 3/12/2021	313382K69	04/27/16	1,000,000.00	1,016,530.00	1,011,680.28	1,777	1.500	0.96
FHLB 2.3 12/8/2016	313371ZU3	12/29/11	500,000.00	505,195.00	503,203.88	222	1.210	0.48
FHLMC 1 7/28/2017	3137EADM5	12/20/13	1,500,000.00	1,505,580.00	1,498,902.95	454	1.060	1.43
FHLMC 1.25 10/2/2019	3137EADM8	03/16/16	1,000,000.00	1,004,980.00	997,333.01	1,250	1.330	0.96
FHLMC 1.25 8/1/2019	3137EADK2	07/02/15	3,000,000.00	3,016,770.00	2,972,104.71	1,188	1.546	2.87
FHLMC 1.4 8/22/2019	3134G3A91	03/15/16	1,000,000.00	1,008,480.00	1,003,545.12	1,209	1.290	0.96
FHLMC 2 3/12/2020	3134G3QX1	03/15/16	1,250,000.00	1,280,587.50	1,275,724.45	1,412	1.450	1.19

Tracker  
City of Escondido  
Investment Portfolio - by Asset Class  
Report Format: By Transaction  
Group By: Asset Class  
Portfolio / Report Group: All Portfolios  
As of 4/30/2016

Description	CUSIP #	Settlement Date	Face Amount	Market Value	Book Value	Days to Maturity	YTM @ Cost	% of Portfolio
FHLMC 2 8/25/2016	3137EACW7	08/31/11	3,000,000.00	3,014,250.00	3,007,465.78	117	1.197	2.87
FHLMC 2.5 5/27/2016	3137EACT4	05/25/11	3,000,000.00	3,004,680.00	3,000,934.00	27	2.054	2.87
FHLMC 2.5 5/27/2016	3137EACT4	06/01/11	2,500,000.00	2,503,900.00	2,501,052.03	27	1.900	2.39
FHLMC 2.5 5/27/2016	3137EACT4	05/25/11	5,000,000.00	5,007,800.00	5,001,552.28	27	2.055	4.78
FHLMC 5 2/16/2017	3137EAM1	02/16/12	5,000,000.00	5,171,400.00	5,153,449.44	292	1.048	4.78
FNMA 0.875 5/21/2018	3135GOWJ8	12/20/13	1,500,000.00	1,501,620.00	1,480,654.65	751	1.526	1.43
FNMA 0.875 8/28/2017	3135GOMZ3	06/13/14	2,000,000.00	2,002,800.00	1,995,158.28	485	1.061	1.91
FNMA 0.875 8/28/2017	3135GOMZ3	02/03/14	2,000,000.00	2,002,800.00	1,995,179.80	485	1.060	1.91
FNMA 1.06 5/29/2018	3136G05G2	12/20/13	500,000.00	501,740.00	495,191.28	759	1.540	0.48
FNMA 1.125 4/27/2017	3135G0JA2	05/31/12	2,000,000.00	2,008,960.00	2,002,856.41	362	0.977	1.91
FNMA 1.25 1/30/2017	3135G0GY3	01/24/12	3,000,000.00	3,014,490.00	3,000,711.13	275	1.217	2.87
FNMA 1.25 8/28/2018	3136G1F53	03/16/16	1,000,000.00	1,007,950.00	1,003,891.01	850	1.080	0.96
FNMA 1.25 9/28/2016	3135G0CM3	09/29/11	5,000,000.00	5,015,650.00	4,999,102.35	151	1.295	4.78
FNMA 1.375 11/15/2016	3135G0ES8	12/29/11	2,000,000.00	2,009,120.00	2,001,897.36	199	1.195	1.91
FNMA 1.75 1/30/2019	3136FTZZ5	02/03/14	2,595,000.00	2,642,203.05	2,601,144.92	1,005	1.660	2.48
<b>Sub Total / Average</b>			<b>77,955,000.00</b>	<b>78,716,824.65</b>	<b>78,185,620.66</b>	<b>589</b>	<b>1.388</b>	<b>74.45</b>
<b>Money Market Account</b>								
Bank of America MM	MNM0555	05/31/11	225,009.86	225,009.86	225,009.86	1	0.140	0.21
<b>Sub Total / Average</b>			<b>225,009.86</b>	<b>225,009.86</b>	<b>225,009.86</b>	<b>1</b>	<b>0.140</b>	<b>0.21</b>
<b>Negotiable Certificate of Deposit</b>								
American Express Bk 2 7/24/2019	02587CAJ9	07/24/14	247,000.00	254,202.96	247,000.00	1,180	2.000	0.24
AmEx Centurion 2 11/28/2018	02587DWJ3	11/28/14	247,000.00	253,245.91	247,000.00	942	2.000	0.24

Tracker  
City of Escondido  
Investment Portfolio - by Asset Class  
Report Format: By Transaction  
Group By: Asset Class  
Portfolio / Report Group: All Portfolios  
As of 4/30/2016

Description	CUSIP #	Settlement Date	Face Amount	Market Value	Book Value	Days to Maturity	YTM @ Cost	% of Portfolio
Barclays Bank 2.099 7/23/2019	06740KH6	07/28/14	247,000.00	254,990.65	247,000.00	1,179	2.099	0.24
Berkshire Bank 1 6/19/2017	084601DZ3	06/19/15	248,000.00	247,375.46	248,000.00	415	1.000	0.24
BMW 1.95 6/20/2019	05580AAL8	06/20/14	247,000.00	253,692.17	247,000.00	1,146	1.950	0.24
Capital One NA 2 8/12/2019	14042ESL0	08/12/15	247,000.00	254,234.63	247,000.00	1,199	2.000	0.24
Cardinal Bank 1.25 6/19/2018	14147VEV4	06/19/15	249,000.00	250,567.75	249,000.00	780	1.250	0.24
Celtic Bank 1.25 12/20/2017	15118RL2	12/20/13	246,000.00	246,729.07	246,000.00	599	1.250	0.23
Charter Bank Eau claire 1.5 8/6/2018	16116PHH7	08/05/14	248,000.00	250,942.17	248,000.00	828	1.500	0.24
Cit Bank 2.2 11/26/2019	17284CAL5	11/26/14	247,000.00	256,346.31	247,000.00	1,305	2.200	0.24
Comenity Capital Bank 2 10/13/2020	20033AND4	10/13/15	249,000.00	257,334.10	249,000.00	1,627	2.000	0.24
Compass Bank 1.2 5/14/2018	20451PKT2	05/13/15	248,000.00	249,289.05	248,000.00	744	1.200	0.24
Discover FS 2 6/18/2019	254671W48	06/18/14	247,000.00	254,066.13	247,000.00	1,144	2.000	0.24
Enerbank USA 2.05 8/28/2019	29266NB30	08/28/14	247,000.00	254,654.93	247,000.00	1,215	2.050	0.24
EVERBANK FL 1.6 7/30/2019	29976DZM5	07/30/15	248,000.00	251,900.10	248,000.00	1,186	1.600	0.24
FIRST BUSINESS 1.5 10/30/2019	31938QP65	10/30/15	248,000.00	251,075.99	248,000.00	1,278	1.500	0.24
Flushing Bank 1.45 6/26/2018	34387ABQ1	06/26/15	248,000.00	250,650.65	248,000.00	787	1.450	0.24
GMATBK ALLY 1.1 6/19/2017	02006LFD0	06/18/14	248,000.00	247,659.74	248,000.00	415	1.100	0.24
Gold Coast Bank 1.2 10/30/2017	38058KCS3	12/30/13	246,000.00	246,484.37	246,000.00	548	1.200	0.23
Goldman Sachs 1.1 6/19/2017	38147JH96	06/18/14	248,000.00	247,659.74	248,000.00	415	1.100	0.24
Iberia Bank 1 10/16/2017	45083AEK43	04/16/15	247,000.00	246,563.13	247,000.00	534	1.000	0.24
KEY BANK NA 1.35 10/29/2018	49306SVK9	10/28/15	248,000.00	250,045.90	248,000.00	912	1.350	0.24
Leader Bank NA 1.05 4/21/2017	52168UCU4	10/23/14	248,000.00	247,727.92	248,000.00	356	1.050	0.24
Live Oak Banking Co. 1.85 7/30/2019	538036CA0	10/30/14	247,000.00	252,895.57	247,000.00	1,186	1.850	0.24
Park National Bank 2.1 3/26/2019	700654AV8	09/26/14	247,000.00	254,515.67	247,000.00	1,060	2.100	0.24
Private Bank 1.1 7/21/2017	74267GUT2	07/21/14	248,000.00	247,710.11	248,000.00	447	1.100	0.24
Sallie Mae Bank 2.1 8/13/2019	795450SJ5	08/13/14	247,000.00	255,047.95	247,000.00	1,200	2.100	0.24
SYNCHRONY BANK 2.25 7/17/2020	87165HKM1	07/17/15	247,000.00	257,670.25	247,000.00	1,539	2.250	0.24

**Tracker**  
**City of Escondido**  
**Investment Portfolio - by Asset Class**  
**Report Format: By Transaction**  
**Group By: Asset Class**  
**Portfolio / Report Group: All Portfolios**  
**As of 4/30/2016**

<u>Description</u>	<u>CUSIP #</u>	<u>Settlement Date</u>	<u>Face Amount</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Days to Maturity</u>	<u>YTM @ Cost</u>	<u>% of Portfolio</u>
SYNOUVUS 1.2 11/6/2017	87164DFW5	11/05/14	248,000.00	248,398.06	248,000.00	555	1.200	0.24
Third Fed S & L 2 11/25/2019	88413QAW8	11/24/14	247,000.00	254,588.56	247,000.00	1,304	2.000	0.24
Unity Bank 1.65 10/30/2020	91330ABCO	10/30/15	249,000.00	253,345.82	249,000.00	1,644	1.650	0.24
<b>Sub Total / Average</b>			<u>7,673,000.00</u>	<u>7,801,610.82</u>	<u>7,673,000.00</u>	<u>957</u>	<u>1.616</u>	<u>7.33</u>
<b>Total / Average</b>			<u>104,701,321.73</u>	<u>105,591,757.20</u>	<u>104,931,942.39</u>	<u>509</u>	<u>1.247</u>	<u>100.00</u>

Tracker  
City of Escondido  
Investment Portfolio - by Asset Class, Summary  
Report Format: By Totals  
Group By: Asset Class  
Portfolio/Report Group: All Portfolios  
As of 5/31/2016

Description	Face Amount	Cost Value	Market Value	Book Value	Days to Maturity	YTM @ Cost
California Local Agency Investment Fund	29,848,311.87	29,848,311.87	29,848,311.87	29,848,311.87	1	0.552
Federal Agency Coupon Securities	75,750,000.00	77,350,773.92	76,705,905.80	76,299,572.06	729	1.293
Money Market Account	225,105.40	225,105.40	225,105.40	225,105.40	1	0.140
Negotiable Certificate of Deposit	7,673,000.00	7,673,000.00	7,785,621.94	7,673,000.00	926	1.616
<b>Total / Average</b>	<b>113,496,417.27</b>	<b>115,097,191.19</b>	<b>114,564,945.01</b>	<b>114,045,989.33</b>	<b>549</b>	<b>1.118</b>

Kenneth C. Hugins

Kenneth C. Hugins, City Treasurer

**Tracker**  
**City of Escondido**  
**Investment Portfolio - by Asset Class**  
**Report Format: By Transaction**  
**Group By: Asset Class**  
**Portfolio / Report Group: All Portfolios**  
**As of 5/31/2016**

Description	CUSIP #	Settlement Date	Face Amount	Market Value	Book Value	Days to Maturity	YTM @ Cost	% of Portfolio
<b>California Local Agency Investment Fund</b>								
LAIF LGIP	LGIP7282	05/31/11	29,848,311.87	29,848,311.87	29,848,311.87	1	0.552	26.30
<b>Sub Total / Average</b>			<b>29,848,311.87</b>	<b>29,848,311.87</b>	<b>29,848,311.87</b>	<b>1</b>	<b>0.552</b>	<b>26.30</b>
<b>Federal Agency Coupon Securities</b>								
FFCB 1.4/2/2018	3133EEWH9	04/02/15	3,000,000.00	3,002,940.00	3,000,000.00	671	1.000	2.64
FFCB 1.11 2/20/2018	3133EEQM5	02/20/15	3,000,000.00	3,009,810.00	3,000,000.00	630	1.110	2.64
FFCB 1.46 10/28/2020	3133EFLZ8	10/28/15	1,000,000.00	998,090.00	1,000,000.00	1,611	1.460	0.88
FFCB 1.61 8/1/2018	3133ECW75	02/03/14	1,000,000.00	1,013,290.00	1,003,560.14	792	1.440	0.88
FFCB 1.7 3/4/2019	3133EDTU6	05/27/16	1,750,000.00	1,778,087.50	1,776,756.22	1,007	1.135	1.54
FFCB 1.8 11/12/2019	3133EEBN9	11/12/14	5,000,000.00	5,086,000.00	5,000,000.00	1,260	1.800	4.41
FFCB 5.125 11/15/2018	31331YEJ5	12/26/13	760,000.00	835,156.40	818,115.94	898	1.856	0.67
FHLB 0.7 12/19/2016	3130A0HC7	12/19/13	1,455,000.00	1,455,916.65	1,455,000.00	202	0.700	1.28
FHLB 1.05 12/29/2017	3130A3N83	12/29/14	3,000,000.00	3,006,210.00	3,000,000.00	577	1.050	2.64
FHLB 1.375 3/9/2018	313378A43	03/28/13	3,000,000.00	3,023,250.00	3,025,532.69	647	0.883	2.64
FHLB 1.375 3/9/2018	313378A43	12/26/13	2,000,000.00	2,015,500.00	1,995,166.48	647	1.516	1.76
FHLB 1.625 12/9/2016	313371PV2	12/29/11	1,500,000.00	1,508,235.00	1,503,550.83	192	1.160	1.32
FHLB 1.625 6/14/2019	313379EE5	06/16/14	3,000,000.00	3,044,790.00	2,985,681.50	1,109	1.790	2.64
FHLB 1.75 12/14/2018	313376BR5	12/26/13	895,000.00	910,698.30	893,033.32	927	1.841	0.79
FHLB 1.75 3/12/2021	313382K69	04/27/16	1,000,000.00	1,013,090.00	1,011,476.52	1,746	1.500	0.88
FHLB 2.3 12/8/2016	313371ZU3	12/29/11	500,000.00	504,350.00	502,756.49	191	1.210	0.44
FHLB 4.625 9/11/2020	3133XD4P3	05/25/16	2,350,000.00	2,659,636.00	2,662,502.64	1,564	1.410	2.07
FHLMC 1 7/28/2017	3137EADJ5	12/20/13	1,500,000.00	1,503,870.00	1,498,977.86	423	1.060	1.32
FHLMC 1.25 10/2/2019	3137EADM8	03/16/16	1,000,000.00	1,001,470.00	997,399.15	1,219	1.330	0.88
FHLMC 1.25 8/1/2019	3137EADK2	07/02/15	3,000,000.00	3,010,530.00	2,972,832.62	1,157	1.546	2.64
FHLMC 1.4 8/22/2019	3134G3A91	03/15/16	1,000,000.00	1,006,870.00	1,003,454.22	1,178	1.290	0.88

**Tracker**  
**City of Escondido**  
**Investment Portfolio - by Asset Class**  
**Report Format: By Transaction**  
**Group By: Asset Class**  
**Portfolio / Report Group: All Portfolios**  
**As of 5/31/2016**

Description	CUSIP #	Settlement Date	Face Amount	Market Value	Book Value	Days to Maturity	YTM @ Cost	% of Portfolio
FLHMC 1.55 8/21/2020	3134G3D64	05/26/16	1,195,000.00	1,204,105.90	1,203,295.10	1,543	1.380	1.05
FLHMC 1.65 8/28/2020	3134G3F96	05/26/16	1,000,000.00	1,008,640.00	1,011,078.26	1,550	1.380	0.88
FLHMC 2.3/12/2020	3134G3QX1	03/15/16	1,250,000.00	1,276,212.50	1,275,159.68	1,381	1.450	1.10
FLHMC 2.8/25/2016	3137EACW7	08/31/11	3,000,000.00	3,010,680.00	3,005,487.66	86	1.197	2.64
FLHMC 5.2/16/2017	3137EAM1	02/16/12	5,000,000.00	5,151,350.00	5,137,158.57	261	1.048	4.41
FNMA 0.875 5/21/2018	3135GOWI8	12/20/13	1,500,000.00	1,497,840.00	1,481,453.19	720	1.526	1.32
FNMA 0.875 8/28/2017	3135GOMZ3	06/13/14	2,000,000.00	2,002,000.00	1,995,467.75	454	1.061	1.76
FNMA 0.875 8/28/2017	3135GOMZ3	02/03/14	2,000,000.00	2,002,000.00	1,995,487.90	454	1.060	1.76
FNMA 1.2/26/2019	3135GOU53	05/19/16	1,000,000.00	997,370.00	997,035.54	1,001	1.110	0.88
FNMA 1.06 5/29/2018	3136G05G2	12/20/13	500,000.00	500,840.00	495,387.69	728	1.540	0.44
FNMA 1.125 4/27/2017	3135G0IA2	05/31/12	2,000,000.00	2,006,160.00	2,002,611.80	331	0.977	1.76
FNMA 1.25 1/30/2017	3135G0GY3	01/24/12	3,000,000.00	3,011,610.00	3,000,630.97	244	1.217	2.64
FNMA 1.25 5/6/2021	3135G0K69	05/19/16	1,000,000.00	989,180.00	987,928.43	1,801	1.505	0.88
FNMA 1.25 8/28/2018	3136G1F53	03/16/16	1,000,000.00	1,005,800.00	1,003,749.10	819	1.080	0.88
FNMA 1.25 9/28/2016	3135G0CM3	09/29/11	5,000,000.00	5,012,250.00	4,999,286.64	120	1.295	4.41
FNMA 1.375 11/15/2016	3135G0ES8	12/29/11	2,000,000.00	2,007,400.00	2,001,601.79	168	1.195	1.76
FNMA 1.75 1/30/2019	3136FTZ25	02/03/14	2,595,000.00	2,634,677.55	2,600,955.37	974	1.660	2.29
<b>Sub Total / Average</b>			<b>75,750,000.00</b>	<b>76,705,905.80</b>	<b>76,299,572.06</b>	<b>729</b>	<b>1.293</b>	<b>66.74</b>
<b>Money Market Account</b>								
Bank of America MM	MM0555	05/31/11	225,105.40	225,105.40	225,105.40	1	0.140	0.20
<b>Sub Total / Average</b>			<b>225,105.40</b>	<b>225,105.40</b>	<b>225,105.40</b>	<b>1</b>	<b>0.140</b>	<b>0.20</b>
<b>Negotiable Certificate of Deposit</b>								
American Express Bk 2 7/24/2019	02587CAI9	07/24/14	247,000.00	253,472.04	247,000.00	1,149	2.000	0.22

**Tracker**  
**City of Escondido**  
**Investment Portfolio - by Asset Class**  
**Report Format: By Transaction**  
**Group By: Asset Class**  
**Portfolio / Report Group: All Portfolios**  
**As of 5/31/2016**

Description	CUSIP #	Settlement Date	Face Amount	Market Value	Book Value	Days to Maturity	YTM @ Cost	% of Portfolio
AmEx Centurion 2.11/28/2018	02587DWJ3	11/28/14	247,000.00	252,644.64	247,000.00	911	2.000	0.22
Barclays Bank 2.099 7/23/2019	06740KHK6	07/28/14	247,000.00	254,237.47	247,000.00	1,148	2.099	0.22
Berkshire Bank 1 6/19/2017	084601DZ3	06/19/15	248,000.00	247,169.13	248,000.00	384	1.000	0.22
BMW 1.95 6/20/2019	05580AAL8	06/20/14	247,000.00	252,971.32	247,000.00	1,115	1.950	0.22
Capital One NA 2 8/12/2019	14042ESL0	08/12/15	247,000.00	253,505.02	247,000.00	1,168	2.000	0.22
Cardinal Bank 1.25 6/19/2018	14147VEV4	06/19/15	249,000.00	250,116.79	249,000.00	749	1.250	0.22
Celtic Bank 1.25 12/20/2017	15118RL2	12/20/13	246,000.00	246,290.53	246,000.00	568	1.250	0.22
Charter Bank Eau claire 1.5 8/6/2018	16116PHH7	08/05/14	248,000.00	250,422.94	248,000.00	797	1.500	0.22
Cit Bank 2.2 11/26/2019	17284CAL5	11/26/14	247,000.00	255,584.51	247,000.00	1,274	2.200	0.22
Comenity Capital Bank 2 10/13/2020	20033AND4	10/13/15	249,000.00	256,711.70	249,000.00	1,596	2.000	0.22
Compass Bank 1.2 5/14/2018	20451PKT2	05/13/15	248,000.00	248,697.45	248,000.00	713	1.200	0.22
Discover FS 2 6/18/2019	254671W48	06/18/14	247,000.00	253,334.91	247,000.00	1,113	2.000	0.22
Enerbank USA 2.05 8/28/2019	29266NB30	08/28/14	247,000.00	253,989.63	247,000.00	1,184	2.050	0.22
EVERBANK FL 1.6 7/30/2019	29976DZM5	07/30/15	248,000.00	251,416.60	248,000.00	1,155	1.600	0.22
FIRST BUSINESS 1.5 10/30/2019	31938QP65	10/30/15	248,000.00	250,633.56	248,000.00	1,247	1.500	0.22
Flushing Bank 1.45 6/26/2018	34387ABQ1	06/26/15	248,000.00	250,152.57	248,000.00	756	1.450	0.22
GMATBK ALLY 1.1 6/19/2017	02006LFD0	06/18/14	248,000.00	247,430.91	248,000.00	384	1.100	0.22
Gold Coast Bank 1.2 10/30/2017	38058KCS3	12/30/13	246,000.00	245,922.98	246,000.00	517	1.200	0.22
Goldman Sachs 1.1 6/19/2017	38147JH96	06/18/14	248,000.00	247,430.91	248,000.00	384	1.100	0.22
Iberia Bank 1 10/16/2017	45083AEK43	04/16/15	247,000.00	246,241.07	247,000.00	503	1.000	0.22
KEY BANK NA 1.35 10/29/2018	49306SVK9	10/28/15	248,000.00	249,659.62	248,000.00	881	1.350	0.22
Leader Bank NA 1.05 4/21/2017	52168UCU4	10/23/14	248,000.00	247,866.35	248,000.00	325	1.050	0.22
Live Oak Banking Co. 1.85 7/30/2019	538036CA0	10/30/14	247,000.00	252,357.01	247,000.00	1,155	1.850	0.22
Park National Bank 2.1 3/26/2019	700654AV8	09/26/14	247,000.00	253,784.97	247,000.00	1,029	2.100	0.22
Private Bank 1.1 7/21/2017	74267GUT2	07/21/14	248,000.00	247,450.83	248,000.00	416	1.100	0.22
Salije Mae Bank 2.1 8/13/2019	79545OSJ5	08/13/14	247,000.00	254,295.12	247,000.00	1,169	2.100	0.22
SYNCHRONY BANK 2.25 7/17/2020	87165HKM1	07/17/15	247,000.00	256,954.12	247,000.00	1,508	2.250	0.22



**Tracker**  
**City of Escondido**  
**Investment Portfolio - by Asset Class**  
**Report Format: By Transaction**  
**Group By: Asset Class**  
**Portfolio / Report Group: All Portfolios**  
**As of 5/31/2016**

<u>Description</u>	<u>CUSIP #</u>	<u>Settlement Date</u>	<u>Face Amount</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Days to Maturity</u>	<u>YTM @ Cost</u>	<u>% of Portfolio</u>
SYNOUVUS 1.2 11/6/2017	87164DFW5	11/05/14	248,000.00	248,006.05	248,000.00	524	1.200	0.22
Third Fed S & L 2 11/25/2019	88413QAW8	11/24/14	247,000.00	253,872.45	247,000.00	1,273	2.000	0.22
Unity Bank 1.65 10/30/2020	91330ABC0	10/30/15	249,000.00	252,998.74	249,000.00	1,613	1.650	0.22
<b>Sub Total / Average</b>			<u>7,673,000.00</u>	<u>7,785,621.94</u>	<u>7,673,000.00</u>	<u>926</u>	<u>1.616</u>	<u>6.76</u>
<b>Total / Average</b>			<u>113,496,417.27</u>	<u>114,564,945.01</u>	<u>114,045,989.33</u>	<u>549</u>	<u>1.118</u>	<u>100.00</u>

Tracker  
City of Escondido  
Investment Portfolio - by Asset Class, Summary  
Report Format: By Totals  
Group By: Asset Class  
Portfolio/Report Group: All Portfolios  
As of 6/30/2016

Description	Face Amount	Cost Value	Market Value	Book Value	Days to Maturity	YTM @ Cost
California Local Agency Investment Fund	38,848,311.87	38,848,311.87	38,848,311.87	38,848,311.87	1	0.576
Federal Agency Coupon Securities	83,560,000.00	85,346,263.92	85,109,852.55	84,267,566.30	785	1.287
Money Market Account	225,131.23	225,131.23	225,131.23	225,131.23	1	0.140
Negotiable Certificate of Deposit	7,673,000.00	7,673,000.00	7,835,903.76	7,673,000.00	896	1.616
<b>Total / Average</b>	<b>130,306,443.10</b>	<b>132,092,707.02</b>	<b>132,019,199.41</b>	<b>131,014,009.40</b>	<b>556</b>	<b>1.092</b>



Kenneth C. Hugins, City Treasurer

**Tracker**  
**City of Escondido**  
**Investment Portfolio - by Asset Class**  
**Report Format: By Transaction**  
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**Portfolio / Report Group: All Portfolios**  
**As of 6/30/2016**

Description	CUSIP #	Settlement Date	Face Amount	Market Value	Book Value	Days to Maturity	YTM @ Cost	% of Portfolio
<b>California Local Agency Investment Fund</b>								
LAIF LGIP	LGIP7282	05/31/11	38,848,311.87	38,848,311.87	38,848,311.87	1	0.576	29.81
<b>Sub Total / Average</b>			<b>38,848,311.87</b>	<b>38,848,311.87</b>	<b>38,848,311.87</b>	<b>1</b>	<b>0.576</b>	<b>29.81</b>
<b>Federal Agency Coupon Securities</b>								
FFCB 1.4/2/2018	3133EEWH9	04/02/15	3,000,000.00	3,016,290.00	3,000,000.00	641	1.000	2.30
FFCB 1.11 2/20/2018	3133EEQM5	02/20/15	3,000,000.00	3,021,960.00	3,000,000.00	600	1.110	2.30
FFCB 1.14 6/29/2020	3133EGJD8	06/29/16	2,000,000.00	2,006,980.00	1,994,923.48	1,460	1.205	1.53
FFCB 1.46 10/28/2020	3133EELZ8	10/28/15	1,000,000.00	1,013,230.00	1,000,000.00	1,581	1.460	0.77
FFCB 1.61 8/1/2018	3133ECW75	02/03/14	1,000,000.00	1,018,180.00	1,003,425.28	762	1.440	0.77
FFCB 1.7 3/4/2019	3133EDTU6	05/27/16	1,750,000.00	1,789,935.00	1,775,959.11	977	1.135	1.34
FFCB 1.8 11/12/2019	3133EEBN9	11/12/14	5,000,000.00	5,140,550.00	5,000,000.00	1,230	1.800	3.84
FFCB 2.46 8/5/2020	3133ECW91	06/30/16	1,500,000.00	1,581,720.00	1,584,778.50	1,497	1.047	1.15
FFCB 4.81 9/1/2020	31331S4M2	06/30/16	310,000.00	357,011.50	357,011.50	1,524	1.080	0.24
FFCB 5.125 11/15/2018	31331YEJ5	12/26/13	760,000.00	837,269.20	816,174.43	868	1.856	0.58
FHLB 0.7 12/19/2016	3130A0HC7	12/19/13	1,455,000.00	1,456,644.15	1,455,000.00	172	0.700	1.12
FHLB 1.05 12/29/2017	3130A3N83	12/29/14	3,000,000.00	3,018,330.00	3,000,000.00	547	1.050	2.30
FHLB 1.375 2/18/2021	3130A7CV5	06/24/16	2,000,000.00	2,023,580.00	2,008,509.86	1,694	1.280	1.53
FHLB 1.375 3/9/2018	313378A43	03/28/13	3,000,000.00	3,034,980.00	3,024,348.79	617	0.883	2.30
FHLB 1.375 3/9/2018	313378A43	12/26/13	2,000,000.00	2,023,320.00	1,995,390.60	617	1.516	1.53
FHLB 1.625 12/9/2016	313371PV2	12/29/11	1,500,000.00	1,507,485.00	1,502,996.01	162	1.160	1.15
FHLB 1.625 6/14/2019	313379EE5	06/16/14	3,000,000.00	3,067,890.00	2,986,068.83	1,079	1.790	2.30
FHLB 1.75 12/14/2018	313376BR5	12/26/13	895,000.00	916,363.65	893,096.97	897	1.841	0.69
FHLB 1.75 3/12/2021	313382K69	04/27/16	1,000,000.00	1,027,570.00	1,011,279.33	1,716	1.500	0.77
FHLB 1.875 6/11/2021	313379RB7	06/24/16	2,000,000.00	2,066,360.00	2,050,073.73	1,807	1.350	1.53

**Tracker**  
**City of Escondido**  
**Investment Portfolio - by Asset Class**  
**Report Format: By Transaction**  
**Group By: Asset Class**  
**Portfolio / Report Group: All Portfolios**  
**As of 6/30/2016**

Description	CUSIP #	Settlement Date	Face Amount	Market Value	Book Value	Days to Maturity	YTM @ Cost	% of Portfolio
FHLB 2.3 12/8/2016	313371ZU3	12/29/11	500,000.00	504,055.00	502,323.53	161	1.210	0.38
FHLB 4.625 9/11/2020	3133XD4P3	05/25/16	2,350,000.00	2,692,841.50	2,656,508.34	1,534	1.410	1.80
FHLMC 1 7/28/2017	3137EADJ5	12/20/13	1,500,000.00	1,506,420.00	1,499,050.35	393	1.060	1.15
FHLMC 1.25 10/2/2019	3137EADM8	03/16/16	1,000,000.00	1,011,880.00	997,463.16	1,189	1.330	0.77
FHLMC 1.25 8/1/2019	3137EADK2	07/02/15	3,000,000.00	3,036,810.00	2,973,537.04	1,127	1.546	2.30
FHLMC 1.4 8/22/2019	3134G3A91	03/15/16	1,000,000.00	1,016,560.00	1,003,366.25	1,148	1.290	0.77
FHLMC 1.55 8/21/2020	3134G3D64	05/26/16	1,195,000.00	1,221,385.60	1,203,133.82	1,513	1.380	0.92
FHLMC 1.65 8/28/2020	3134G3F96	05/26/16	1,000,000.00	1,023,180.00	1,010,863.85	1,520	1.380	0.77
FHLMC 2 3/12/2020	3134G3QX1	03/15/16	1,250,000.00	1,295,662.50	1,274,613.13	1,351	1.450	0.96
FHLMC 2 8/25/2016	3137EACW7	08/31/11	3,000,000.00	3,007,020.00	3,003,573.36	56	1.197	2.30
FHLMC 5 2/16/2017	3137EAM1	02/16/12	5,000,000.00	5,140,800.00	5,121,393.22	231	1.048	3.84
FNMA 0.875 5/21/2018	3135GOWI8	12/20/13	1,500,000.00	1,505,940.00	1,482,225.98	690	1.526	1.15
FNMA 0.875 8/28/2017	3135GOMZ3	06/13/14	2,000,000.00	2,005,520.00	1,995,767.24	424	1.061	1.53
FNMA 0.875 8/28/2017	3135GOMZ3	02/03/14	2,000,000.00	2,005,520.00	1,995,786.05	424	1.060	1.53
FNMA 1 2/26/2019	3135G0I53	05/19/16	1,000,000.00	1,004,920.00	997,124.38	971	1.110	0.77
FNMA 1.06 5/29/2018	3136G05G2	12/20/13	500,000.00	503,445.00	495,577.75	698	1.540	0.38
FNMA 1.125 4/27/2017	3135G0JA2	05/31/12	2,000,000.00	2,008,860.00	2,002,375.08	301	0.977	1.53
FNMA 1.25 1/30/2017	3135G0GY3	01/24/12	3,000,000.00	3,013,560.00	3,000,553.39	214	1.217	2.30
FNMA 1.25 5/6/2021	3135G0K69	05/19/16	1,000,000.00	1,003,750.00	988,129.51	1,771	1.505	0.77
FNMA 1.25 8/28/2018	3136G1F53	03/16/16	1,000,000.00	1,011,570.00	1,003,611.77	789	1.080	0.77
FNMA 1.25 9/28/2016	3135G0CM3	09/29/11	5,000,000.00	5,009,900.00	4,999,464.98	90	1.295	3.84
FNMA 1.375 11/15/2016	3135G0ES8	12/29/11	2,000,000.00	2,006,900.00	2,001,315.76	138	1.195	1.53
FNMA 1.75 1/30/2019	3136FTZZ5	02/03/14	2,595,000.00	2,647,704.45	2,600,771.94	944	1.660	1.99
Sub Total / Average			83,560,000.00	85,109,852.55	84,267,566.30	785	1.287	64.13

Tracker  
City of Escondido  
Investment Portfolio - by Asset Class  
Report Format: By Transaction  
Group By: Asset Class  
Portfolio / Report Group: All Portfolios  
As of 6/30/2016

Description	CUSIP #	Settlement Date	Face Amount	Market Value	Book Value	Days to Maturity	YTM @ Cost	% of Portfolio
<b>Money Market Account</b>								
Bank of America MM	MM0555	05/31/11	225,131.23	225,131.23	225,131.23	1	0.140	0.17
<b>Sub Total / Average</b>			<b>225,131.23</b>	<b>225,131.23</b>	<b>225,131.23</b>	<b>1</b>	<b>0.140</b>	<b>0.17</b>
<b>Negotiable Certificate of Deposit</b>								
American Express Bk 2 7/24/2019	02587CAN9	07/24/14	247,000.00	255,972.42	247,000.00	1,119	2.000	0.19
AmEx Centurion 2 11/28/2018	02587DWM3	11/28/14	247,000.00	254,370.53	247,000.00	881	2.000	0.19
Barclays Bank 2 099 7/23/2019	06740KHK6	07/28/14	247,000.00	256,721.10	247,000.00	1,118	2.099	0.19
Berkshire Bank 1 6/19/2017	084601DZ3	06/19/15	248,000.00	247,635.89	248,000.00	354	1.000	0.19
BMW 1.95 6/20/2019	05580AAL8	06/20/14	247,000.00	255,374.09	247,000.00	1,085	1.950	0.19
Capital One NA 2 8/12/2019	14042E5L0	08/12/15	247,000.00	256,067.17	247,000.00	1,138	2.000	0.19
Cardinal Bank 1.25 6/19/2018	14147VEV4	06/19/15	249,000.00	251,306.76	249,000.00	719	1.250	0.19
Celtic Bank 1.25 12/20/2017	15118RL2	12/20/13	246,000.00	246,863.78	246,000.00	538	1.250	0.19
Charter Bank Eau claire 1.5 8/6/2018	16116PHH7	08/05/14	248,000.00	251,922.84	248,000.00	767	1.500	0.19
Cit Bank 2.2 11/26/2019	17284CAL5	11/26/14	247,000.00	258,407.62	247,000.00	1,244	2.200	0.19
Comenity Capital Bank 2 10/13/2020	20033AND4	10/13/15	249,000.00	260,524.14	249,000.00	1,566	2.000	0.19
Compass Bank 1.2 5/14/2018	20451PKT2	05/13/15	248,000.00	249,767.35	248,000.00	683	1.200	0.19
Discover FS 2 6/18/2019	254671W48	06/18/14	247,000.00	255,725.40	247,000.00	1,083	2.000	0.19
Enebank USA 2.05 8/28/2019	29266NB30	08/28/14	247,000.00	253,211.06	247,000.00	1,154	2.050	0.19
EVERBANK FL 1.6 7/30/2019	29976DZM5	07/30/15	248,000.00	253,890.57	248,000.00	1,125	1.600	0.19
FIRST BUSINESS 1.5 10/30/2019	31938QP65	10/30/15	248,000.00	253,380.16	248,000.00	1,217	1.500	0.19
Flushing Bank 1.45 6/26/2018	34387ABQ1	06/26/15	248,000.00	251,313.11	248,000.00	726	1.450	0.19
GMATBK ALLY 1.1 6/19/2017	02006LFD0	06/18/14	248,000.00	247,878.33	248,000.00	354	1.100	0.19
Gold Coast Bank 1.2 10/30/2017	38058KCS3	12/30/13	246,000.00	246,619.06	246,000.00	487	1.200	0.19
Goldman Sachs 1.1 6/19/2017	38147JH96	06/18/14	248,000.00	247,878.33	248,000.00	354	1.100	0.19

**Tracker**  
**City of Escondido**  
**Investment Portfolio - by Asset Class**  
**Report Format: By Transaction**  
**Group By: Asset Class**  
**Portfolio / Report Group: All Portfolios**  
**As of 6/30/2016**

Description	CUSIP #	Settlement Date	Face Amount	Market Value	Book Value	Days to Maturity	YTM @ Cost	% of Portfolio
Iberia Bank 1 10/16/2017	45083AEK43	04/16/15	247,000.00	246,708.44	247,000.00	473	1.000	0.19
KEY BANK NA 1.35 10/29/2018	49306SVK9	10/28/15	248,000.00	251,377.41	248,000.00	851	1.350	0.19
Leader Bank NA 1.05 4/21/2017	52168UCU4	10/23/14	248,000.00	248,020.26	248,000.00	295	1.050	0.19
Live Oak Banking Co. 1.85 7/30/2019	538036CA0	10/30/14	247,000.00	254,783.76	247,000.00	1,125	1.850	0.19
Park National Bank 2.1 3/26/2019	700654AV8	09/26/14	247,000.00	255,873.38	247,000.00	999	2.100	0.19
Private Bank 1.1 7/21/2017	74267GUT2	07/21/14	248,000.00	247,721.79	248,000.00	386	1.100	0.19
Sallie Mae Bank 2.1 8/13/2019	795450SJ5	08/13/14	247,000.00	256,845.45	247,000.00	1,139	2.100	0.19
SYNCHRON BANK 2.25 7/17/2020	87165HKM1	07/17/15	247,000.00	260,469.45	247,000.00	1,478	2.250	0.19
SYNOUVUS 1.2 11/6/2017	87164DFW5	11/05/14	248,000.00	248,501.53	248,000.00	494	1.200	0.19
Third Fed S & L 2 11/25/2019	88413QAW8	11/24/14	247,000.00	254,035.55	247,000.00	1,243	2.000	0.19
Unity Bank 1.65 10/30/2020	91330ABC0	10/30/15	249,000.00	256,737.03	249,000.00	1,583	1.650	0.19
<b>Sub Total / Average</b>			<b>7,673,000.00</b>	<b>7,835,903.76</b>	<b>7,673,000.00</b>	<b>896</b>	<b>1.616</b>	<b>5.89</b>
<b>Total / Average</b>			<b>130,306,443.10</b>	<b>132,019,199.41</b>	<b>131,014,009.40</b>	<b>556</b>	<b>1.092</b>	<b>100.00</b>

Tracker  
 City of Escondido  
 Transactions Summary  
 Investment Maturities  
 From 04/01/2016 To 06/30/2016

Issuer	Symbol	CUSIP Number	Settlement Date	Maturity Date	Coupon Rate	Principal Matured
Federal Home Loan Mortgage Corp	FHLMC	3137EACT4	05/25/11	05/27/16	2.500	8,000,000
Federal Home Loan Mortgage Corp	FHLMC	31331KEK2	06/01/11	05/27/16	2.500	2,500,000
Total						10,500,000

CITY OF ESCONDIDO  
FUNDS MANAGED BY OUTSIDE PARTIES  
June 30, 2016

Type of Funds / Institution	Market Value	Interest Rate	Type of Investment
<b>BOND FUNDS</b>			
<b>BANK OF NEW YORK MELLON TRUST COMPANY, N.A. :</b>			
1993 Vineyard Golf Course Certificates of Participation	\$ 3,467	0.051%	Money Market
2007 A & B JPFA Lease Revenue Bonds	1	0.000%	Money Market
2007 COP - Water Project	6,063,082	0.006%	Money Market/U.S. Treasury
2004A Wastewater Bond (1996 Wastewater Refunding)	2,039	0.000%	Money Market
2004B Wastewater Bond - Brine Project	22	0.000%	Money Market
2006 Community Facility District (Eureka Ranch)	11	0.000%	Money Market
1986-1/R/98 Auto Parkway Assessment District	337,897	0.315%	Money Market/Certificate of Deposit
1998-1 Rancho San Pasqual Assessment District	343,091	0.350%	Money Market/Certificate of Deposit
2012 JPFA Revenue Bonds ( Water System Financing)	20,023,110	0.498%	LAIF/Money Market
2012 JPFA Revenue Bonds ( Wastewater System Financing)	14,410,368	0.498%	LAIF/Money Market
2013 JPFA Reidy Creek Refunding	0	0.000%	Cash
2013 CFD 2000-01 Hidden Trails Special Tax Refunding Bonds	2	0.000%	Cash
2015 GO Refunding Bond	0	0.000%	Cash
2015A Wastewater Refunding Bond	6,282	0.000%	Cash
2015B Wastewater Refunding Bond	0	0.000%	Cash
2015 Community Facility District (Eureka Ranch) 2006-1 Refunding Bond	5,043	0.447%	Cash/Certificate of Deposit
<b>TOTAL FUNDS MANAGED BY OUTSIDE PARTIES</b>	<b>\$ 41,194,412</b>		



## CITY COUNCIL

For City Clerk's Use:

☐ **APPROVED** ☐ **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 9**  
**Date: August 17, 2016**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Helen Davies, Environmental Programs Manager  
**SUBJECT:** 2016 Disadvantaged Community Planning Grant Application

### RECOMMENDATION:

It is requested that the City Council authorize the Director of Utilities to apply for a 2016 Disadvantaged Community (DAC) Planning grant from the California Department of Water Resources (DWR) through the San Diego Integrated Regional Water Management (SDIRWM) application.

### FISCAL ANALYSIS:

Sufficient funds are available in CIP project number 678301 for the design of the Spruce Street Drainage Improvements. Grant funding for design, if secured, will be used to the maximum extent to reserve CIP funds for full implementation of the improvements.

### CORRELATION TO THE CITY COUNCIL ACTION PLAN:

This item relates to the City Council's Action Plan regarding Neighborhood Improvement.

### PREVIOUS ACTION:

On May 23, 2012, the City Council adopted Resolution No 2012-77, authorizing two applications to the County Department of Environmental Health for Vector Habitat Remediation Program grants.

On October 3, 2012, the City Council authorized the acceptance of a \$226,000 Vector Habitat Remediation Program grant for a study project to improve conditions at Mission Pools.

On December 11, 2013, the City Council adopted Resolution No 2013-164 authorizing the execution of a consulting agreement with AECOM in the amount of \$159,309 for engineering services to provide initial (30%) design plans for the Mission Pools Area Drainage Restoration Project.

On February 10, 2016, the City Council adopted Resolution No. 2016-07 adopting a mitigated negative declaration for the Spruce Street Drainage Improvement Project.

BACKGROUND:

Integrated Regional Water Management (IRWM) planning is a collaborative way to develop water supply reliability, improve water quality, and protect natural resources. The Statewide IRWM Program is supported by Prop 50 (2002), Prop 84 (2006), and Prop 1 (2014), all of which provide bond funding via the California Department of Water Resources (DWR) for local projects that improve water management. DWR has announced a 2016 round of funding from Prop 1 for planning activities that are specific to disadvantaged communities (DACs), economically distressed areas (EDSs), or underrepresented communities. For this round of funding, \$5,250,000 is available to the San Diego Funding Area (San Diego, Upper Santa Margarita, and South Orange County). The San Diego IRWM is the lead for the grant application and has asked for proposals for inclusion in their application.

The City of Escondido has completed 30% drawings, adopted a Mitigated Negative Declaration, and applied for Resource Agency permits for the project. The study project has revealed that improvements to the channel could be considered in four phases. One phase of this project (Escondido Transit Center Active Transportation Connections project, which will build a pedestrian bridge along Valley Parkway and construct a second culvert under Valley Parkway) has been funded. Completed construction drawings will make the other three project phases more competitive when pursuing grants and will help with the review of the resource agency permits.

The City has described the Spruce Street Drainage Improvement project to the San Diego IRWM. The Regional Advisory Committee has recommended that \$258,000 for this project should be included in the 2016 regional SDIRWM funding package. These funds will be used for the completion of construction drawings and preparation of bid documents for implementation. Expenditures made before December 2016 will not be eligible for grant funding. The contract is due to be executed during the summer and the costs of work completed on the contract prior to December 2016 will be absorbed by the project budget.

Respectfully submitted,

A handwritten signature in black ink that reads "Helen M. Davies". The signature is written in a cursive, flowing style.

Helen M. Davies, M.S. CPSWQ  
Environmental Programs Manager

## CITY COUNCIL

For City Clerk's Use:

☐ **APPROVED** ☐ **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 10**

**Date: August 17, 2016**

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Christopher W. McKinney, Director of Utilities

**SUBJECT:** Ocean Outfall – Execution of Lease No. PRC 3228.9 with California State Lands Commission

**RECOMMENDATION:**

It is requested that the City Council adopt Resolution No. 2016-102, authorizing the Mayor and City Clerk to execute Lease No. PRC 3228.9 with the California State Lands Commission for the San Elijo Ocean Outfall on behalf of the City of Escondido.

**FISCAL ANALYSIS:**

The expected cost is estimated to be \$6,076 for the application review effort and filing fee. The City is responsible for approximately 80 percent, or \$4,861, of the cost. Funds are available for this expenditure in the Wastewater Operating Budget.

**CORRELATION TO THE CITY COUNCIL ACTION PLAN:**

N/A

**PREVIOUS ACTION:**

On May 22, 1974, the City of Escondido entered into an agreement ("Outfall Agreement") with Solana Beach and Cardiff Sanitation Districts (predecessors in interest to the San Elijo Joint Powers Authority) for use of the Ocean Outfall.

On October 18, 2000, the City Council adopted Resolution No. 2000-25, authorizing the 2000 Ocean Outfall Agreement between the City of Escondido and San Elijo Joint Powers Authority for the joint use of the Ocean Outfall, which superseded the 1974 Outfall Agreement.

On February 12, 2003, the City Council adopted Resolution No. 2003-31, authorizing the First Amendment to the 2000 Ocean Outfall Agreement between the City of Escondido and San Elijo Joint Powers Authority.

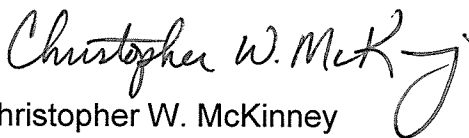
BACKGROUND:

The State Lands Commission (Commission) has jurisdiction and management control over public trust lands received by the State of California upon its admission to the United States in 1850 (sovereign lands). Generally, those lands include all ungranted tidelands and submerged lands, beds of navigable rivers, streams, lakes, bays, estuaries, inlets, and straits. The Commission manages these lands for the benefit of all the people of the State.

The San Elijo Joint Powers Authority (SEJPA) is the managing authority for the San Elijo Ocean Outfall (outfall), which provides ocean disposal of treated wastewater for the City of Escondido and the SEJPA. The outfall was originally constructed in 1965 and extended further into the ocean when the City of Escondido became an outfall partner in 1974. The outfall is permitted to discharge up to 25.5 million gallons per day of treated wastewater and is considered critical wastewater infrastructure, as it is in constant use. The ocean outfall crosses beneath the San Elijo Lagoon, the North County Transit District (NCTD) railroad tracks, and the Coast Highway, before extending approximately 1.5 miles into the ocean. The original outfall had a lease with the Commission which had a 49-year term and expired on October 27, 2014.

On October 13, 2014, SEJPA staff notified their Board of Directors (Board) that a lease renewal application had been completed and submitted to the Commission. Subsequently, the SEJPA began design of the Land Outfall Replacement Project, and in 2015 additional information was submitted to the Commission to add the location of the new pipeline to the lease. SEJPA staff negotiated with the Commission as Lessor, and SEJPA and the City of Escondido as Co-Lessees, for the purpose of renewing Permit PRC 3228.9 for the term of 20 years, beginning June 28, 2016 and ending June 27, 2036. This authorizes SEJPA's continued use and maintenance of the existing treated-water conveyance pipeline and outfall, and further authorizes SEJPA's construction of the Land Outfall Replacement Project, as well as use and maintenance of a new treated-water conveyance pipeline. The Commission approved the application on June 28, 2016, and Commission Staff requested resolutions from the SEJPA Board and Escondido City Council authorizing the appropriate staff within each agency to execute the new lease. On July 11, 2016, the SEJPA Board approved a resolution authorizing the General Manager to execute the lease on behalf of the SEJPA.

Respectfully submitted,

A handwritten signature in black ink that reads "Christopher W. McKinney". The signature is written in a cursive, flowing style.

Christopher W. McKinney  
Director of Utilities

RESOLUTION NO. 2016-102

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AUTHORIZING THE MAYOR AND CITY  
CLERK TO EXECUTE, ON BEHALF OF THE  
CITY, LEASE NO. PRC 3228.9 WITH THE  
CALIFORNIA STATE LANDS COMMISSION

WHEREAS, the State of California, acting through the State Lands Commission, hereinafter called "Permitter," heretofore granted a permit to the Cardiff Sanitation District and the Solana Beach Sanitation District, as Tenants in Common, by instrument dated April 2, 1965, said permit being an agreement designated as PRC 3228.9, covering certain tide and submerged land in the Gulf of Santa Catalina, San Diego County, for the construction, operation and maintenance of a sewer outfall line; and

WHEREAS, the Solana Beach and Cardiff Sanitation Districts (predecessors in interest to the San Elijo Joint Powers Authority) entered into an agreement with the City of Escondido dated May 22, 1974, ("Outfall Agreement"); and

WHEREAS, said Permit PRC 3228.9 was subsequently amended by an agreement with the State Lands Commission dated December 5, 1974, authorizing an increase in the area let to the Permittee to extend the sewer outfall line and to revise certain language in said Permit, effective January 1, 1975; and

WHEREAS, said Permit 3228.9 was thereafter assigned to the San Elijo Joint Powers Authority ("SEJPA"), as successor Permittee, effective June 17, 1987, in recognition of an agreement between the Cardiff Sanitation District and the Solana Beach Sanitation District, said agreement dated June 17, 1987; and

WHEREAS, said Permit PRC 3228.9 was subsequently amended by an agreement with the State Lands Commission, authorizing certain maintenance measures for a new pipe support system on the sewer outfall line and to revise certain language in said Permit, effective July 13, 1992; and

WHEREAS, said Outfall Agreement was subsequently amended, extended, supplemented, and clarified until said agreement was superseded and replaced by the 2000 Ocean Outfall Agreement ("2000 Agreement"); and

WHEREAS, said 2000 Agreement was amended in the First Amendment dated October 13, 2003; and

WHEREAS, the State Lands Commission notified SEJPA in a letter dated August 22, 2014, that said Permit PRC 3228.9 was set to expire on October 27, 2014; and

WHEREAS, on September 15, 2014, SEJPA submitted an application to renew said Permit PRC 3228.9, as amended, and subsequently requested an additional area for lease and authorization to replace the land portion of the outfall within the San Elijo Lagoon by directional drilling ("Land Outfall Replacement Project"); and

WHEREAS, SEJPA has applied for necessary regulatory permits and approvals for the Land Outfall Replacement Project from the State Lands Commission, California Coastal Commission, California Parks and Recreation, U.S. Fish and Wildlife Service, Regional Water Quality Control Board, U.S. Army Corps of Engineers, and the City of Encinitas and anticipates that such approvals and permits will be granted in 2016

contingent upon the approval of the renewed Permit PRC 3228.9 by the State Lands Commission; and

WHEREAS, SEJPA released the Draft Initial Study/Mitigated Negative Declaration (IS/MND) for the Land Outfall Replacement Project for a 30-day public review and comment period. No significant unavoidable adverse impacts were identified. During a duly noticed public meeting of the SEJPA Board of Directors on March 7, 2016, the Board of Directors adopted the Proposed Mitigated Negative Declaration. On March 8, 2016, SEJPA filed a Notice of Determination in compliance with Section 21108 and 21152 of the Public Resources Code concerning the Land Outfall Replacement Project; and

WHEREAS, attached as Exhibit "A" is a copy of Lease No. PRC 3228.9, which SEJPA staff have negotiated with the California State Lands Commission as Lessor and SEJPA and the City of Escondido as Co-Lessees for the purpose of renewing Permit PRC 3228.9 for the term of 20 years, beginning June 28, 2016, and ending June 27, 2036, and which authorizes SEJPA's continued use and maintenance of the existing treated-water conveyance pipeline and outfall and further authorizes SEJPA's construction of the Land Outfall Replacement Project and use and maintenance of a new treated-water conveyance pipeline; and

WHEREAS, the Director of Utilities recommends that the City Council approve Lease No. 3228.9.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the Mayor and City Council accepts the recommendation of the Director of Utilities and hereby approves Lease No. PRC 3228.9 with the State Lands Commission.
3. That the Mayor and City Clerk are authorized to execute, on behalf of the City, Lease No. PRC 3228.9 with the California State Lands Commission. A copy of Lease No. PRC 3228.9 is attached as Exhibit "A" and is incorporated by this reference.



RECORDED AT THE REQUEST OF  
AND WHEN RECORDED MAIL TO:  
STATE OF CALIFORNIA  
California State Lands Commission  
Attn: Title Unit  
100 Howe Avenue, Suite 100-South  
Sacramento, CA 95825-8202

**STATE OF CALIFORNIA**  
**OFFICIAL BUSINESS**  
Document entitled to free recordation  
pursuant to Government Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

County: San Diego

**LEASE NO. PRC 3228.9**

This Lease consists of this summary and the following attached and incorporated parts:

Section 1	Basic Provisions
Section 2	Special Provisions Amending or Supplementing Section 1 or 3
Section 3	General Provisions
Exhibit A	Land Description
Exhibit B	Site and Location Map
Exhibit C	Mitigation Monitoring Program

**SECTION 1**

**BASIC PROVISIONS**

**THE STATE OF CALIFORNIA**, hereinafter referred to as Lessor acting by and through the **CALIFORNIA STATE LANDS COMMISSION** (100 Howe Avenue, Suite 100-South, Sacramento, California 95825-8202), pursuant to Division 6 of the Public Resources Code and Title 2, Division 3 of the California Code of Regulations, and for consideration specified in this Lease, does hereby lease, demise, and let to the **SAN ELIJO JOINT POWERS AUTHORITY** and the **CITY OF ESCONDIDO** as Co-Lessees, hereinafter referred to as Lessee, those certain lands described in Exhibit A hereinafter referred to as Lease Premises, subject to the reservations, terms, covenants, and conditions of this Lease.

**MAILING ADDRESS:** San Elijo Joint Powers Authority  
2695 Manchester Avenue  
Cardiff by the Sea, CA 92007

City of Escondido  
201 North Broadway  
Escondido, CA 92025

**LEASE TYPE:** General Lease – Public Agency Use

**LAND TYPE:** Sovereign

**LOCATION:** In the San Elijo Lagoon and the Pacific Ocean, as described in Exhibit A and as shown on Exhibit B (for reference purposes only) attached and by this reference made a part hereof.

**LAND USE OR PURPOSE:** Use and maintenance of an existing treated-water conveyance pipeline and outfall; construction, use and maintenance of a new treated-water conveyance pipeline; and the decommissioning in place of the existing treated-water conveyance pipeline.

**TERM:** 20 years; beginning June 28, 2016; ending June 27, 2036, unless sooner terminated as provided under this Lease.

**CONSIDERATION:** The public use and benefit. Subject to modification by Lessor as specified in Paragraph 3(c) of Section 3 - General Provisions.

**AUTHORIZED IMPROVEMENTS:**

X **EXISTING:** Treated-water conveyance pipeline and outfall

X **TO BE CONSTRUCTED:** Treated-water conveyance pipeline

**LIABILITY INSURANCE:** N/A

**SURETY BOND OR OTHER SECURITY:** N/A

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## SECTION 2 SPECIAL PROVISIONS

### BEFORE THE EXECUTION OF THIS LEASE, ITS PROVISIONS ARE AMENDED, REVISED, OR SUPPLEMENTED AS FOLLOWS:

1. Lessee is authorized to conduct the San Elijo Land Outfall Replacement Project (Project), substantially as described in the Mitigated Negative Declaration (SCH#2016011018), prepared and adopted by the San Elijo Joint Powers Authority on March 7, 2016, and the Mitigation and Monitoring Program (MMP) attached hereto as Exhibit C. Lessee shall comply with all terms and conditions of Exhibit C.

2. Lessee shall coordinate with the California Department of Fish and Wildlife (CDFW) as Lessee under Lease No. PRC 5328.9 for management of the State's San Elijo Lagoon parcel, to ensure that no activities conducted with the parcel interfere, conflict with, or otherwise impact with CDFW's lease management responsibilities for the San Elijo Lagoon Ecological Reserve.
3. Lessee shall not interfere with or otherwise cause to restrict the public's access, use, and enjoyment of any areas of state-owned lands or public easements within or adjacent to the Lease Premises or Project area except as necessary to ensure public safety during Project construction.
4. Within 60 days of Project completion, Lessee shall provide to Lessor:
  - a. A set of "as-built" drawings, certified by a California registered Civil/Structural engineer, showing all design changes or other amendments to the construction as originally approved;
  - b. A post-construction written narrative report confirming Project completion with a discussion of any significant field changes or modifications to the approved design or execution plan, and details of any extraordinary occurrences such as spill incidents, critical operations curtailment, accidents involving serious injury or loss of life etc.; and
  - c. Revised Exhibits A and B describing the as-built location of the new land portion of the outfall pipeline, if the as-built location falls outside the Lease Premises as described herein.
  - d. Said revised Exhibits, if any, shall be incorporated into the Lease and shall supersede corresponding Exhibits upon review and written approval by Lessor's staff.
5. Lessee shall maintain a current National Pollutant Discharge Elimination System (NPDES) permit during the term of the Lease. Lessee shall provide Lessor with a copy of the new permit, and each successive permit, immediately after such permit is issued to Lessee.
6. Lessee shall conduct external inspections of the outfall pipeline using diver/ROV video or high resolution side-scan sonar survey at least once every two (2) years and when warranted by extraordinary circumstances such as an accident or a significant seismic event, unless the schedule is modified by mutual agreement among the parties hereto. The first inspection shall be performed within six (6) months of lease execution. Copies of the results of all external inspections including reports, analyses, recommendations, and inspection video with voice overlay shall be submitted promptly to Lessor at no cost. The inspections may be combined with any inspections required under Lessee's NPDES permit. The side-scan sonar survey must be conducted by an operator permitted by Lessor to conduct such surveys using specific types of geophysical equipment subject to permit terms and conditions developed to minimize impacts to marine wildlife and the coastal environment.
7. Lessee shall conduct an integrity assessment of the outfall pipeline by a California registered Civil/Structural Engineer at least once every five years and when warranted by extraordinary circumstances such as an accident or a significant seismic event, unless the schedule is modified by mutual written agreement among the parties hereto. The first assessment shall be performed within six (6) months of lease execution. Copies of the results of all integrity assessment reports including internal inspection reports (if any), analyses, and recommendations shall be submitted promptly to Lessor at no cost.

8. Lessee shall respond in a reasonable and timely manner to any claims arising from abandonment of any improvements and shall give prompt notice to Lessor's staff of any accident, injury, casualty, or claim arising out of or connected in any way with the abandoned improvements.
9. If Lessor determines that all or any portion of the decommissioned improvements to be adverse to the public interest or the environment, or a hazard to navigation, Lessee shall, at no cost to the State, remove all or any portion of any decommissioned improvements. If Lessee fails to comply with any terms and conditions of this Lease and Lessor determines removal to be in the best interests of the State, Lessee shall, at no cost to the State, remove all abandoned improvements. Once Lessor has determined the decommissioned improvements must be removed, Lessee must expeditiously meet and confer with Lessor's staff regarding appropriate mitigation measures and/or responses for the removal of such improvements. Lessee will have ninety (90) days, following the issuance of all necessary permits, to complete removal of such improvements, unless such time is otherwise extended by Lessor.
10. Lessee shall execute a reimbursement agreement to reimburse Lessor for any and all reasonable costs and expenditures paid or incurred by Lessor for review and approval of Project reports and submittals, lease maintenance and compliance, or any related materials required herein, including but not limited to any review or preparation of reports, documents or other actions as required pursuant to the California Environmental Quality Act (CEQA), plan reviews, and/or amendments.
11. All vehicles, equipment, machinery, tools, materials or other property taken onto or placed within the Lease Premises or lands subject to Lessor's jurisdiction shall remain the property of the Lessee and/or its authorized contractors (collectively, Lessee). Such property shall not be stored on the Lease Premises or on lands subject to Lessee's jurisdiction and shall be promptly and properly removed by Lessee, at its sole risk and expense.
12. No vehicle or equipment refueling, maintenance, or repairs are permitted within the Lease Premises or lands subject to Lessor's jurisdiction.
13. All waste material and debris created by Lessee shall be promptly and entirely removed from the Lease Premises and lands subject to Lessor's jurisdiction.
14. Lessee agrees to submit no later than two (2) years prior to the expiration of this lease either:
  - a. An application and minimum expense deposit for a new lease for the continued use of the Lease Premises; or
  - b. A plan for the restoration of the Lease Premises for Lessor's review and approval, to include all decommissioned improvements, and to be completed prior to the expiration of the lease term, pursuant to Section 3, Paragraph 13(a)(3) of this Lease. Failure to submit the application and minimum expense deposit or the restoration plan shall be deemed a default of the Lease under Section 3, Paragraph 12 of this Lease.

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## SECTION 3

### GENERAL PROVISIONS

#### 1. GENERAL

In the case of any conflict between these General Provisions and Special Provisions found in Section 2, the Special Provisions control.

#### 2. DEFINITIONS

For the purposes of this Lease, the following terms shall be defined as stated below:

“Additions” shall be defined as any use or Improvements other than those expressly authorized in this Lease.

“Alterations” shall be defined as any material change in the size, scope, density, type, nature, or intensity of Improvements on the Lease Premises from what is authorized in this Lease. Alterations shall also include any modifications, alterations, or renovations of the land or waterways on the Lease Premises other than those authorized by this Lease.

“Breach” shall be defined as a party's unjustified or unexcused nonperformance of a contractual duty the party is required to immediately perform.

“Damages” shall include all liabilities, demands, claims, actions or causes of action whether regulatory, legislative or judicial in nature; all assessments, levies, losses, fines, penalties, damages, costs and expenses, including, without limitation: (i) reasonable attorneys', accountants', investigators', and experts' fees and expenses sustained or incurred in connection with the defense or investigation of any such liability, and (ii) costs and expenses incurred to bring the Lease Premises into compliance with Environmental Laws, a court order, or applicable provisions of a Regulatory Agency. The term “Damages” also includes, expressly, those Damages that arise as a result of strict liability, whether arising under Environmental Laws or otherwise.

“Default” shall be defined as a material Breach of magnitude sufficient to justify termination of the Lease.

“Environmental Law” shall be defined as and include all federal, state, and local environmental, health, and safety laws, statutes, ordinances, regulations, rules, judgments, orders, and notice requirements, which were in effect as of the date of execution of this Lease or are subsequently enacted and lawfully applied hereto, which regulate or relate to (a) the protection or clean-up of the environment; (b) the use, treatment, storage, transportation, handling or disposal of hazardous, toxic or otherwise dangerous substances, wastes or materials; (c) the quality of the air and the discharge of airborne wastes, gases, particles, or other emissions; (d) the preservation or protection of waterways, groundwater, or drinking water; (e) the health and safety of persons or property; or (f) impose liability with respect to any of the foregoing, including without limitation, the California Environmental Quality Act (CEQA) [PRC §§ 21000 et seq.]; the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) [42 USCS §§ 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 (RCRA) [42 USCS §§ 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act (FWPCA) [33 USCS §§ 1251 et seq.]; the Toxic Substances Control Act (TSCA) [15 USCS §§ 2601 et seq.]; the Hazardous Materials Transportation Act (HMTA) [49 USCS §§ 1801 et seq.]; the Insecticide, Fungicide, Rodenticide Act [7 USCS §§ 136 et seq.]; the Superfund Amendments and Reauthorization Act [42 USCS §§ 6901 et seq.]; the Clean Air Act [42 USCS §§ 7401 et seq.]; the Safe Drinking Water Act [42 USCS §§ 300f et seq.]; the Solid Waste Disposal Act [42 USCS §§ 6901 et seq.]; the Surface Mining Control and Reclamation Act [30 USCS §§ 1201 et seq.]; the Emergency Planning and Community Right to Know Act [42 USCS §§ 11001 et seq.]; the Occupational Safety and Health Act [29 USCS §§ 655 and 657]; the California Underground Storage of Hazardous Substances Act [H & S C §§ 25280 et seq.]; the California Hazardous Substances Account Act [H & S C §§ 25300 et seq.]; the California Hazardous Waste Control Act [H & S C §§ 25100 et seq.]; the California Safe Drinking Water and Toxic Enforcement Act [H & S C §§ 24249.5 et seq.]; the Porter-Cologne Water Quality Act [Water C §§ 13000 et seq.] together with any amendments of or regulations promulgated under the statutes cited above.

“Hazardous Material” shall be defined as and include any substance which falls within the definition of hazardous substance, hazardous waste, hazardous material, toxic substance, solid waste, pollutant, or contaminant, under any Environmental Law.

“Improvements” shall be defined as any modification, alteration, addition, or removal of any material, and any other action which serves to change the condition of the Lease Premises from the natural state whether situated above, on, or under the Lease Premises. Improvements include, but are not limited to buildings, structures, facilities, decks, docks, wharves, piers, walks, curbs, bridges, buoys, landscaping, roadways, shoreline protective structures of all types, foundations, pilings or similar support structures whether above or below the water line, fences, utilities, pipelines, and any other construction of any type situated on the Lease Premises.

“Lease” shall be defined as this lease contract together with all amendments and exhibits.

“Lease Premises” shall be defined as the area of land, together with any improvements located thereon, the use and occupancy of which

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is authorized by this Lease.

"Lessor" shall be defined as the state of California, acting by and through the California State Lands Commission, including the Commissioners, their alternates and designates, the Executive Officer, and the staff of the California State Lands Commission.

"Regulatory Agency" shall include any Federal, State, County, Municipal, or Local agency having jurisdiction over the Lease Premises.

"Repairs" shall be defined as all work of any kind made to maintain, change, restore, strengthen, replace, alter, or otherwise affect any Improvement on the Lease Premises.

"Residence" shall be defined as any Improvement, whether permanent, movable, or temporary, or a portion thereof, which is for the time being a home or place of lodging. A Residence includes any Improvement affixed to the land such as trailers or cabins, built on a raised foundation such as stilts or pilings, and floating residences such as boats, barges, arks, and houseboats, and any combination of such Improvements which provide residential accommodations to the Lessee or others. "Residence" shall not include transitory, intermittent, recreational use of facilities such as campgrounds.

"Residential Use" shall be defined as Improvements such as, but not limited to, sun decks, and sunrooms which are extensions of, or additions to, the upland property and are not water-dependent uses. Although the various uses or Improvements which may fall under this definition may vary by geographic area, lease type, or other factors, it is the intention of the parties to include in this definition all uses and Improvements which are not water-dependent but residential in nature, or those uses and Improvements which are not consistent with common law public trust principles and values.

### **3. CONSIDERATION**

#### **(a) Absolute Triple Net Lease**

This Lease is an absolute triple net lease, pursuant to which Lessor has no obligation with respect to the payment of taxes, insurance, the cost of maintenance, utilities and repairs or other costs or obligations associated with the Leased Premises, except as expressly stated herein.

#### **(b) Rent**

Lessee agrees to pay Lessor rent as stated in this Lease, in annual installments, for the use and occupancy of the Lease Premises. The first installment shall be due on or before the beginning date of this Lease and all subsequent installments shall be due on or before each anniversary of its beginning date during each year of the Lease term, or as otherwise provided in this Lease. Said sums shall be paid in lawful money of the United States of America. Lessee shall send said rent to the mailing address of Lessor. Timeliness of receipt of remittances sent by mail shall be governed by the postmark date as stated in Government Code Section 11002. Invoices for rent due may be provided by Lessor as a courtesy. Lessor's failure to, or delinquency in, providing invoices shall neither excuse Lessee from paying rent, nor extend the time for paying rent.

#### **(c) Modification**

Lessor may modify the method, amount, or rate of consideration effective on each fifth anniversary of the beginning date of this Lease. Should Lessor fail to exercise such right effective on any fifth anniversary it may do so effective on any one (1) of the next four (4) anniversaries following such fifth anniversary, without prejudice to its right to effect such modification on the next or any succeeding fifth anniversary of the beginning date. No such modification shall become effective unless Lessee is given at least thirty (30) days' notice prior to the date of the Commission meeting wherein the rent modification is considered, or thirty (30) days' notice prior to the effective date of the increase, whichever provides a greater notice period.

If the consideration for this Lease is based on a percentage of income, royalties, profits, or any similar business performance indicators, Lessee shall provide Lessor with financial statements and all other documents necessary to determine the relevant basis for income.

#### **(d) Penalty and Interest**

Any installments of rent accruing under this Lease not paid when due shall be subject to a delinquency charge equal to five percent (5%) of the principal sum due. Annual payments shall bear interest as specified in Public Resources Code Section 6224 and the Lessor's then existing administrative regulations governing penalty and interest.

#### **(e) Non-Monetary Consideration**

If the consideration to Lessor for this Lease is the public use, benefit, health, or safety, Lessor shall have the right to review such consideration at any time and set a monetary rental if the Lessor, at its sole discretion, determines that such action is in the best interest of the State. Lessee's assignment or transfer of this Lease pursuant to Section 3 Paragraph 11 below to any third party

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which results in royalties, profits, or any form of compensation, whether monetary or otherwise, shall give Lessor the right to reevaluate the requirements of this Lease as stated in Section 3 Paragraph 11. Lessee shall be given at least thirty (30) days' notice prior to the date of the Commission meeting wherein the rent modification is considered, or thirty (30) days' notice prior to the effective date that this Lease is converted to a monetary rental, whichever provides more notice.

**(f) Place for Payment of Rent**

All rent that becomes due and payable under this Lease shall be paid to Lessor in person or by United States mail at the Sacramento Offices of the California State Lands Commission, currently at 100 Howe Avenue, Suite 100-South, Sacramento, CA 95825-8202, or at any other place or places that Lessor may designate by written notice to Lessee. Alternately, Lessee may contact Lessor's accounting department for Lessor's current practices for payment by credit card or electronic fund transfer.

**4. BOUNDARIES**

This Lease is not intended to establish the State's boundaries and is made without prejudice to either party regarding any boundary or title claims which may be asserted presently or in the future.

**5. LAND USE**

**(a) General**

(1) Lessee shall use the Lease Premises only for the purpose or purposes stated in this Lease and only for the operation and maintenance of the Improvements expressly authorized in this Lease. Lessee shall commence use of the Lease Premises within ninety (90) days of the beginning date of this Lease or within ninety (90) days of the date set for construction to commence as set forth in this Lease, whichever is later.

(2) All demolition, construction, remodeling, reconstruction, maintenance, repairs, removal, or remediation performed on the Lease Premises at any time by Lessee shall first be authorized by all appropriate Regulatory Agencies. Lessee is solely responsible for determining what approvals, authorizations, or certifications are required, and shall be solely responsible for all costs incurred thereby. In addition, Lessee shall obtain and comply with preventative or remedial measures required by any environmental reports, assessments, or inspections, including, but not limited to those required by the California Environmental Quality Act and/or the National Environmental Policy Act, or as otherwise required by law or reasonably requested by Lessor. Nothing in this Lease shall be interpreted as a pre-approval of any permit, certification, or any other precondition required for the use of the Lease Premises.

**(b) Continuous Use**

Lessee's use of the Lease Premises shall be continuous from commencement of the Lease until its expiration. Lessee's discontinuance of such use for a period of ninety (90) days shall be presumed to be an abandonment unless Lessee demonstrates to Lessor's satisfaction that Lessee's use of the Lease Premises is consistent with similarly situated properties. In the event of an abandonment, Lessor may elect to terminate the Lease as provided in Paragraph 12(a)(3). Abandonment of the Lease Premises shall not relieve Lessee of any obligations under this Lease.

**(c) Repairs and Maintenance**

(1) Lessor shall not be required to make any Repairs in, on, or about all or part of the Lease Premises. Lessee shall, at all times during the term of this Lease and without any cost or expense to Lessor, keep and maintain the Lease Premises, including all Improvements, in good order and repair and in a clean, safe, sanitary, and orderly condition.

(2) Lessee shall make, or cause to be made, any Repairs which may be required by any Regulatory Agency. Lessee shall observe and comply with, any law, statute, ordinance, plan, regulation, resolution, or policy applicable to the Lease Premises in making such Repairs. All work shall be performed with reasonable diligence, completed within a reasonable time, and performed at the sole cost and expense of Lessee.

(3) Lessee expressly accepts the Lease Premises "as is" and expressly acknowledges that:

(i) Lessor has made no representations or warranties as to the suitability of the Lease Premises for any Improvements. Lessee shall conduct all tests necessary to determine the suitability of the Lease Premises for any proposed use or Improvements authorized; and

(ii) Lessor has made no representations or warranties as to the quality or value of any Improvements found on the Lease Premises, or of their conformity to any applicable building codes, zoning ordinances, or other regulations. Lessee agrees to inspect any preexisting Improvements at its own cost to determine whether such Improvements are safe and suitable for

the Lessee's intended use; and

(iii) Lessee shall neither be entitled to any reduction in rent, nor any extension of the terms of this Lease because of damage to or destruction of any Improvements on the Lease Premises.

(iv) Lessee and Lessor agree that any Improvements on the Lease Premises constitute the personal property of Lessee and that fixture law does not apply.

(4) In the event that the Lease Premises is partly, or in whole, comprised of tidal, submerged, or waterfront property, Lessee expressly accepts the hazards involved in using or improving such lands. Lessor is not responsible for, and Lessee shall not be reimbursed for nor receive any offset of rent for, any damages or reduced use of the Lease Premises caused by: local or invasive flora or fauna, flooding, erosion, sea level rise, storms, freezing, inclement weather of any kind, acts of god, maintenance or failure of protective structures, and any other such hazards.

**(d) Additions, Alterations, and Removal**

No Improvements other than those expressly authorized in this Lease shall be constructed by the Lessee on the Lease Premises without the prior written consent of Lessor. Any Additions or Alterations are expressly prohibited. Lessee is also prohibited from any Additions or Alterations which cause a material change to the environmental impact on or around the Lease Premises.

**(e) Enjoyment**

This Lease is non-exclusive, and is subject to the provisions of Section 3, Paragraph 6 below. Lessee shall have the right to exclude persons from the Lease Premises only when their presence or activity constitutes a material interference with Lessee's use and enjoyment of the Lease Premises.

**(f) Discrimination**

Lessee, in its use of the Lease Premises, shall not discriminate against any person or class of persons on any basis protected by federal, state, or local law, including: race, color, creed, religion, national origin, sex, sexual orientation, gender identity, age, marital/parental status, veteran status, or disability.

**(g) Residential Use**

Unless otherwise provided for in this Lease, no portion of the Lease Premises shall be used as a location for a Residence, for the purpose of mooring or maintaining a structure which is used as a Residence, or for Residential Uses.

**(h) Commercial Use**

Unless otherwise provided for in this Lease, the Lease Premises is to be used by Lessee and Lessee's invitees or guests only. Use of the Lease Premises for commercial purposes; conducting a business, whether for profit or otherwise; and any subleasing, rental, or any transaction whereby Lessee directly or indirectly receives compensation from a third party in exchange for use of the Lease Premises shall constitute an immediate Default of this lease with no cure period.

**6. RESERVATIONS, ENCUMBRANCES, AND RIGHTS-OF-WAY**

**(a) Reservations**

(1) Lessor expressly reserves all natural resources in or on the Lease Premises, including but not limited to timber, minerals, and geothermal resources as defined under Public Resources Code sections 6401, 6407, and 6903, respectively; the right to grant and transfer the same; as well as the right to grant leases in and over the Lease Premises which may be necessary or convenient for the extraction of such natural resources. Such leasing shall be neither inconsistent nor incompatible with the rights or privileges of Lessee under this Lease.

(2) Lessor expressly reserves a right to go on the Lease Premises and all Improvements for any purposes associated with this Lease or for carrying out any function required by law, or the rules, regulations, or management policies of the State Lands Commission. Lessor shall have a right of reasonable access to the Lease Premises across Lessee owned or occupied lands adjacent to the Lease Premises for any purpose associated with this Lease.

(3) Lessor expressly reserves to the public an easement for convenient access across the Lease Premises to other State-owned lands located near or adjacent to the Lease Premises and a right of reasonable passage across and along any right-of-way granted by this Lease; however, such easement or right-of-way shall be neither inconsistent nor incompatible with the rights or privileges of Lessee under this Lease.



(4) Lessor expressly reserves the right to lease, convey, or encumber the Lease Premises, in whole or in part, during the Lease term for any purpose not inconsistent or incompatible with the rights or privileges of Lessee under this Lease.

**(b) Encumbrances**

The Lease Premises may be subject to pre-existing contracts, leases, licenses, easements, encumbrances, and claims and is made without warranty by Lessor of title, condition, or fitness of the land for the stated or intended purpose.

**7. RULES, REGULATIONS, AND TAXES**

(a) Lessee shall comply with and be bound by all presently existing or subsequently enacted rules, regulations, statutes or ordinances of the State Lands Commission or any Regulatory Agency. Occupancy or use of the Lease Premises provides no exemption from applicable regulations including, but not limited to, federal, state, county and local regulations, regulations promoting public health, safety, or welfare, building codes, zoning ordinances, and sanitation regulations. Lessee expressly acknowledges that Regulatory Agencies have jurisdiction over the Lease Premises unless such laws are in direct conflict with state law or public trust principles.

(b) Lessee understands and agrees that a necessary condition for the granting and continued existence of this Lease is that Lessee obtains and maintains all permits or other entitlements. Lessee expressly acknowledges that issuance of this Lease does not substitute for, or provide preference in obtaining authorizations from other Regulatory Agencies.

**(c) Taxes**

(1) In addition to the rent due under this Lease, Lessee accepts responsibility for and shall pay any and all real and personal property taxes, including possessory interest taxes, assessments, special assessments, user fees, service charges, and other charges of any description levied, imposed on, assessed, or associated with the leasehold interest, Improvements on the Lease Premises, any business or activity occurring on the Lease Premises, the Lease Premises itself, or any portion thereof, levied by any governmental agency or entity. Such payment shall not reduce rent due Lessor under this Lease and Lessor shall have no liability for such payment.

(2) In the event that this Lease commences, terminates or expires during a tax year, Lessee shall pay the taxes for the period of such year during which this Lease was in effect.

(3) Any and all taxes and assessments and installments of taxes and assessments required to be paid by Lessee under this Lease shall be paid when due and the official and original receipt for the payment of such tax, assessment, or installment shall be delivered to Lessor upon request.

(4) Lessee shall indemnify and hold Lessor, the Lease Premises, and any Improvements now or hereafter located thereon, free and harmless from any liability, loss, or Damages resulting from any taxes, assessments, or other charges required by this Lease to be paid by Lessee and from all interest, penalties, and other sums imposed thereon and from any sales or other proceedings to enforce collection of any such taxes, assessments, or other charges.

**8. INDEMNITY**

(a) Lessee's use of the Lease Premises and any Improvements thereon is at Lessee's sole and exclusive risk.

(b) In addition to any other obligation to indemnify Lessor as otherwise provided in this Lease, except to the extent caused by the sole negligence and/or willful misconduct of the Lessor, Lessee shall indemnify, hold harmless, and, at the option of Lessor, defend Lessor, its officers, agents, and employees from any and all Damages resulting from Lessee's occupation and use of the Lease Premises. Lessee shall reimburse Lessor in full for all reasonable costs and attorneys' fees, specifically including, without limitation, any Damages arising by reason of: (1) The issuance, enjoyment, interpretation, Breach, or Default of this Lease; (2) The challenge to or defense of any environmental review upon which the issuance of this Lease is based; (3) The death or injury of any person, or damage to or destruction of any property from any cause whatever in any way connected with the Lease Premises, or with any of the Improvements or personal property on the Lease Premises; (4) The condition of the Lease Premises, or Improvements on the Lease Premises; (5) An act or omission on the Lease Premises by Lessee or any person in, on, or about the Lease Premises; (6) Any work performed on the Lease Premises or material furnished to the Lease Premises; (7) Lessee's failure to comply with any material legal or other requirement validly imposed on Lessee or the Lease Premises by a Regulatory Agency.

(c) The reimbursement provisions of this Paragraph 8 shall not apply to any claims, litigation, or other actions which may be brought by either Lessee or Lessor against each other.

(d) Nothing in this paragraph shall be construed as requiring that Lessor defend itself against all or any aspect of any challenge to

this Lease or any associated environmental review. However, Lessee may take whatever legal action is available to it to defend this Lease or any associated environmental review against any challenge by a third party, whether or not Lessor chooses to raise a defense against such a challenge.

(e) Lessee shall notify Lessor immediately in case of any accident, injury, or casualty on the Lease Premises.

#### **9. INSURANCE**

(a) Lessee shall obtain and maintain in full force and effect during the term of this Lease comprehensive general liability insurance and property damage insurance, with such coverage and limits as may be reasonably requested by Lessor from time to time, but in no event for less than the sum(s) specified against any and all claims or liability arising out of the ownership, use, occupancy, condition, or maintenance of the Lease Premises and all Improvements.

(b) The insurance policy shall identify the Lease by its assigned number. The specific Improvements shall also be generally identified, as well as their location on state owned property. The coverage provided shall be primary and non-contributing. Lessee shall keep such policy current. Lessor shall be named as a "certificate holder" and/or an "additional interest" on the policy. Lessee shall provide Lessor with a current certificate of insurance at all times. At Lessor's request, Lessee shall provide a full copy of the current insurance policy, along with any and all endorsements or other such documents affecting the coverage. Lessor will not be responsible for any premiums or other assessments on the policy.

(c) The insurance coverage specified in this Lease shall be in effect at all times during the Lease term and subsequently until Lessor has either accepted all of the Lease Premises as improved or restored by Lessee as provided elsewhere in this Lease. Lessee shall notify Lessor within five (5) business days if the insurance is canceled for any reason.

#### **10. SURETY BOND**

(a) When required by Section 1 of this Lease, Lessee shall provide a surety bond or other security device acceptable to Lessor, for the specified amount, and naming the State of California, California State Lands Commission as the assured, to guarantee to Lessor the faithful observance and performance by Lessee of all of the terms, covenants, and conditions of this Lease.

(b) Lessor may require an increase in the amount of the surety bond or other security device to cover any additionally authorized Improvements, any modification of consideration, or to provide for inflation or other increased need for security. The surety bond or other security device may be increased on each fifth anniversary of the beginning date of this Lease. Should Lessor fail to exercise such right effective on any fifth anniversary, it may do so effective on any one (1) of the next four (4) anniversaries following such fifth anniversary without prejudice to its right to effect such modification on the next or any succeeding fifth anniversary. No such modification shall become effective unless Lessee is given at least thirty (30) days' notice prior to the date of the Commission meeting wherein the modification of the bond or security is considered, or thirty (30) days' notice prior to the effective date of the increase, whichever provides more notice.

(c) The surety bond or other security device shall be maintained in full force and effect at all times during the Lease term and subsequently until Lessor has either accepted all of the Lease Premises as improved or restored by Lessee as provided elsewhere in this Lease. Lessee must first seek approval of Lessor before changing the type of security device used, or the bond holder.

#### **11. ASSIGNMENT, ENCUMBRANCING OR SUBLETTING**

(a) Lessee shall not either voluntarily or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease and shall not sublet the Lease Premises, in whole or in part, or allow any person other than the Lessee's employees, agents, servants and invitees to occupy or use all or any portion of the Lease Premises without the prior written consent of Lessor, which consent shall not be unreasonably withheld.

(1) Notwithstanding the foregoing prohibition against transfer and assignment, the Lease may be transferred by Lessee if the transfer is caused by the death of a spouse and the full interest of the deceased spouse is transferred to a surviving spouse; or the transfer is caused by the dissolution of the marriage of Lessee and the full interest of one of the spouses is transferred to the other spouse. In the event of such a transfer, Lessor shall be notified in writing within 30 days of the transfer.

(2) Notice to Lessor of Successor Trustee(s): In the event this Lease is held in trust, and the Lessee is a trustee thereof, the substitution or succession of a new trustee shall not be an assignment or transfer for the purposes of this Paragraph. Lessee (and by operation of law, any successor trustee) agrees to provide prompt notice to Lessor of any succession or substitution of trustee in accordance with Paragraph 16(c) of General Provisions, no later than sixty (60) days after the named trustee as appears on the face of this Lease becomes unable or ceases to serve as trustee for any reason.

- (b) The following shall be deemed to be an assignment or transfer within the meaning of this Lease:
- (1) If Lessee is a business entity, any dissolution, merger, consolidation or other reorganization of Lessee, or the sale or other transfer of substantially all the assets of Lessee. If Lessee is a publicly traded entity, transfers of interests in Lessee shall not constitute an assignment requiring the consent of Lessor.
  - (2) If Lessee is a partnership, a transfer of any interest of a general partner, a withdrawal of any general partner from the partnership, or the dissolution of the partnership.
- (c) If this Lease is for sovereign lands appurtenant to adjoining littoral or riparian land, Lessee shall not transfer or assign its ownership interest or use rights in such adjoining lands separately from the leasehold rights granted herein without the prior written consent of Lessor.
- (d) If Lessee desires to assign, sublet, encumber or otherwise transfer all or any portion of the Lease Premises, Lessee shall do all of the following:
- (1) Give not less than 90 days' prior written notice to Lessor;
  - (2) Provide the name, complete business organization, operational structure, and formation documents of the proposed assignee, sublessee, secured third party, or other transferee; and the nature of the use of and interest in the Lease Premises proposed by the assignee, sublessee, secured third party or other transferee.
  - (3) Provide the terms and conditions of the proposed assignment, sublease, or encumbrance or other transfer;
  - (4) Provide audited financial statements for the two most recently completed fiscal years of the proposed assignee, sublessee, secured party or other transferee; and provide pro forma financial statements showing the projected income, expense and financial condition resulting from use of the Lease Premises; and
  - (5) Provide such additional or supplemental information as Lessor may reasonably request concerning the proposed assignee, sublessee, secured party or other transferee.
  - (6) Lessor will evaluate proposed assignees, sublessees, secured third parties and other transferees and grant approval or disapproval according to standards of commercial reasonableness considering the following factors within the context of the proposed use: the proposed party's financial strength and reliability, their business experience and expertise, their personal and business reputation, their managerial and operational skills, their proposed use and projected rental, as well as other relevant factors.
- (e) Lessor shall have a reasonable period of time from the receipt of all documents and other information required under this provision to grant or deny its approval of the proposed party. Lessor may reevaluate the rent, insurance and/or bond provisions of this Lease, and may condition its approval of the proposed assignment, sublease, hypothecation, mortgage, or other transfer on the party's acceptance of the new terms. Lessee's rights stated in this paragraph shall apply regardless of whether the proposed transfer coincides with a regular rent review period as stated in Section 3 Paragraph 3(c) above.
- (f) Lessee's mortgage or hypothecation of this Lease, if approved by Lessor, shall be subject to terms and conditions imposed by a separately negotiated encumbrancing agreement.
- (g) Upon the express written assumption of all obligations and duties under this Lease by an assignee approved by Lessor, the Lessee may be released from all liability under this Lease arising after the effective date of assignment and not associated with Lessee's use, possession or occupation of or activities on the Lease Premises; except as to any hazardous wastes, substances or materials as defined under federal, state or local law, regulation, or ordinance manufactured, generated, used, placed, disposed, stored or transported on the Lease Premises during Lessee's tenancy.
- (h) If the Lessee files a petition or an order for relief is entered against Lessee, under Chapters 7, 9, 11 or 13 of the Bankruptcy Code (11 USC Sect. 101, et seq.) then the trustee or debtor-in-possession must elect to assume or reject this Lease within sixty (60) days after filing of the petition or appointment of the trustee, or the Lease shall be deemed to have been rejected, and Lessor shall be entitled to immediate possession of the Lease Premises. No assumption or assignment of this Lease shall be effective unless it is in writing and unless the trustee or debtor-in-possession has cured all Defaults under this Lease (monetary and non-monetary) or has provided Lessor with adequate assurances (1) that within ten (10) days from the date of such assumption or assignment, all monetary Defaults under this Lease will be cured; and (2) that within thirty (30) days from the date of such assumption, all non-monetary Defaults under this Lease will be cured; and (3) that all provisions of this Lease will be satisfactorily performed in the

future.

(i) In the event of any transfer or assignment, under this Paragraph 11 or by any other means authorized by this Lease, the Lease terms shall be for the remaining years existing on the Lease prior to the transfer or assignment. A transfer or assignment shall not extend the term of this Lease.

## 12. DEFAULT AND REMEDIES

### (a) Default

The occurrence of any one or more of the following events shall immediately and without further notice constitute a Default of this Lease:

(1) Lessee's failure to make any payment of rent, royalty, or other consideration as required under this Lease; or

(2) Lessee's failure to obtain or maintain liability insurance or a surety bond or other security device as required under this Lease; or

(3) Lessee's abandonment of the Lease Premises (including the covenant for continuous use as provided for in Paragraph 5(b)) during the Lease term; or

(4) Lessee's failure to obtain and maintain all necessary governmental permits or other entitlements; or

(5) The maintenance of the Lease Premises in violation of, or failure to comply with, any applicable provisions of any Regulatory Agency, Environmental Law, or maintenance of the Lease Premises in a condition constituting nuisance; or

(6) Lessee's Failure to commence to construct and to complete construction of the Improvements authorized by this Lease within the time limits specified in this Lease.

(7) Lessee is found to sublet or otherwise surrender daily management and control of the Lease Premises to a third party without the knowledge, expressed written consent or authorization of the Lessor.

(b) Lessee's failure to observe or perform any other term, covenant, or condition of this Lease when such failure shall continue for a period of thirty (30) days after Lessor's giving written notice shall constitute a Default of this lease. However, if the nature of Lessee's Default under this paragraph is such that more than thirty (30) days are reasonably required for its cure, then Lessee shall not be deemed to be in Default if Lessee commences such cure within such thirty (30) day period and diligently proceeds with such cure to completion.

(c) Should Lessee Breach any term, covenant, or condition of this Lease under Paragraph 12(b) above three (3) times in any three hundred and sixty-five (365) day period, the third Breach will be a Default under this Lease and Lessor will be entitled to immediately terminate this Lease, and take other appropriate action. Lessor will provide written notice of each Breach as provided above, and provide written notice that future Breaches will constitute immediate Default with no cure period.

### (d) Remedies

In the event of a Default by Lessee and Lessee's failure to cure such Default if such a cure period is applicable, Lessor may at any time and with or without notice do any one or more of the following in addition to any rights or remedies permitted by law:

(1) Re-enter the Lease Premises, remove all persons and property, and repossess and enjoy such premises; or

(2) Terminate this Lease and Lessee's right of possession of the Lease Premises by any lawful means. The termination shall not relieve Lessee of any obligation, monetary or otherwise, which has accrued prior to the date of termination. Such termination shall be effective upon Lessor's giving written notice and upon Lessee's receipt of such notice. Lessee shall immediately surrender possession of the Lease Premises to Lessor. Lessor shall be entitled to recover from Lessee all amounts to which Lessor is entitled pursuant to Section 1951.2 of the California Civil Code, or any other provision of law, including any necessary Repair, renovation, alteration, remediation, or removal of Improvements; or

(3) Maintain this Lease in full force and effect and recover any rent, royalty, or other consideration as it becomes due without terminating Lessee's right of possession regardless of whether Lessee shall have abandoned the Lease Premises, subject to the

conditions imposed by Cal. Civil Code § 1951.2; or

(4) Exercise any other right or remedy which Lessor may have at law or equity.

**(e) Determination of Rental Value**

If rent under this Lease is calculated as a percentage of Lessee's income attributable to the Lease Premises and Lessee abandons the Lease Premises during some or all of the applicable period, then the reasonable rental value shall be the percentage of proceeds Lessor would have received had Lessee operated the Lease Premises in the usual and customary manner.

**(f) Waiver of Rights**

The failure or delay of either party to exercise any right or remedy shall not be construed as a waiver of such right or remedy or any Breach by the other party. Lessor's acceptance of any rent shall not be considered a waiver of any preexisting Breach by Lessee other than the failure to pay the particular rent accepted regardless of Lessor's knowledge of the preexisting Breach at the time rent is accepted.

**13. RESTORATION OF LEASE PREMISES AND ENVIRONMENTAL MATTERS**

**(a) Restoration of Lease Premises**

(1) Upon expiration or sooner termination of this Lease, Lessee must immediately surrender possession of the Lease Premises to Lessor. Prior to the time of surrender, Lessee must remove all or any Improvements together with the debris and all parts of any such Improvements at its sole expense and risk, regardless of whether Lessee actually constructed or placed the Improvements on the Lease Premises; or Lessor, at its sole and absolute discretion, may itself remove or have removed all or any portion of such Improvements at Lessee's sole expense. Lessor may waive all or any part of this obligation in its sole discretion if doing so is in the best interests of the State.

(2) As a separate and related obligation, Lessee shall restore the Lease Premises as nearly as possible to the conditions existing prior to the installation or construction of any Improvements. For purposes of this Lease, restoration includes removal of any landscaping; removal of any Hazardous Materials; and to the extent possible, undoing any grading, fill, excavation, or similar alterations of the natural features of the Lease Premises. Lessor may waive all or any part of this obligation in its sole and absolute discretion.

(3) Unless otherwise provided for in this Lease, Lessee shall submit to Lessor no later than one (1) year prior to the expiration of this Lease either: (a) an application and minimum expense deposit for a new lease for the continued use of the Lease Premises, or (b) a plan for the restoration of the Lease Premises to be completed prior to the expiration of the lease term together with a timeline for obtaining all necessary permits and conducting the work prior to the expiration of this Lease.

(4) In removing any or all Improvements, or conducting any restoration work, Lessee shall be required to obtain any permits or other governmental approvals as may then be required by any Regulatory Agency, including, without limitation, any Environmental Law.

(5) Lessor may, upon written notice, in its sole and absolute discretion, accept title to any or all Improvements at the termination of this Lease. Lessor shall notify Lessee that Lessor intends to take title to any or all Improvements within six (6) months of Lessee submitting a plan for restoration under Paragraph 13(a)(3)(b) above. If Lessor elects to take title to any such Improvements, Lessee shall deliver to Lessor such documentation as may be necessary to convey title to such Improvements to Lessor free and clear of any liens, mortgages, loans, or any other encumbrances. Lessor shall not pay, and Lessee shall not be entitled to compensation for Lessor's taking title to such property.

**(b) Environmental Matters**

**(1) Lessee's Obligations:**

(i) Lessee will not use, occupy, or permit any portion of the Lease Premises to be used or occupied in violation of any Environmental Law. Lessee shall not manufacture or generate or store Hazardous Material on the Lease Premises unless specifically authorized under other terms of this Lease.

(ii) Lessee shall practice conservation of water, energy, and other natural resources.

(iii) Lessee shall notify Lessor and the appropriate governmental emergency response agency, or agencies immediately in

the event of any release or threatened release of any Hazardous Material.

(2) Lessor may at any time during the Lease term require Lessee to conduct at its own expense and by a contractor approved by Lessor an independent environmental site assessment or inspection for the presence or suspected presence of Hazardous Material generated, used, placed, disposed, stored, or transported on the Lease Premises during the term of the Lease. Lessee shall provide the results of the assessment or inspection to Lessor and the appropriate governmental response agency or agencies and shall further be responsible for removing or taking other appropriate remedial action regarding such Hazardous Material in accordance with applicable Environmental Law.

(3) Environmental Indemnity.

Lessee shall indemnify, defend, and hold Lessor and Lessor's, officer, appointees, volunteers, employees, agents, successors and assigns free and harmless from and against all Damages that may at any time be imposed upon, incurred by, or asserted or awarded against Lessor in connection with or arising from any Breach of Lessee's obligations hereunder; or out of any violation by Lessee of any Environmental Law; or resulting in the imposition of any lien or claim for the recovery of any costs for environmental cleanup or other response costs relating to the release or threatened release of Hazardous Materials on the Lease Premises during the Lessee's tenancy. This obligation shall include any prior leases between Lessor and Lessee and will continue through any periods Lessee is in holdover, unlawful detainer, or any subsequent month-to-month tenancies created by operation of law. Lessee's obligations hereunder will survive the expiration or sooner termination of this Lease.

(4) Violation of this section shall constitute grounds for termination of the Lease. Lessor, shall notify Lessee when, in Lessor's opinion, Lessee has violated the provisions of this section. Lessee shall immediately discontinue the conduct and respond within five (5) business days. Lessee shall take all measures necessary to remedy the condition.

#### 14. QUITCLAIM

Lessee shall, upon the early termination of this Lease and at Lessor's request, execute and deliver to Lessor in a form provided by Lessor a good and sufficient release of all rights under this Lease. Should Lessee fail or refuse to deliver such a release, Lessor may record a written notice reciting such failure or refusal. This written notice shall, from the date of its recordation, be conclusive evidence against Lessee of the termination of this Lease and all other claimants.

#### 15. HOLDING-OVER

(a) This Lease shall terminate without further notice upon the expiration of the term of this Lease. Lessee shall have removed any Improvements and completed any restoration as required by Lessor prior to the expiration of this Lease, and shall surrender possession of the Lease Premises. Any failure by the Lessee to remove Improvements, restore the Lease Premises, and/or surrender possession of the Lease Premises at the expiration or sooner termination of this Lease shall not constitute a renewal or extension and shall not give Lessee any rights in or to the Lease Premises or any part thereof except as expressly provided in this Lease. Lessee shall be deemed in unlawful detainer of the Lease Premises and Lessor shall be entitled to all resulting legal remedies.

(b) Lessor may, in its sole discretion, choose to accept Rent for the Lease Premises instead of immediately taking legal action to recover possession of the Lease Premises. Any tenancy created by operation of law on Lessor's acceptance of rent shall be deemed a month-to-month tenancy regardless of what sum or sums Lessee delivers to Lessor. Except as set forth below, any subsequent tenancy created in this manner shall be on the same terms, covenants, and conditions set forth in this Lease insofar as such terms, covenants, and conditions can be applicable to a month-to-month tenancy

(c) In recognition of the increased accounting, land management, and supervisory staff time required for month-to-month tenancies, the rent for each month or any portion thereof during such holdover period may be an amount equal to one hundred fifty percent (150%) of one-twelfth (1/12) of the total compensation for the most recent year paid. In the event this Lease does not require monetary compensation, Lessor shall have the right to establish rent based on the fair market value of the Lease Premises. The month-to-month tenancy may be terminated by Lessee or Lessor upon thirty (30) calendar days' prior written notice to the other.

#### 16. ADDITIONAL PROVISIONS

##### (a) Waiver

(1) No term, covenant, or condition of this Lease and no omission, neglect, Default or Breach of any such term, covenant or condition shall be deemed to have been waived by Lessor's acceptance of a late or nonconforming performance or otherwise, unless such a waiver is expressly acknowledged by Lessor in writing. No delay or omission of Lessor to exercise any right or power arising from any omission, neglect, Default or Breach of term, covenant, or condition of this Lease shall be construed as a waiver or any acquiescence therein.

(2) Any such waiver shall not be deemed to be a waiver of any other term, covenant or condition; of any successive Breaches of the same term, covenant, or condition; or of any other Default or Breach of any term, covenant or condition of this Lease.

**(b) Time**

Time is of the essence for this Lease and each and all of its terms, covenants or conditions in which performance is a factor.

**(c) Notice**

All notices required to be given under this Lease shall be given in writing, sent by U.S. Mail with postage prepaid, to Lessor at the offices of the State Lands Commission and the Lessee at the address specified in this Lease. Lessee shall give Lessor notice of any change in its name or address.

**(d) Consent**

Where Lessor's consent is required under this Lease its consent for one transaction or event shall not be deemed to be a consent to any subsequent occurrence of the same or any other transaction or event.

**(e) Changes**

This Lease may be terminated and its term, covenants, and conditions amended, revised, or supplemented only by mutual written agreement of the parties.

**(f) Successors**

The terms, covenants, and conditions of this Lease shall extend to and be binding upon and inure to the benefit of the heirs, successors, and assigns of the respective parties.

**(g) Joint and Several Obligation**

If more than one Lessee is a party to this Lease, the obligations of the Lessees shall be joint and several.

**(h) Captions**

The section and paragraph captions used in this Lease are for the convenience of the parties. The captions are not controlling and shall have no effect upon the construction or interpretation of this Lease.

**(i) Severability**

If any term, covenant or condition of this Lease is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall remain valid and enforceable to the fullest extent permitted by law.

**(j) Representations**

Lessee agrees that no representations have been made by Lessor or by any person or agent acting for Lessor. Lessor and Lessee agree and acknowledge that this document contains the entire agreement of the parties, that there are no verbal agreements, representations, warranties or other understandings affecting this Lease, and Lessor and Lessee, as a material part of the consideration of this Lease, waive all claims against the other for rescission, damages, or otherwise by reason of any alleged covenant, agreement or understanding not contained in this Lease.

**(k) Gender and Plurality**

In this Lease, the masculine gender includes both the feminine and neuter, and the singular number includes the plural whenever the context so requires.

**(l) Survival of Certain Covenants**

All covenants pertaining to bond, insurance, indemnification, restoration obligations, Breach, Default, and remedies shall survive the expiration or earlier termination of this Lease until Lessee has fulfilled all obligations to restore the Lease Premises as required by this Lease.

**(m) Counterparts**

This agreement may be executed in any number of counterparts and by different parties in separate counterparts. Each counterpart when so executed shall be deemed to be an original and all of which together shall constitute one and the same agreement.

**(n) Delegation of Authority**

Lessor and Lessee acknowledge Lessor as defined herein includes the Commission Members, their alternates or designees, and the staff of the Commission. The ability of staff of the Commission to give consent, or take other discretionary actions described

herein will be as described in the then-current delegation of authority to Commission staff. All other powers are reserved to the Commission.



STATE OF CALIFORNIA - STATE LANDS COMMISSION

LEASE NO. PRC 3228.9

This Lease shall become effective only when approved by and executed on behalf of the State Lands Commission of the State of California and a duly executed copy has been delivered to Lessee. The submission of this Lease by Lessor, its agent, or representative for examination by Lessee does not constitute an option or offer to lease the Lease Premises upon the terms and conditions contained herein, or a reservation of the Lease Premises in favor of Lessee. Lessee's submission of an executed copy of this Lease to Lessor shall constitute an offer to Lessor to lease the Lease Premises on the terms and conditions set forth herein.

**IN WITNESS WHEREOF**, the parties hereto have executed this Lease as of the date hereafter affixed.

**LESSEE:**

**SAN ELIJO JOINT POWERS  
AUTHORITY**

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

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

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

**LESSOR:**

**STATE OF CALIFORNIA  
STATE LANDS COMMISSION**

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

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

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

**CITY OF ESCONDIDO**

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

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

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

Execution of this document was authorized by  
the California State Lands Commission on

\_\_\_\_\_  
(Month Day Year)

**ATTACH ACKNOWLEDGMENT**

**EXHIBIT "A-1" PRC 3228  
LEGAL DESCRIPTION**

VESTING: STATE OF CALIFORNIA

APN: 261-191-07

THAT PORTION OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 27, TOWNSHIP 13 SOUTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF ENCINITAS, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF, DESCRIBED AS PARCEL 1-A IN GRANT DEED TO THE STATE OF CALIFORNIA RECORDED JUNE 1, 1977 AS FILE/PAGE NO. 77-211013 OF OFFICIAL RECORDS OF SAID COUNTY, BEING A 50.00 FOOT WIDE STRIP, 25.00 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING AT THE WEST QUARTER CORNER OF SECTION 26, TOWNSHIP 13 SOUTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN AS SHOWN ON RECORD OF SURVEY NO. 5928 RECORDED AUGUST 7, 1961 AS FILE NO. 135364 IN THE OFFICE OF THE COUNTY RECORDED OF SAID COUNTY;

THENCE ALONG THE WEST LINE OF SAID SECTION 26 SOUTH 00°03'05" WEST (NORTH 00°27'39" WEST PER ROS 5928) 430.13 FEET TO THE SOUTHERLY RIGHT-OF-WAY OF MANCHESTER AVENUE AS SHOWN ON SAID RECORD OF SURVEY, AND A POINT ON A NON-TANGENT 710.00 FOOT RADIUS CURVE, CONCAVE SOUTHERLY, A RADIAL FROM SAID POINT BEARS SOUTH 03°59'12" EAST;

THENCE ALONG SAID RIGHT-OF-WAY, WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 0°29'23" AN ARC LENGTH OF 6.07 FEET;

THENCE SOUTH 85°31'25" WEST 50.40 FEET TO THE BEGINNING OF A 790.00 FOOT RADIUS CURVE, CONCAVE NORTHERLY;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 7°34'20" AN ARC LENGTH OF 104.41 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE LEAVING SAID RIGHT-OF-WAY SOUTH 16°47'55" WEST 132.40 FEET TO THE BEGINNING OF A 1500.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY;

THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 62°47'07" AN ARC LENGTH OF 1643.71 FEET;

THENCE SOUTH 79°35'02" WEST 446.28 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF XI-SD-2-A, BEING 50.00 FEET EAST OF THE CENTERLINE AS SHOWN ON CALIFORNIA DEPARTMENT OF TRANSPORTATION RIGHT OF WAY MAP LO 9615, AND THE TERMINUS OF SAID CENTERLINE OF A 50.00 FOOT WIDE STRIP.

THE SIDELINES OF SAID 50.00 FOOT WIDE STRIP TO BE LENGTHENED OR SHORTENED TO TERMINATE AT SAID SOUTHERLY RIGHT-OF-WAY OF MANCHESTER AVENUE ON THE NORTH END AND SAID EASTERLY RIGHT-OF-WAY OF XI-SD-2-A ON THE SOUTHWESTERLY END.

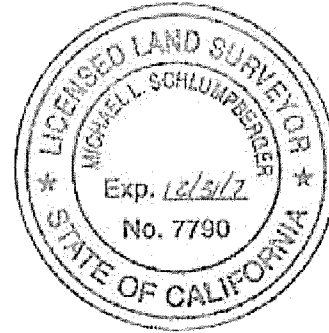
CONTAINING 1.161 ACRES MORE OR LESS

ATTACHED HERETO AND MADE A PART HEREOF THIS LEGAL DESCRIPTION IS A PLAT  
LABELED EXHIBIT "B-1" CONSISTING OF 5 SHEETS

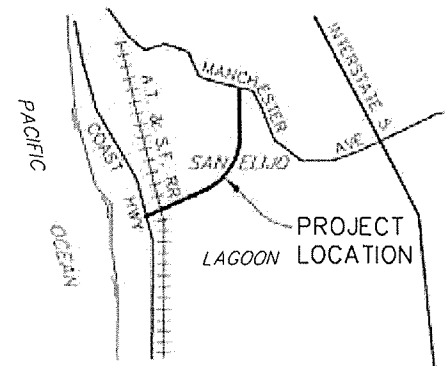
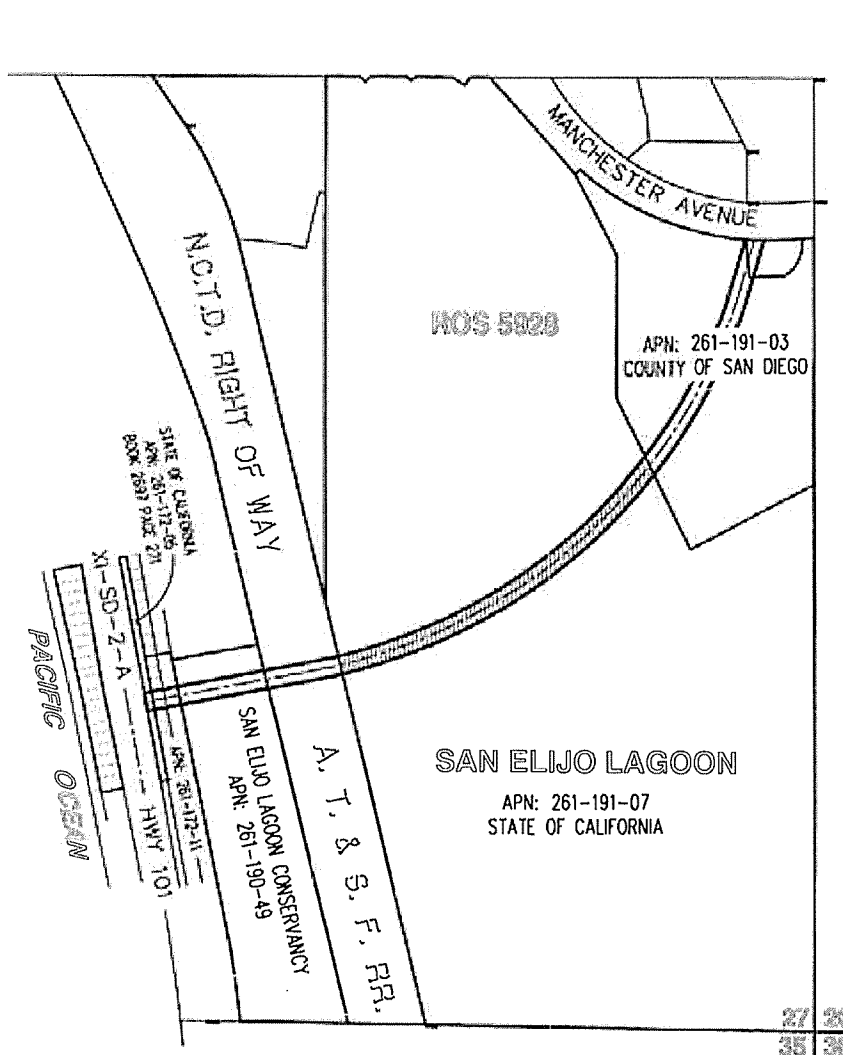
THIS REAL PROPERTY DESCRIPTION HAS BEEN PREPARED BY ME, OR UNDER MY  
DIRECTION, IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYORS ACT.

  
MICHAEL SCHLUMPBERGER, PLS 7790

June 16, 2016  
DATE



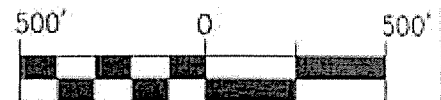
# EXHIBIT "B-1"



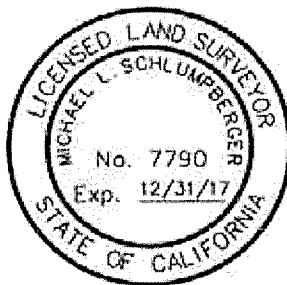
VICINITY MAP  
NO SCALE



DENOTES AREA OF LEASE  
ACQUISITION.  
1.161 ACRES MORE OR LESS.



GRAPHIC SCALE  
1 INCH = 500FT.



THIS MAP WAS PREPARED BY ME OR UNDER  
MY DIRECTION IN CONFORMANCE WITH THE  
PROFESSIONAL LAND SURVEYOR'S ACT.

*Michael L. Schlumberger* June 14, 2016  
MICHAEL L. SCHLUMBERGER DATE

**Right-Of-Way Engineering Services, Inc.**  
Land Surveying  
615 South Tremont Street • Oceanside, CA 92054  
(760) 637-2700 row@roweng.net  
Job no.: 1503-0007-11

NOTE: DATA SHOWN HEREON IS  
BASED ON RECORD INFORMATION.

**SAN ELIJO JOINT POWERS AUTHORITY**

VESTING: STATE OF CALIFORNIA

DATE: MAY 24, 2016

SHEET 1 OF 5

# EXHIBIT "B-1"

P.O.C.  
WEST 1/4 COR.  
SEC. 26

## CURVE DATA

C1  $\Delta=0^{\circ}29'23''$   $R=710.00'$   $L=6.07'$   
C2  $\Delta=7^{\circ}34'20''$   $R=790.00'$   $L=104.41'$

## LINE DATA

L1 S  $85^{\circ}31'25''$  W 50.40'

APN: 261-010-13  
SAN ELIJO JOINT POWERS  
AUTHORITY

S 00°03'05" W 430.13'

MANCHESTER

AVENUE

T.P.O.B.

L1

C1

F

B

A

APN: 261-191-04  
CARDIFF SANITATION  
DISTRICT

APN: 261-191-03  
COUNTY OF SAN DIEGO  
F/P NO. 82-345977 O.R.

23.00'  
25.00'

SEE SHEET 3



DENOTES AREA OF LEASE  
ACQUISITION.  
1.161 ACRES MORE OR LESS.



GRAPHIC SCALE  
1 INCH = 100 FT.

○ SEE SHEET 5 FOR  
EASEMENT INFORMATION

NOTE: DATA SHOWN HEREON IS  
BASED ON RECORD INFORMATION.

SAN ELIJO JOINT POWERS AUTHORITY

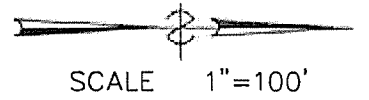
VESTING: STATE OF CALIFORNIA  
Resolution 2016-102  
Exhibit "A"

Page 22 of 37

DATE: MAY 24, 2016

SHEET 2 OF 5

# EXHIBIT "B-1"



SEE SHEET 4

○ SEE SHEET 5 FOR  
 EASEMENT INFORMATION

DENOTES AREA OF LEASE  
 ACQUISITION.  
 1.161 ACRES MORE OR LESS.



ROS 5928

SAN ELIJO LAGOON

APN: 261-191-07  
 STATE OF CALIFORNIA  
 F/P NO. 77-211013 O.R.

NOTE: DATA SHOWN HEREON IS  
 BASED ON RECORD INFORMATION.

SAN ELIJO JOINT POWERS AUTHORITY

VESTING: STATE OF CALIFORNIA

DATE: MAY 24, 2016

SHEET 3 OF 5

⑤ ⑥  
 APN: 261-191-03  
 COUNTY OF SAN DIEGO  
 F/P NO. 82-345977 O.R.

SEE SHEET 2

①

①

23.00'

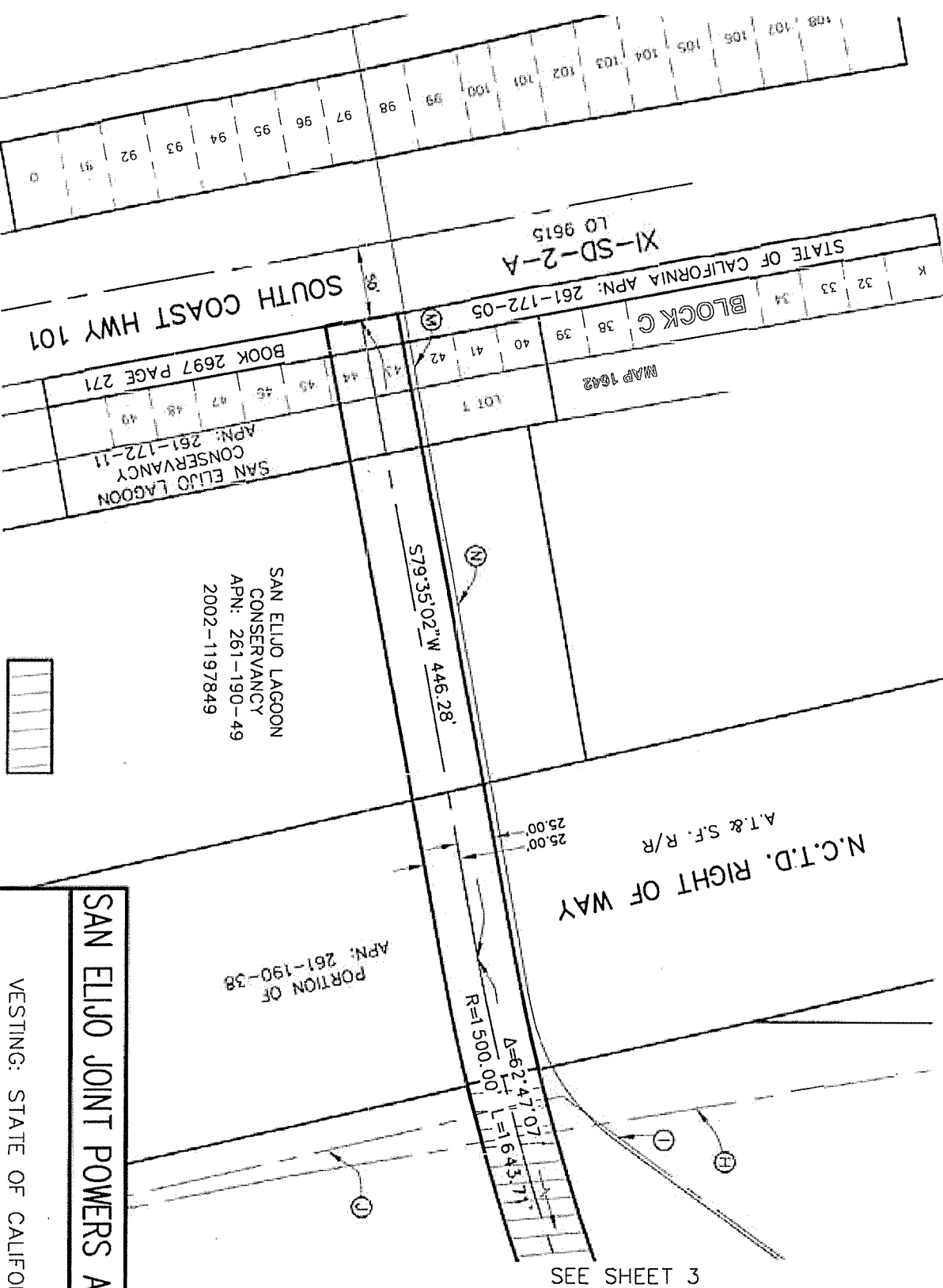
$\Delta=62.47107^{\circ}$   $RE=500.00'$   $L=1643.71'$

NOTE: DATA SHOWN HEREON IS  
BASED ON RECORD INFORMATION.

# EXHIBIT "B-1"

SEE SHEET 5 FOR  
EASEMENT INFORMATION

DENOTES AREA OF LEASE  
ACQUISITION.  
1.161 ACRES MORE OR LESS.



SAN ELIJO JOINT POWERS AUTHORITY	
VESTING: STATE OF CALIFORNIA	
DATE: MAY 24, 2016	SHEET 4 OF 5

# EXHIBIT "B-1"

## EXISTING EASEMENTS

- (A) RIGHT OF ENTRY TO THE CITY OF ESCONDIDO REC. 3/13/1972 AS F/P 72-91540 AND PIPELINE EASEMENT TO THE CITY OF ESCONDIDO REC. 4/23/1974 AS F/P 74-103048 O.R.
- (B) PUBLIC ACCESS EASEMENT REC. 11/26/1986 AS F/P 86-549238 O.R.
- (C) UNDERGROUND PIPELINE EASEMENT TO THE CITY OF SOLANA BEACH REC. 6/22/2007 AS DOC# 2007-0422720
- (D)  $\frac{1}{4}$  OF 20' WIDE CARDIFF SANITATION DISTRICT EASEMENT RESERVED IN DEED REC. 3/9/1965 AS F/P 41140
- (E) 25 YEAR LEASE TO THE STATE OF CALIFORNIA FOR SAN ELIJO LAGOON PUBLIC ACCESS REC. 8/28/1986 AS F/P 86-0375290
- (F) EASEMENT TO SDGE 3' EACH SIDE OF ALL FACILITIES INSTALLED BY MAY 14, 2009 AND 8' IN FRONT OF TRANSFORMER DOORS REC. 8/5/2008 AS DOC#2008-0417656
- (G) 40' ROAD EASEMENT TO THE COUNTY OF SAN DIEGO REC. 6/6/1901 IN BOOK 311, PAGE 113 OF DEEDS. UNABLE TO PLOT
- (H)  $\frac{1}{4}$  24' WIDE UTILITY, INGRESS AND EGRESS EASEMENT TO SDG&E REC. 1/17/1917 IN BOOK 730 PAGE 9
- (I)  $\frac{1}{4}$  OF 20' WIDE EASEMENT TO SOLANA BEACH SANITATION DISTRICT AND CARDIFF SANITATION DISTRICT REC. 3/9/1965 AS F/P 65-41131 O.R.
- (J)  $\frac{1}{4}$  OF 15' WIDE EASEMENT TO SOLANA BEACH SANITATION DISTRICT REC. 3/9/1965 AS F/P 65-41132 O.R.
- (K) PUBLIC UTILITY EASEMENT TO SDGE REC. 5/27/1992 AS DOC#1992-0321241
- (L) WASTEWATER PIPELINE EASEMENT TO THE CITY OF SOLANA BEACH REC. 5/14/2010 AS DOC#2010-0244244
- (M)  $\frac{1}{4}$  OF 15' WIDE EASEMENT TO SOLANA BEACH SANITATION DISTRICT AND CARDIFF SANITATION DISTRICT REC. 3/9/1965 AS F/P 65-41131 O.R.
- (N)  $\frac{1}{4}$  OF 15' WIDE EASEMENT TO SOLANA BEACH SANITATION DISTRICT AND CARDIFF SANITATION DISTRICT REC. 2/17/1970 AS F/P 70-29482 O.R.

SAN ELIJO JOINT POWERS AUTHORITY

VESTING: STATE OF CALIFORNIA

DATE: MAY 24, 2016

SHEET 5 OF 5



EXHIBIT "A-2" PRC 3228  
LEGAL DESCRIPTION

VESTING: STATE OF CALIFORNIA

APN: 261-191-07

ALL THAT PORTION OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 27, TOWNSHIP 13 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF ENCINITAS, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA BEING A STRIP 50.00 FOOT WIDE, LYING 25 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING AT STATION 305+43.33 ON THE CENTERLINE OF XI-SD-2-A, AS SHOWN ON THE COUNTY OF SAN DIEGO DEPARTMENT OF SPECIAL DISTRICT SERVICES AS-BUILT PLANS FOR THE CARDIFF SANITATION DISTRICT, SOLANA BEACH SANITATION DISTRICT LAND PORTION OF OCEAN OUTFALL, WORK ORDER NUMBER 2945, FILE NUMBER 7-1 SE ON FILE WITH THE SAN ELIJO JOINT POWERS AUTHORITY, LYING NORTH 10°57'00" WEST 545.20 FEET ALONG THE CENTERLINE OF XI-SD-2-A FROM P.O.T. STATION 299+98.13 AS SHOWN ON CALIFORNIA DEPARTMENT OF TRANSPORTATION RIGHT OF WAY MAP LO 9614;

THENCE LEAVING SAID CENTERLINE ALONG THE OUTFALL ALIGNMENT SHOWN ON SAID AS-BUILT PLANS NORTH 78°59'20" WEST, 534.01 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 150.00 FEET;

THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 17°16'24" AN ARC LENGTH OF 45.22' TO THE EASTERLY LINE OF THE N.C.T.D. RIGHT OF WAY AS SHOWN ON RECORD OF SURVEY 20279 RECORDED AUGUST 29, 2008 AS FILE NO. 2008-0464955 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND THE **TRUE POINT OF BEGINNING**;

THENCE LEAVING SAID N.C.T.D. RIGHT OF WAY CONTINUING ALONG SAID OUTFALL ALIGNMENT AND SAID CURVE THROUGH A CENTRAL ANGLE OF 25°49'11" AND ARC LENGTH OF 67.60 FEET;

THENCE NORTH 35°53'45" EAST 968.54 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 500.00 FEET;

THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 19°55'53" AN ARC LENGTH OF 173.93 FEET TO A COURSE HAVING A BEARING OF NORTH 0°13'58" WEST AND A LENGTH OF 390.38 FEET BEING ON THE NORTHERLY BOUNDARY OF THE SAN ELIJO LAGOON AS SHOWN ON SHEET 2 OF RECORD OF SURVEY 5928 RECORDED AUGUST 7, 1961 AS FILE NO. 135364 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND THE TERMINUS OF SAID 50.00 FOOT WIDE STRIP.

THE SIDELINES OF SAID 50.00 FOOT WIDE STRIP ARE TO BE LENGTHENED OR SHORTENED TO MEET AT ALL ANGLE POINTS, SAID EASTERLY LINE OF THE N.C.T.D. RIGHT OF WAY AND SAID NORTHERLY LINE OF THE SAN ELIJO LAGOON.

CONTAINING 1.389 ACRES MORE OR LESS.

ATTACHED HERETO AND MADE A PART HEREOF IS A PLAT LABELED EXHIBIT 'B-2' CONSISTING OF 2 SHEETS.

THIS REAL PROPERTY DESCRIPTION HAS BEEN PREPARED BY ME, OR UNDER MY DIRECTION, IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYORS ACT.

SIGNATURE

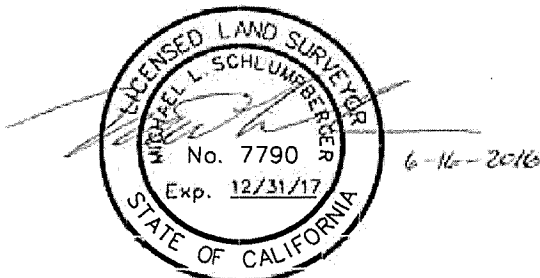
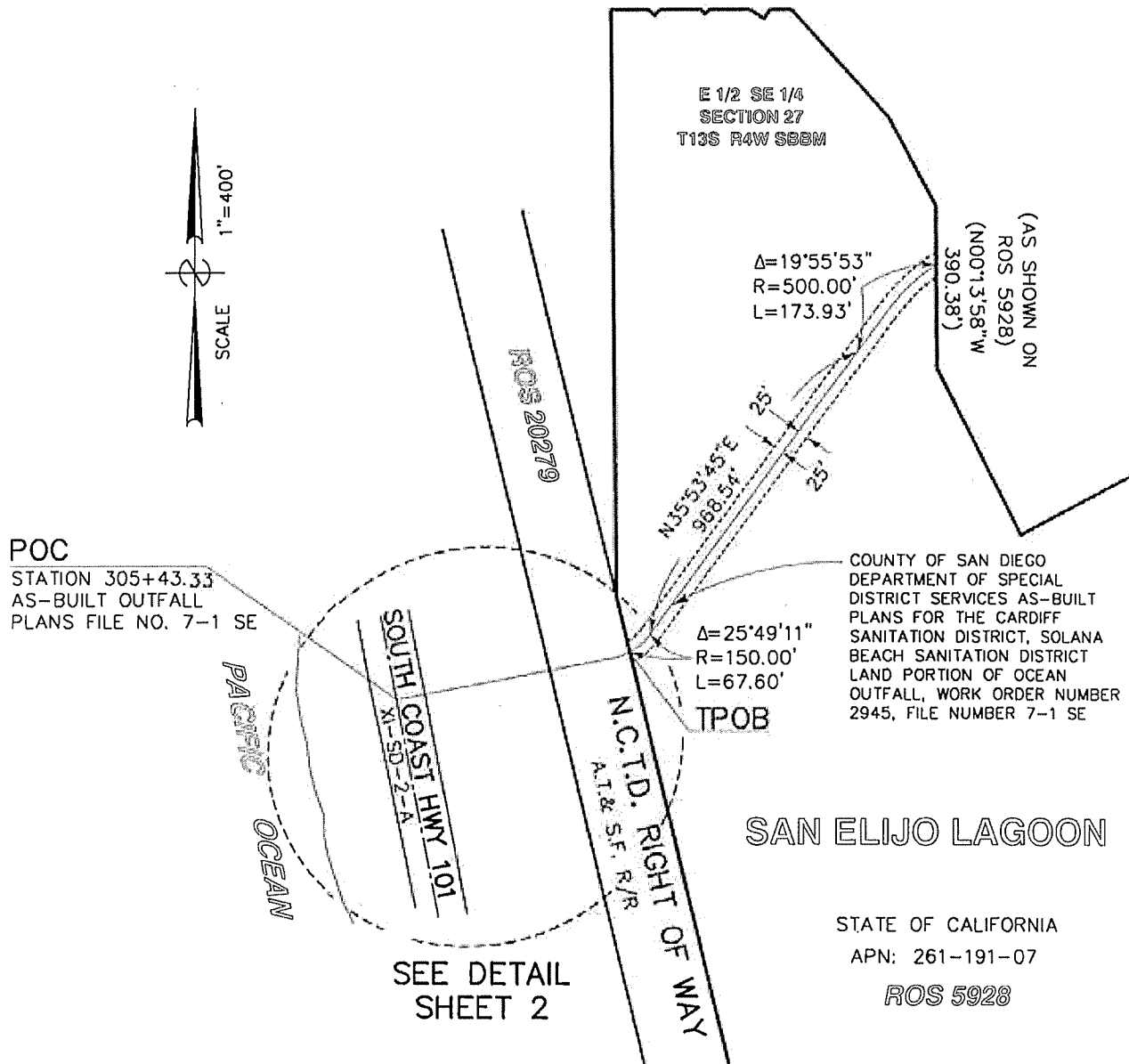
  
Michael L. Schlumberger, PLS 7790

DATE

June 16, 2016



# EXHIBIT "B-2"

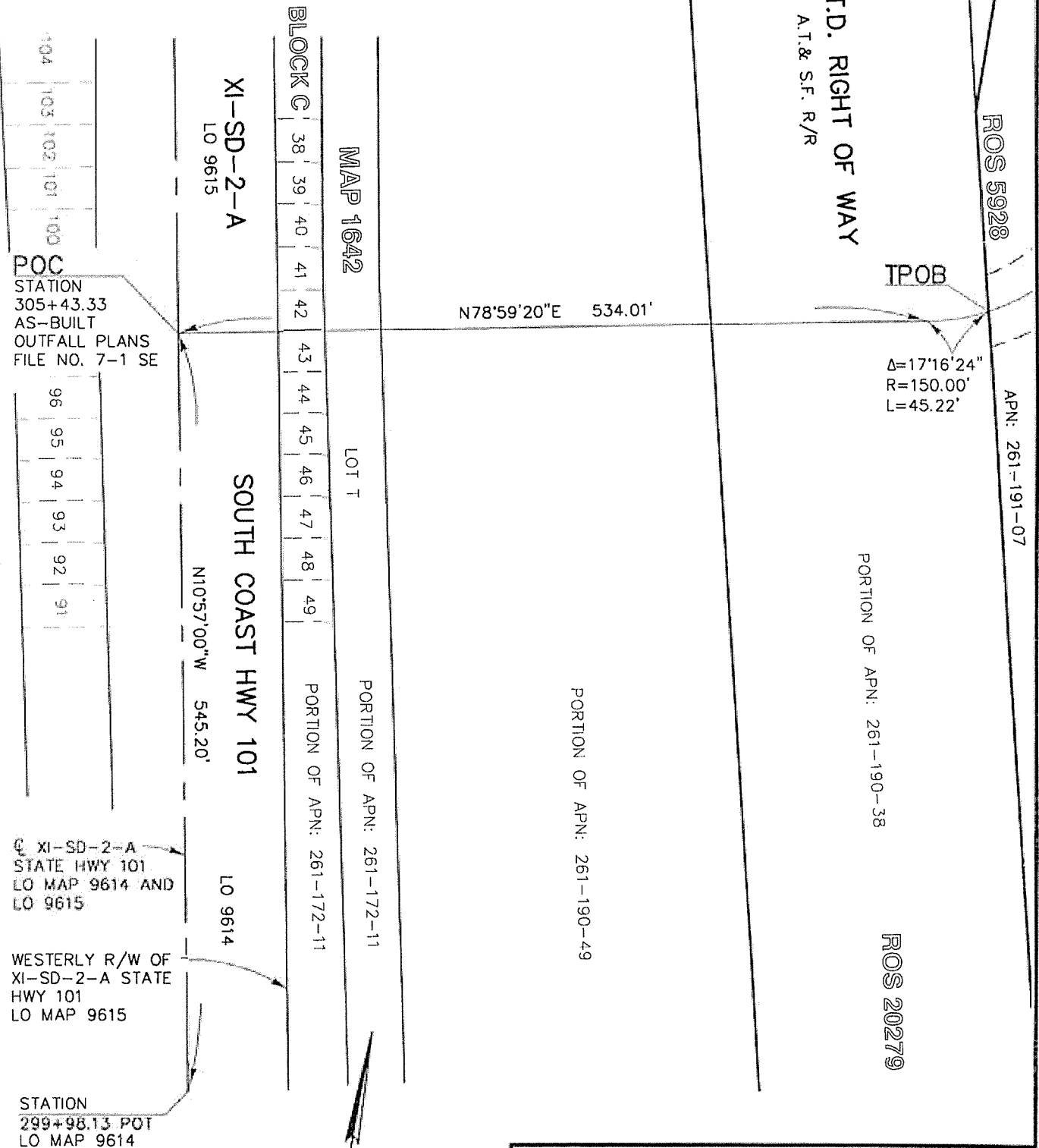


**Right-Of-Way Engineering Services, Inc.**  
615 South Tremont Street • Oceanside, CA 92054  
(760) 637-2700 FAX (760) 637-2701  
Job no: 1409-0033-11

AREA OF LEASE ACQUISITION  
1.389 ACRES MORE OR LESS

SAN ELIJO JOINT POWERS AUTHORITY	
OWNER: STATE OF CALIFORNIA	
DATE: JUNE 13, 2016	SHEET 1 OF 2

# EXHIBIT "B-2"



**SAN ELIJO  
JOINT POWERS AUTHORITY**

OWNER: STATE OF CALIFORNIA

DATE: JUNE 13, 2016

SHEET 2 OF 2

**EXHIBIT "A-3" PRC 3228  
LEGAL DESCRIPTION**

VESTING: STATE OF CALIFORNIA

APN: TIDE AND SUBMERGED LANDS WITHIN THE PACIFIC OCEAN

ALL THAT PORTION OF TIDE AND SUBMERGED LANDLYING WITHIN THE PACIFIC OCEAN, GULF OF SANTA CATALINA OFF CARDIFF STATE BEACH NEAR THE CITY OF ENCINITAS, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, BEING A STRIP 30' WIDE, LYING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING AT STATION 305+43.33 ON THE CENTERLINE OF XI-SD-2-A, AS SHOWN ON THE COUNTY OF SAN DIEGO DEPARTMENT OF SPECIAL DISTRICT SERVICES AS-BUILT PLANS FOR THE CARDIFF SANITATION DISTRICT, SOLANA BEACH SANITATION DISTRICT OCEAN OUTFALL, WORK ORDER NUMBER 2943, FILE NUMBER 7-3 SE ON FILE WITH THE SAN ELIJO JOINT POWERS AUTHORITY, LYING NORTH 10°57'00 WEST 545.20 FEET ALONG THE CENTERLINE OF XI-SD-2-A FROM P.O.T. STATION 299+98.13 AS SHOWN ON CALIFORNIA DEPARTMENT OF TRANSPORTATION RIGHT OF WAY MAP LO 9614;

THENCE LEAVING SAID CENTERLINE ALONG THE OUTFALL ALIGNMENT SHOWN ON SAID AS-BUILT PLANS SOUTH 78°59'20" WEST, 57.24 FEET TO THE WESTERLY RIGHT OF WAY OF XI-SD-2-A AS SHOWN ON CALIFORNIA DEPARTMENT OF TRANSPORTATION RIGHT OF WAY MAP LO 9615 AND THE **TRUE POINT OF BEGINNING**;

THENCE CONTINUING ALONG SAID OUTFALL ALIGNMENT SOUTH 78°59'20" WEST 4041.00 FEET TO AN ANGLE POINT THEREIN;

THENCE CONTINUING ALONG SAID OUTFALL ALIGNMENT SOUTH 11°00'40" EAST 210.00 FEET TO THE END OF SAID OUTFALL AND THE BEGINNING OF THE SAN ELIJO OCEAN OUTFALL EXTENSION AS SHOWN ON THE PLANS FOR CONSTRUCTION DATED APRIL 1974, FILE S 364 G ON FILE WITH THE SAN ELIJO JOINT POWERS AUTHORITY;

THENCE LEAVING SAID OUTFALL ALIGNMENT, ALONG SAID OUTFALL EXTENSION SOUTH 11°00'40" EAST 41.00 FEET TO AN ANGLE POINT THEREIN;

THENCE CONTINUING ALONG SAID OUTFALL EXTENSION SOUTH 78°59'20" WEST 4015.00 FEET TO THE TERMINUS OF SAID 30.00 FOOT WIDE STRIP.

THE SIDELINES OF SAID 30.00 FOOT WIDE STRIP ARE TO BE LENGTHENED OR SHORTENED TO MEET AT ALL ANGLE POINTS AND SAID WESTERLY RIGHT OF WAY OF XI-SD-2-A.

EXCEPTING THEREFROM ANY PORTION LYING LANDWARD OF THE ORDINARY HIGH WATER MARK.

CONTAINING 5.72 ACRES MORE OR LESS.

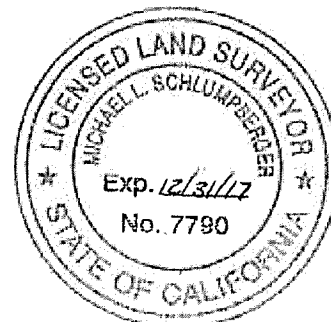
ATTACHED HERETO AND MADE A PART HEREOF IS A PLAT LABELED EXHIBIT 'B-3' CONSISTING OF 1 PAGE.

THIS REAL PROPERTY DESCRIPTION HAS BEEN PREPARED BY ME, OR UNDER MY DIRECTION, IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYORS ACT.

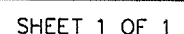
SIGNATURE

  
Michael L. Schlumpberger, PLS 7790

DATE June 16, 2016

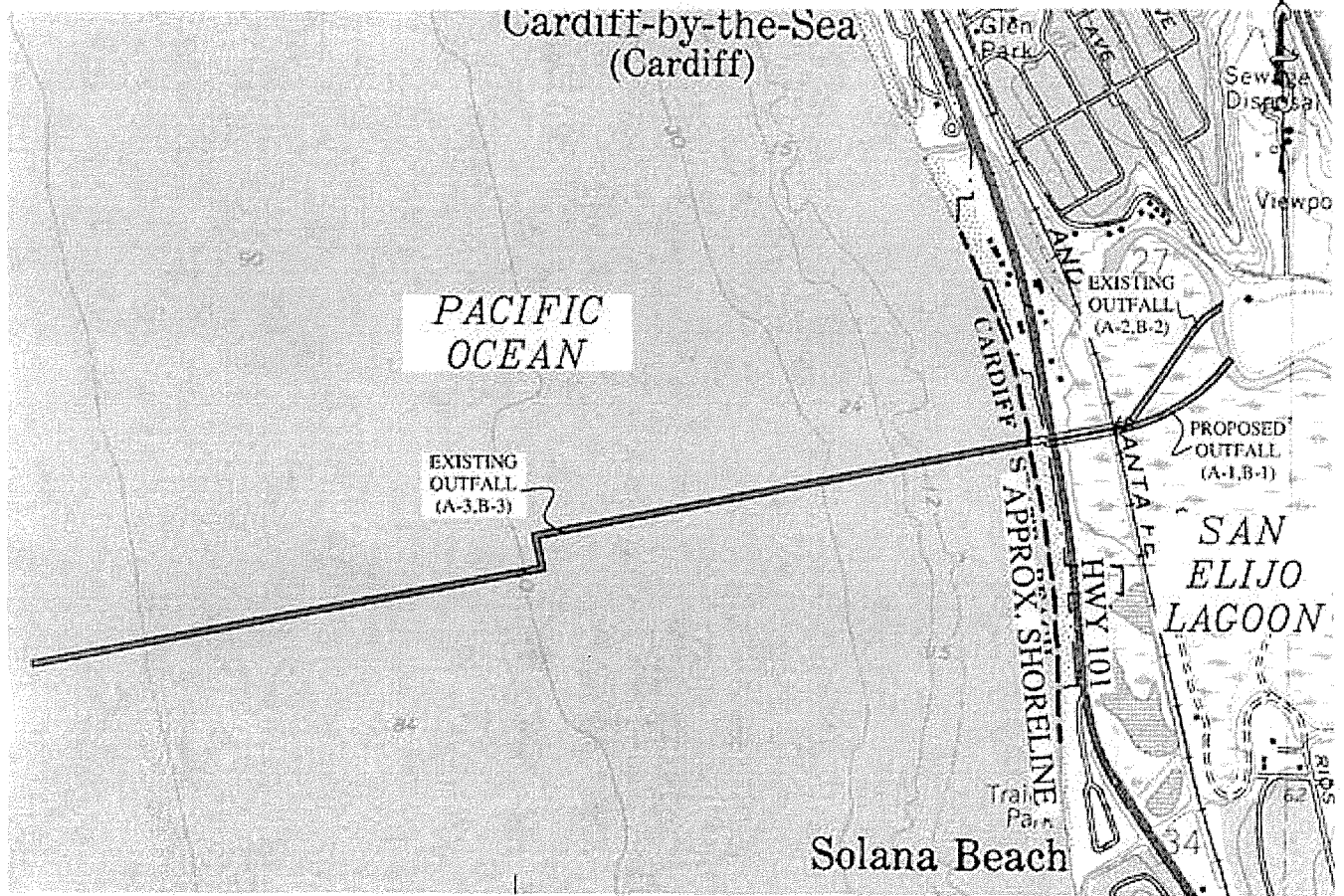


DETAIL



NO SCALE

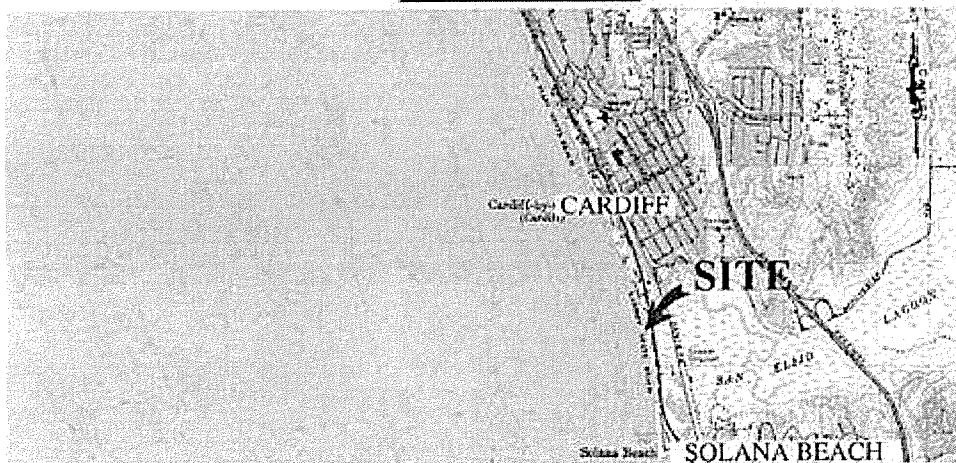
# SITE



## SAN ELIJO LAGOON & PACIFIC OCEAN AT CARDIFF STATE BEACH

NO SCALE

# LOCATION



MAP SOURCE: USGS QUAD

## Exhibit B

PRC 3228.9

SAN ELIJO JOINT POWERS  
AUTHORITY  
GENERAL LEASE -  
PUBLIC AGENCY USE  
SAN DIEGO COUNTY



MJF 6/17/16

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

**EXHIBIT C**  
**CALIFORNIA STATE LANDS COMMISSION**  
**MITIGATION MONITORING PROGRAM**  
**SAN ELIJO LAND OUTFALL REPLACEMENT PROJECT**  
(PRC # 3228.9, State Clearinghouse No. 2016011018)

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The California State Lands Commission (Commission) is a responsible agency under the California Environmental Quality Act (CEQA) for the San Elijo Land Outfall Replacement Project (Project). The CEQA lead agency for the Project is San Elijo Joint Powers Authority.

In conjunction with approval of this Project, the Commission adopts this Mitigation Monitoring Program (MMP) for the implementation of mitigation measures for the portion(s) of the Project located on Commission lands. The purpose of a MMP is to discuss feasible measures to avoid or substantially reduce the significant environmental impacts from a project identified in an Environmental Impact Report (EIR) or a Mitigated Negative Declaration (MND). State CEQA Guidelines section 15097, subdivision (a), states in part:<sup>1</sup>

*In order to ensure that the mitigation measures and project revisions identified in the EIR or negative declaration are implemented, the public agency shall adopt a program for monitoring or reporting on the revisions which it has required in the project and the measures it has imposed to mitigate or avoid significant environmental effects. A public agency may delegate reporting or monitoring responsibilities to another public agency or to a private entity which accepts the delegation; however, until mitigation measures have been completed the lead agency remains responsible for ensuring that implementation of the mitigation measures occurs in accordance with the program.*

The lead agency has adopted an MND; State Clearinghouse No. 2016011018, and adopted a MMP for the whole of the Project (see Exhibit C, Attachment C-1) and remains responsible for ensuring that implementation of the mitigation measures occurs in accordance with its program. The Commission's action and authority as a responsible agency apply only to the mitigation measures listed in Table C-1 below.

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<sup>1</sup> The State CEQA Guidelines are found at California Code of Regulations, Title 14, section 15000 et seq.

Exhibit C – CSLC Mitigation Monitoring Program

**Table C-1. Project Impacts and Applicable Mitigation Measures.**

Potential Impact	Mitigation Measure (MM) <sup>2</sup>	Difference Between CSLC MMP and Lead Agency MMP
Impacts to wildlife from construction equipment	MM BIO-1	None
Impacts to wildlife from grading and vegetation removal activities	MM BIO-2	None
Impacts to wildlife from clearing and/or grubbing activities	MM BIO-3	None
Impacts to the beach area	MM BIO-4	None
Impacts to environmental resources without Best Management Practices	MM BIO-5	None
Impacts to archaeological resources	MM CUL-1	See below
Impacts to paleontological resources	MM CUL-2	See below

MM-CUL-1: During project construction, a qualified archaeologist and a Native American monitor shall be retained to conduct an archaeological monitoring program. The archaeologist and the Native American monitor shall attend a pre-construction meeting with the contractor to explain the requirements of the monitoring program. The archaeologist and the Native American monitor shall be present to monitor ground-disturbing activities, including brushing/grubbing, grading, and trenching. If cultural material is encountered, the archaeologist and the Native American monitor both shall have the authority to temporarily halt or redirect grading and other ground-disturbing activity while the cultural material is documented and assessed. If cultural material is encountered, the significance of the resources shall be determined by the archaeological Principal Investigator, in consultation with the Native American monitor and SEJPA staff. For significant resources, a recovery program shall be prepared and implemented to mitigate impacts before ground disturbing activities in the area of discovery are resumed. Collected artifacts shall be deposited at an institution with permanent curatorial facilities with accompanying catalog to current repository standards.

The final disposition of archaeological and historical resources recovered on State lands under the jurisdiction of the State Lands Commission must be approved by the Commission.

MM-CUL-2: During project construction, the project applicant or construction contractor shall be required to retain the services of a paleontologist to implement a paleontological monitoring and recovery program. The paleontologist shall attend the project pre-construction meeting to discuss the excavation plan with the excavation contractor(s). The paleontologist or a paleontological monitor shall be on site during original cutting of previously undisturbed portions of the Del Mar Formation and/or terrace deposits. In the event that fossils are discovered, the project paleontologist shall

<sup>2</sup> See Attachment C-1 for the full text of each MM taken from the MMP prepared by the CEQA lead agency.



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Exhibit C – CSLC Mitigation Monitoring Program

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have the authority to temporarily halt or redirect construction activities in the area of discovery to allow recovery in a timely manner. Collected fossil remains shall be cleaned, sorted, catalogued, and deposited in an appropriate scientific institution such as the San Diego Museum of Natural History.

The final disposition of paleontological resources recovered on State lands under the jurisdiction of the State Lands Commission must be approved by the Commission.

## **ATTACHMENT C-1**

### **Mitigation Monitoring Program Adopted by the San Elijo Joint Powers Authority**

## Attachment C-1

Mitigation Measure	Timing	Responsible Party	Completed	Initials	Notes (Optional)
<b>Biological Resources</b>					
<b>BIO-1</b> If operation of construction equipment starts during the breeding seasons for the coastal California gnatcatcher (March 1 to August 15), least Bell's vireo (March 15 to September 15), Ridgway's rail (February 15 to August 15), western snowy plover (March 1 to September 30), and/or California least tern (March 1 to September 30), pre-construction survey(s) shall be conducted by a USFWS-permitted biologist (as applicable) to determine whether these species occur within the suitable habitat that is located within 500 feet of the construction activities. If it is determined at the completion of pre-construction surveys that active nests belonging to these sensitive species are absent from the potential impact area, construction shall be allowed to proceed. If pre-construction surveys determine the presence of active nests belonging to these sensitive species, then construction shall: (1) be postponed until a permitted biologist determines the nest(s) is no longer active or until after the respective breeding season; or (2) not occur until a temporary noise barrier or berm is constructed at the edge of the development footprint and/or around the piece of equipment to ensure that noise levels are reduced to below 60 A weighted decibels (dBA) or ambient. Decibel output will be confirmed by a qualified noise specialist and intermittent monitoring by a qualified biologist will be required to ensure that conditions have not changed.	Prior to construction/ During construction	SEJPA	<input type="checkbox"/>	—	
<b>BIO-2</b> If initial grading and vegetation removal activities (i.e., earthwork, clearing, and grubbing) must occur during the general bird breeding season for migratory birds and raptors (January 15 through September 15), or during the breeding season for the western snowy plover and California least tern (March 1 to September 30), the project applicant shall retain a qualified biologist to perform a pre-construction survey of potential nesting habitat to confirm the absence of active nests belonging to migratory birds and raptors afforded protection under the MBTA and California FGC. The pre-construction survey shall be performed no more than three days prior to the commencement of the activities. If the qualified biologist determines that no active migratory bird or raptor nests occur, the activities shall be allowed to proceed without any further requirements. If the qualified biologist determines that an active migratory bird or raptor nest is present, no impacts shall occur until the young have fledged the nest and the nest is confirmed to no longer be active, as determined by the qualified biologist.	Prior to construction/ During construction	SEJPA	<input type="checkbox"/>	—	

Mitigation Measure	Timing	Responsible Party	Completed	Initials	Notes (Optional)
<b>BIO-3</b> Prior to construction, the project applicant or construction contractor shall retain a qualified biologist to monitor clearing and/or grubbing activities. The biological monitor shall attend pre-construction meetings and be present during the removal of vegetation to ensure that the approved limits of disturbance are not exceeded and provide periodic monitoring of the impact area including, but not limited to, trenches, stockpiles, storage areas, and protective fencing. Before construction activities occur in areas containing sensitive biological resources, construction workers shall be educated by the biologist to recognize and avoid areas containing sensitive biological resources.	Prior to construction/ During construction	SEJPA	<input type="checkbox"/>	—	
<b>BIO-4</b> Prior to construction, temporary construction fencing shall be installed around the perimeter of the work area located on the beach. Fencing shall remain in place during all construction activities.	Prior to construction/ During construction	SEJPA	<input type="checkbox"/>	—	
<b>BIO-5</b> The construction contractor shall implement BMPs, including but not limited to: maintaining the construction zone free of trash and debris; employing appropriate standard spill prevention practices and clean-up materials; installing and maintaining sediment and erosion control measures; maintaining effective control of fugitive dust; and properly storing, handling, and disposing of all toxins and pollutants including waste materials.  Prior to construction, the following notes shall be included on the applicable construction plans to the satisfaction of the SEJPA (or their designee):	Prior to construction/ During construction	SEJPA	<input type="checkbox"/>	—	
<ul style="list-style-type: none"> <li>• A qualified biologist shall be on site to monitor vegetation clearing and periodically thereafter to ensure implementation of appropriate resource protection measures.</li> <li>• Dewatering shall be conducted in accordance with standard regulations of the Regional Water Quality Control Board. A permit to discharge water from dewatering activities will be required.</li> <li>• During construction, material stockpiles shall be placed such that they (1) cause minimal interference with on-site drainage patterns, and (2) are outside the high tide line.</li> <li>• Material stockpiles shall be covered when not in use.</li> </ul>					

Mitigation Measure	Timing	Responsible Party	Completed	Initials	Notes (Optional)
<b>Cultural Resources</b>					
<b>CUL-1</b> During project construction, a qualified archaeologist and a Native American monitor shall be retained to conduct an archaeological monitoring program. The archaeologist and the Native American monitor shall attend a pre-construction meeting with the contractor to explain the requirements of the monitoring program. The archaeologist and the Native American monitor shall be present to monitor ground-disturbing activities, including brushing/grubbing, grading, and trenching. If cultural material is encountered, the archaeologist and the Native American monitor both shall have the authority to temporarily halt or redirect grading and other ground-disturbing activity while the cultural material is documented and assessed. If cultural material is encountered, the significance of the resources shall be determined by the archaeological Principal Investigator, in consultation with the Native American monitor and SEJPA staff. For significant resources, a recovery program shall be prepared and implemented to mitigate impacts before ground disturbing activities in the area of discovery are resumed. Collected artifacts shall be deposited at an institution with permanent curatorial facilities with accompanying catalog to current repository standards.	During construction	SEJPA	<input type="checkbox"/>	—	
<b>CUL-2</b> During project construction, the project applicant or construction contractor shall be required to retain the services of a paleontologist to implement a paleontological monitoring and recovery program. The paleontologist shall attend the project pre-construction meeting to discuss the excavation plan with the excavation contractor(s). The paleontologist or a paleontological monitor shall be on site during original cutting of previously undisturbed portions of the Del Mar Formation and/or terrace deposits. In the event that fossils are discovered, the project paleontologist shall have the authority to temporarily halt or redirect construction activities in the area of discovery to allow recovery in a timely manner. Collected fossil remains shall be cleaned, sorted, catalogued, and deposited in an appropriate scientific institution such as the San Diego Museum of Natural History.	During construction	SEJPA	<input type="checkbox"/>	—	

## CITY COUNCIL

For City Clerk's Use:

☐

**APPROVED**

☐

**DENIED**

Reso No. \_\_\_\_\_

File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 11**  
**Date: August 17, 2016**

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Christopher W. McKinney, Director of Utilities

**SUBJECT:** Declaration of Response Level One – Water Shortage Watch Condition

### RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2016-118 to declare a Response Level One – Water Shortage Watch Condition in place of the current Response Level Two – Water Shortage Alert Condition.

### FISCAL ANALYSIS:

No additional funds will be used to support this declaration.

### PREVIOUS ACTION:

Most recently, a Level Two – Water Shortage Alert Condition was declared by the City Council on August 13, 2014 by Resolution No. 2014-122, which included limiting the number of outdoor watering days to three per week. The City Council Resolution No. 2015-98R, adopted on June 10, 2015, reduced the length of outdoor watering from ten minutes per station to seven minutes per station.

### BACKGROUND:

On January 17, 2014, the Governor issued Proclamation No. 1-17-2014, declaring a State of Emergency for California due to severe drought conditions. On April 25, 2014, the Governor issued an Executive Order which called on Californians to increase their efforts to conserve water. Many agencies declared a Level One – Water Shortage Watch Condition. This level encourages customers to conserve voluntarily and increases the agencies' water conservation outreach. The City of Escondido's Water Conservation Ordinance already listed water restrictions and measures that are enforced at all times regardless of a current drought condition; therefore, no additional action was taken by the City at that time.

Water Code Section 1058.5 grants the State Water Board the authority to adopt emergency regulations in drought years. Therefore, in response to additional Executive action on July 15, 2014, the State Water Board adopted an emergency regulation which required water suppliers to institute mandatory outdoor irrigation restrictions. On August 13, 2014, the City Council declared a Response Level Two – Water Shortage Alert Condition by Resolution No. 2014-122, in which additional outdoor

restrictions are mandatory. This increased response level allowed water customers to irrigate three times per week for no more than ten minutes per watering station. On May 14, 2015, the San Diego County Water Authority (SDCWA) Board of Directors adopted an ordinance that specified restrictions on water deliveries to its member agencies. This ordinance was passed in response to California's emergency drought regulations which included unprecedented mandates for retail water deliveries, as well as, to the Metropolitan Water District's allocation of 15 percent less water to the SDCWA. In response to that action, the City Council adopted Resolution No. 2015-98R to limit outdoor watering to seven minutes per station while continuing to allow three watering days per week.

On May 18, 2016, the State Water Board amended its emergency declarations to allow water suppliers to self-certify the availability of water supplies. With the participation of Escondido and other member agencies, the SDCWA submitted a self-certification for the region in June 2016. In line with those actions, the City Council is being asked to review and adopt Resolution No. 2016-118 to move the City from a Level Two to a Level One, which would remove the mandatory three days per week, seven minutes per station outdoor watering restrictions. Water customers are still urged to limit outdoor watering to the maximum extent possible.

Using water wisely remains a priority for California, the San Diego region, and the City of Escondido. Residents, businesses and visitors are encouraged to be as efficient as possible in their water habits. As a reminder, the following water conservation best management practices are required by Municipal Code at all times, **regardless of drought conditions** (Chapter 31, Article 5, Section 31-230).

The following water uses are prohibited:

- Watering or irrigating lawns or landscape areas in a manner causing significant runoff.
- Operating a fountain or other water feature that does not recirculate water.
- Washing any vehicle with a hose not having a water shut-off nozzle.
- Allowing water to run continuously from a hose while washing any vehicle.
- Washing driveways, sidewalks, parking areas, patios, or other hardscape areas with water, except when necessary to alleviate safety or sanitation hazards.
- Using water (unnecessarily) for construction operations, receiving water from a construction meter or water truck for any purpose other than those required by regulatory agencies.
- Watering or irrigating outdoor landscaping with potable water during a measurable rainfall event or within forty-eight (48) hours of measurable rainfall.
- The installation of single pass cooling systems in buildings requesting new water connections.
- The installation of non-recirculating systems in new or remodeled conveyor or automatic car wash systems.
- The installation of non-recirculating systems in new commercial laundry systems.

The following water use restrictions are required at all times:

Level I – Water Shortage Watch Condition

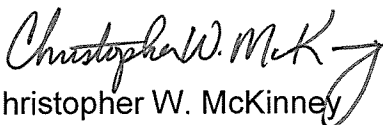
August 17, 2016

Page 3

- The loss or escape of water by means of breaks, leaks, or other malfunctions in the water user's plumbing or distribution system must be repaired within five (5) days of notification by the Utilities Department, or within such other time as determined by the director of utilities or designee.
- Watering or irrigating lawns or landscape areas in a manner causing significant runoff is prohibited.
- Golf courses, parks, school grounds, landscapes, and recreational fields must only be watered between the hours of 6:00 p.m. and 10:00 a.m., except for very short periods of time for the express purpose of adjusting or repairing the irrigation system. Tees and greens may be watered at any time. New plantings, including grass, may be watered as needed until established.
- Operating a fountain or other water feature that does not recirculate water is prohibited.
- Washing any vehicle with a hose not having a water shut-off nozzle is prohibited. Allowing water to run continuously from a hose while washing any vehicle is also prohibited.
- Washing driveways, sidewalks, parking areas, patios, or other hardscape areas with water from a pressurized source, such as a garden hose, except when necessary to alleviate safety or sanitation hazards, is prohibited.
- Recycled water must be used, after the department has provided to the customer an analysis showing that recycled water, if available, is a cost-effective alternative to potable water and the customer has had a reasonable amount of time, as determined by the director or the director's designee to make the conversion to recycled water.
- Using water (unnecessarily) for construction operations receiving water from a construction meter or water truck for any purpose other than those required by regulatory agencies is prohibited.
- A hotel or motel must provide guests the option of refusing daily laundering of towels and linens. The hotel or motel shall prominently display notice of this option in each bathroom and sleeping room using clear and easily understood language.
- Restaurants or other public places where food is served, sold, or offered for sale, will not serve drinking water to any customer unless expressly requested by the customer.

A Level One Water Shortage Watch declaration is consistent with declarations from other water suppliers within San Diego County. Assuming Council adopts Resolution No. 2016-118, City staff will notify customers of the changes to Escondido's water shortage response through utility bill inserts, the City's website, and social media.

Respectfully submitted,



Christopher W. McKinney  
Director of Utilities



**RESOLUTION NO. 2016-118**

**A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
DECLARING A RESPONSE LEVEL ONE –  
WATER SHORTAGE WATCH CONDITION**

WHEREAS, the City Council previously adopted Escondido Municipal Code Chapter 31, Article 5, Section 31-232 as part of the Escondido Municipal Code in 2008, authorizing the City Council to declare Water Alert Conditions in response to water shortages within Southern California by duly adopted resolution; and

WHEREAS, since that time, basic conservation measures have been in force at all times that help to preserve water – a precious resource; and

WHEREAS, the City Council declared a “Water Shortage Response Level Two- Water Shortage Alert Condition” on August 13, 2014, by Resolution No. 2014-122, and modified the restrictions of that level on June 10, 2015, by Resolution No. 2015-98R in order to comply with state-wide emergency regulations; and

WHEREAS, those same site-wide emergency regulations were revised by the State Water Resources Control Board on May 18, 2016, to allow for more flexibility at the local level when water suppliers certified sufficient local or regional supply; and

WHEREAS, declaring a “Water Shortage Response Level One – Water Shortage Watch Condition” will meet the requirements of the state-wide emergency regulations currently in effect, while allowing Escondido Water customers flexibility in managing their outdoor water use.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California:

1. That the above recitations are true.
2. That the City Council hereby declares a Response Level One – Water Shortage Watch Condition pursuant to the terms therein Escondido Municipal Code Chapter 31, Article 5, Section 31-232.
3. That the following limits imposed by City Council by Resolution No. 2015-98R and according to Escondido Municipal Code Section 31-232(b)(3)(A) on outdoor landscape watering, will be rescinded:
  - a. Homes with odd-numbered addresses may water outdoor landscapes on Sunday, Tuesday, and Thursday. Homes with even-numbered addresses may water Saturday, Monday, and Wednesday. Homes are not to water more than ten minutes per watering station. Watering stations are also known as zones controlled by an irrigation system.
  - b. Apartments, condos, and businesses may water landscapes not more than ten minutes per watering station on Monday, Wednesday and Friday. Watering stations are also known as zones controlled by an irrigation system.
4. That the requirements of Escondido Municipal Code Chapter 31, Article 5, Section 31-230 “Water use restrictions and measures (at all times),” continue to be the minimum level of water conservation required by code, and therefore remain in effect during a Level One declaration and at all times regardless of drought conditions

## CITY COUNCIL

For City Clerk's Use:

☐

**APPROVED**

☐

**DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 12**

**Date: August 17, 2016**

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Loretta McKinney, Director of Library and Community Services

**SUBJECT:** Amendment to the Escondido Municipal Code Pertaining to the Community Services Commission – Youth Commissioner Position

### RECOMMENDATION:

It is requested that the City Council introduce Ordinance No. 2016-08, amending the Escondido Municipal Code Section 18-18, to reduce the term of office for the Community Services Youth Commissioner from a four-year to a one-year term.

### PREVIOUS ACTION:

On July 25, 2012, the City Council approved amending the Escondido Municipal Code Article 2, Chapter 18, Section 18-15 through 18-18, 18-29, 18-45 and Article 37, Chapter 33-732(e)5 to add a youth representative. The second reading and adoption of Ordinance 2012-15 occurred on August 1, 2012.

### BACKGROUND:

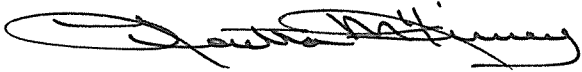
Appointments of members to the Community Services Commission and their terms of office are governed by the Escondido Municipal Code and provides the terms of office for the Commissioners to be four years each. This term-length of four years for the Youth Commissioner position has proven to be unrealistic. As the requirement to serve as a Youth Commissioner is 16 years-old, most students at this age have left for college within one year of serving on the Commission and no longer can attend the Commission meetings for the last three years of their term.

The additional changes proposed by this Ordinance serve as administrative clean-up. Section 18-18 duplicated the provisions contained in Section 2-30 which provides the default term of office and appointment rules for all boards and commissions established by the City Council.

Staff recommends changing the length of them for the Youth Commissioner to one year to assure the input of this age group is continually received.

Amendment to the Escondido Municipal Code  
August 17, 2016  
Page 2

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Loretta McKinney", written in a cursive style.

Loretta McKinney  
Director of Library and Community Services

ORDINANCE NO. 2016-08

AN ORDINANCE OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AMENDING ESCONDIDO MUNICIPAL CODE  
CHAPTER 18 COMMUNITY SERVICES  
DEPARTMENT, ARTICLE 2 COMMUNITY  
SERVICES COMMISSION, SECTION 18-18

WHEREAS, the City Council of the City of Escondido seeks to amend Escondido Municipal Code Section 18-18 to reduce the term of office for youth representatives on the Community Services Commission from four years to one; and

WHEREAS, the City Council also seeks to amend Section 18-18 to clarify that the default member appointment and term limit rules for all city boards and commissions are contained in Escondido Municipal Code Section 2-30.

Now, therefore, the City Council of the City of Escondido, California, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. That Escondido Municipal Code Chapter 18 Community Services Department, Article 2 Community Services Commission, Section 18-18 is hereby repealed and replaced as follows:

Sec. 18-18. Terms of office of members.

Appointments of members of the Community Services Commission and their terms of office shall be governed by Section 2-30, with the exception of the term of office for youth representatives, which shall be up to one (1) year commencing with the actual date of appointment and ending on March 31 of the following year.

SECTION 2. That if any section, subsection sentence, clause, phrase or portion of this ordinance is held invalid or unconstitutional for any reason by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions.

SECTION 3. That as of the effective date of this ordinance, all ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 4. That the City Clerk is hereby directed to certify to the passage of this Ordinance and to cause the same or a summary to be prepared in accordance with Government Code Section 36933, to be published one time within 15 days of its passage in a newspaper of general circulation, printed and published in the County and circulated in the City of Escondido.

## CITY COUNCIL

For City Clerk's Use:

☐

**APPROVED**

☐

**DENIED**

Reso No. \_\_\_\_\_

File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.:** 13

**Date:** August 17, 2016

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Edward N. Domingue, Public Works Director/City Engineer  
Joseph Goulart, Fleet Maintenance Superintendent

**SUBJECT:** Purchase One (1) Backhoe Loader from Sonsray Machinery of El Cajon, California

**RECOMMENDATION:**

It is requested that the City Council approve Resolution No. 2016-114, authorizing Fleet Services to purchase one (1) new Case 590SN backhoe loader in the amount of \$119,143.85 through a Cooperative Purchase Contract with the National Joint Powers Alliance (NJPA).

**FISCAL ANALYSIS:**

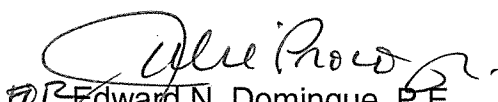
Sufficient funds are available in the Water account number 5209-555-410


**BACKGROUND:**

Water Operations has requested to purchase a new Case backhoe utilized for site excavations. The Water Operations Division line itemed the purchase in their Fiscal Year 2017 Operating Budget, previously adopted by the City Council.

Upon approval from the City Council, this backhoe will be purchased from Sonsray Machinery of El Cajon, California, through a Cooperative Purchasing Contract with NJPA, Contract No. 032515-CNH, in the amount of \$119,143.85, which includes sales tax and all other fees. Escondido Municipal Code Chapter 10 Article 5 Section 10-90 authorizes the purchase of supplies and equipment utilizing cooperative purchase programs.

Respectfully submitted,

  
Edward N. Domingue, P.E.,  
Public Works Director/City Engineer

  
Joseph Goulart,  
Fleet Maintenance Superintendent

RESOLUTION NO. 2016-114

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AUTHORIZING THE PURCHASE OF ONE  
CASE BACKHOE LOADER FROM SONSRAY  
MACHINERY LLC BY UTILIZING THE  
COOPERATIVE PURCHASE CONTRACT  
WITH NATIONAL JOINT POWERS ALLIANCE

WHEREAS, Water Operations has requested to purchase one (1) new backhoe  
for site excavations; and

WHEREAS, Water Operations line itemed the purchase in their Fiscal Year 2017  
Operating Budget, previously adopted by Council; and

WHEREAS, the National Joint Powers Alliance ("NJPA") conducted a competitive  
bid process for construction equipment and Case New Holland America LLC was deemed  
to be the lowest responsive bidder; and

WHEREAS, Case Hew Holland LLC is the parent company of Case Construction;  
and

WHEREAS, Sonsray Machinery is the Case Construction dealer serving  
California, Washington, and Oregon; and

WHEREAS, the City is utilizing cooperative purchasing with NJPA, and as  
authorized by Escondido Municipal Code Chapter 10 Article 5 Section 10-90, the City  
may utilize a cooperative purchase contract, which has been conducted in a competitive  
manner by the State, County or any other Public or Municipal Agency; and



WHEREAS, sufficient funds for the Water Operations purchase is available in account number 5209-555-410; and

WHEREAS, staff recommends purchasing one (1) new backhoe from Sonsray Machinery in the amount of \$119,143.85, which includes sales tax and all other fees; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to authorize the purchase from Sonsray Machinery.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the City Council is authorized to approve on behalf of the City, the cooperative purchase through the National Joint Powers Alliance, as authorized by Escondido Municipal Code Chapter 10 Article 5 Section 10-90.
3. That the City Council authorizes the Fleet Services Division to purchase one (1) backhoe loader from Sonsray Machinery in the amount of \$119,143.85, which includes sales tax and all other fees.

## CITY COUNCIL

For City Clerk's Use:

☐

**APPROVED**

☐

**DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.:** 14  
**Date:** August 17, 2016

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Edward N. Domingue, Public Works Director/City Engineer  
Joseph Goulart, Fleet Maintenance Superintendent

**SUBJECT:** Purchase One (1) 10-Yard Dump Truck from San Diego Freightliner

**RECOMMENDATION:**

It is requested that the City Council approve Resolution No. 2016-115, authorizing Fleet Services to purchase one (1) new 10-yard dump truck through a cooperative purchase contract with Imperial Irrigation District for \$134,745.34.

**FISCAL ANALYSIS:**

Sufficient funds are available in the Water Operations account number 5209-555-410.

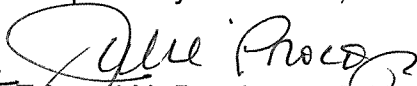
**BACKGROUND:**


Water Operations has requested to purchase one (1) new 10-yard dump truck. The Water Operations Division had line itemed the purchase in their Fiscal Year 2017 Operating Budget, which was previously adopted by the City Council.

Imperial Irrigation District solicited bids for two (2) 60,000 pound GVWR Dump Trucks (Request for Proposal No. 1175), and San Diego Freightliner was deemed the lowest most responsive bidder. Imperial Irrigation District Request for Proposal No. 1175 contains a public agency participation clause that San Diego Freightliner agreed to extend to other public agencies.

Upon approval from the City Council, the 10-yard dump truck will be purchased from San Diego Freightliner through a cooperative purchasing contract with Imperial Irrigation District (RFP No. 1175) in the amount of \$134,745.34, which includes sales tax and all other fees. Escondido Municipal Code Chapter 10 Article 5 Section 10-90, authorizes the purchase of supplies and equipment utilizing cooperative purchase programs.

Respectfully submitted,

*for*   
Edward N. Domingue, P.E.,  
Public Works Director/City Engineer

  
Joseph Goulart,  
Fleet Maintenance Superintendent

RESOLUTION NO. 2016-115

A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF ESCONDIDO, CALIFORNIA,  
AUTHORIZING THE PURCHASE OF ONE 10-  
YARD DUMP TRUCK FROM SAN DIEGO  
FREIGHTLINER BY UTILIZING A COOPERATIVE  
PURCHASE CONTRACT WITH IMPERIAL  
IRRIGATION DISTRICT

WHEREAS, Water Operations has requested to purchase one (1) new 10-yard dump truck; and

WHEREAS, Water Operations line itemed the purchase in their Fiscal Year 2017 Operating Budget, previously adopted by the City Council; and

WHEREAS, Imperial Irrigation District conducted a competitive bid process for two (2) 60,000 LB GVWR Heavy-Duty Dump Trucks (Request for Proposal No. 1175); and

WHEREAS, San Diego Freightliner was deemed to be the lowest most responsive bidder; and

WHEREAS, Imperial Irrigation District's Request for Proposal No. 1175 contains a Public Agency Participation clause that San Diego Freightliner agreed to extend to other public agencies; and

WHEREAS, the City is utilizing cooperative purchasing with Imperial Irrigation District, and as authorized by Escondido Municipal Code Chapter 10 Article 5 Section 10-90, the City may utilize a cooperative purchasing, which has been conducted in a competitive manner by the state, county or any other public or municipal agency; and

WHEREAS, sufficient funds for the Water Operations purchase is available in account number 5209-555-410; and

WHEREAS, staff recommends purchasing one (1) new 10-yard dump truck from San Diego Freightliner in the amount of \$134,745.34, which includes sales tax and all other fees; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to authorize the purchase from San Diego Freightliner.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the City Council is authorized to approve on behalf of the City, the cooperative purchase through Imperial Irrigation District (Request for Proposal No. 1175) as allowed per Escondido Municipal Code Chapter 10 Article 5 Section 10-90.
3. That the City Council authorizes the Fleet Services Division to purchase one (1) 10 yard-dump truck from San Diego Freightliner in the amount of \$134,745.34, which includes sales tax and all other fees.

## CITY COUNCIL

For City Clerk's Use:

☐

**APPROVED**

☐

**DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.:** 15

**Date:** August 17, 2016

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Edward N. Domingue, Public Works Director/City Engineer  
Joseph Goulart, Fleet Maintenance Superintendent

**SUBJECT:** First Amendment to the Public Services Agreement for Vehicle Outfitting Services with American Emergency Products

**RECOMMENDATION:**

It is requested that the City Council adopt Resolution No. 2016-121, authorizing the Mayor and the City Clerk to execute a First Amendment to the Public Services Agreement (PSA) exercising the Option Period 1 and amending paragraph two of the PSA to clarify that three optional contract periods were included in the Vehicle Outfitting Services Request for Proposal (RFP) No.14-01.

**FISCAL ANALYSIS:**

Sufficient funds are available in Fleet Services Vehicle Replacement Fund.

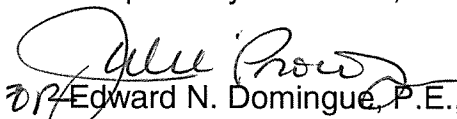
**PREVIOUS ACTION:**


On June 25, 2014, the City Council adopted Resolution No. 2014-80 awarding the PSA for Vehicle Outfitting Services to American Emergency Products.

**BACKGROUND:**

The City of Escondido and American Emergency Products entered into an agreement dated August 4, 2014, to provide vehicle outfitting services. In addition to the initial two-year term, the RFP No. 14-01 for Vehicle Outfitting Services contained three (3) one-year option periods. The City and American Emergency Products desire to enter into a First Amendment to the Public Services Agreement for vehicle outfitting services to exercise the Option Period 1 and extend the agreement through June 30, 2017. All terms and conditions of the original agreement shall remain in full force and effect. Compensation for Option Period 1 shall not exceed \$280,000.

Respectfully submitted,

  
Edward N. Domingue, P.E.,  
Public Works Director/City Engineer

  
Joseph Goulart,  
Fleet Maintenance Superintendent

RESOLUTION NO. 2016-121

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AUTHORIZING THE MAYOR AND CITY  
CLERK, TO EXECUTE, ON BEHALF OF THE  
CITY, A FIRST AMENDMENT TO THE  
PUBLIC SERVICES AGREEMENT FOR  
VEHICLE OUTFITTING SERVICES WITH  
AMERICAN EMERGENCY PRODUCTS

WHEREAS, the City of Escondido ("City") solicited bids for vehicle outfitting services on April 24, 2014, Request for Proposal 14-01 ("RFP No. 14-01"); and

WHEREAS, on June 25, 2014, the City Council adopted Resolution No. 2014-80 awarding the vehicle outfitting services contract to American Emergency Products; and

WHEREAS, the City and American Emergency Products entered into a Public Services Agreement ("Agreement") on August 4, 2014, to provide vehicle outfitting services for a firm fixed price two-year contract ending June 30, 2016; and

WHEREAS, RFP No. 14-01 contained three (3) one-year optional contract periods following expiration of the initial two-year term; and

WHEREAS, the City and American Emergency Products desire to exercise Option Period 1 by executing a First Amendment to the Agreement to extend the contract term through June 30, 2017, and amend the original Agreement to clarify paragraph two relative to the optional contract periods consistent with RFP No. 14-01; and

WHEREAS, compensation for outfitting services for Option Period 1 shall not exceed \$280,000; and

WHEREAS, sufficient funds are available in Fleet Services Vehicle Replacement Fund; and

WHEREAS, this City Council desires at this time and deems it to be the best public interest to approve the First Amendment to the Agreement to exercise Option Period 1 and amend the original Agreement to clarify paragraph two consistent with RFP No. 14-01.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the Mayor and City Clerk are authorized to execute, on behalf of the City, a First Amendment to the Vehicle Outfitting Services Agreement with American Emergency Products, which is attached hereto as Exhibit "1" and incorporated by this reference.



CITY OF ESCONDIDO  
FIRST AMENDMENT TO PUBLIC SERVICE AGREEMENT

This "Amendment" is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Between:           CITY OF ESCONDIDO  
                      a municipal corporation  
                      201 N. Broadway  
                      Escondido, California 92025  
                      Attn: Joseph Goulart  
                      760-839-4883  
                      ("CITY")

And:                AMERICAN EMERGENCY PRODUCTS  
                      10729 Wheatlands Avenue  
                      Santee, California 92071  
                      Attn: Adam Serr  
                      877-572-9111  
                      ("CONTRACTOR")

Witness that whereas:

- A.     CITY and CONTRACTOR entered into an agreement on August 4, 2014 ("Agreement"), wherein CITY retained CONTRACTOR to provide vehicle outfitting services at a firm fixed price for two years;
- B.     The Request for Proposal for Vehicle Outfitting Services (RFP No. 14-01) also contained three one-year option periods for which escalation of the contract price would be capped at five percent relative to the preceding contract year; and
- C.     CITY and CONTRACTOR desire to amend the Agreement to exercise Optional Period 1 and clarify paragraph two of the Agreement consistent with RFP No. 14-01.



NOW THEREFORE, it is mutually agreed by and between CITY and CONTRACTOR as follows:

1. Paragraph two of the Agreement is amended to read:

Compensation. The CITY will pay for services provided, as specified in the Request for Proposal for Vehicle Outfitting Services (RFP No. 14-01) in full for the above services upon final inspection and approval by CITY staff. The payment amount for services provided during the initial two-year term shall not exceed \$588,216.84. The CITY and CONTRACTOR may exercise three one-year option periods following the initial two-year term. If this Agreement is amended to exercise any option period, the cumulative total of all said option period increases shall not exceed five percent of the prices in effect at the end of the preceding contract year. Any breach of this Agreement will relieve CITY from the obligation to pay CONTRACTOR, if CONTRACTOR has not corrected the breach after CITY provides notice and a reasonable time to correct it.

2. The CONTRACTOR will furnish the services described in RFP No. 14-01 for Optional Period 1.
3. CITY will compensate the CONTRACTOR in an additional amount not to exceed \$280,000, pursuant to the conditions contained in RFP No. 14-01.
4. All other terms of the original Agreement between CITY and CONTRACTOR shall remain in full force and effect; in the event of any conflict between any specific provision of the original Agreement and this Amendment, this Amendment shall prevail.

*[SIGNATURES ON FOLLOWING PAGE]*

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

CITY OF ESCONDIDO

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

\_\_\_\_\_  
Sam Abed  
Mayor

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

\_\_\_\_\_  
Diane Halverson  
City Clerk

AMERICAN EMERGENCY PRODUCTS

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

\_\_\_\_\_  
Adam Serr  
Senior Account Manager

*(The above signature must be notarized)*

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY  
JEFFREY R. EPP, City Attorney

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

THE CITY OF ESCONDIDO DOES NOT DISCRIMINATE AGAINST QUALIFIED PERSONS WITH DISABILITIES.

## CITY COUNCIL

For City Clerk's Use:

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**APPROVED**

☐

**DENIED**

Reso No. \_\_\_\_\_

File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 16**

**Date: August 17, 2016**

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Jeffrey R. Epp, City Attorney

**SUBJECT:** First Amendment to Assignment and Assumption of Obligation Agreement

### RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2016-116, authorizing the Mayor and City Clerk to execute a First Amendment to the Assignment and Assumption of Obligation Agreement between the City of Escondido ("City") and San Diego Gas & Electric ("SDG&E").

### FISCAL ANALYSIS:

The Assignment and Assumption of Obligation Agreement has a number of financial impacts on the City of Escondido, primarily associated with preserving revenue streams and public benefits, as discussed in more detail below. The First Amendment will implement a formula which will increase City revenue from natural gas franchise fees.

### BACKGROUND:

On June 11, 2003, the City and JRMC-ERTC1, and Palomar Energy LLC, entered into a Development Agreement, which provided for the construction of a natural gas fired combined cycle power project of 550 megawatts, provided for the sale by the City of recycled water to the plant, and provided a wide range of other public benefits, including the creation of the Escondido Research and Technology Center, employment benefits, construction of significant public facility infrastructure, fulfillment of short and long term economic and social goals for the City, orderly installation of certain public improvements and certainty in the planning and development of the entire Research and Technology Center. In addition, there were a number of specific public benefits recognized as a result of the City's agreement with Palomar Energy. As a new merchant power plant operator in the community, Palomar was expected to generate substantial additional natural gas franchise fees for the City, and also provide a significant source of revenue as a result of sales of recycled water.

After the power plant was constructed, Palomar proposed to transfer the plant to SDG&E. The transfer raised a number of difficult issues for the City, because as a publicly regulated utility, SDG&E was subject to different requirements than Palomar, a private merchant generator. The two primary issues which arose concerned property tax revenues and the natural gas franchise fee, both of which were viewed as significant public benefits available to the City in exchange for allowing a power plant to be sited in its jurisdiction.

With respect to property taxes, the City cooperated with SDG&E to obtain passage of special legislation, enacted as an amendment to Section 100 of the Revenue and Taxation Code to enable the City to obtain the amount of property tax that had been originally expected under the arrangement with Palomar.

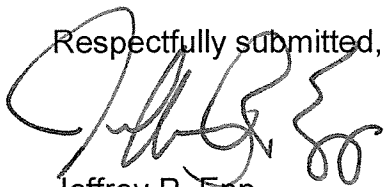
Regarding franchise fees, the City, Palomar Energy, and SDG&E entered into an "Assignment and Assumption of Obligation Agreement" which obligated SDG&E to pay the City in-lieu franchise fees for natural gas service to the Facility. This Agreement was authorized by the California Public Utilities Commission in their Decision No. 04-06-011. Section 1.4 of the Agreement set forth the formula for calculating the amount of the in-lieu franchise fee payments. Section 1.5 of the Agreement established the schedule by which SDG&E would pay the City.

Because the payments pursuant to Section 1.4 of the Agreement were to be in-lieu of municipal surcharge payments that the City would have received if the Facility were owned by a private entity (not a California public utility), the formula in Section 1.4 of the Agreement were based on the then-current method SDG&E used to calculate municipal surcharge remittances pursuant to California Public Utilities Code section 6354(b) to all municipalities in its service territory.

This past year, in their Decision No. 16-04-026, the CPUC ordered SDG&E to change the method it used to calculate municipal surcharge remittances to all municipalities for payments made after July 1, 2016. Although in-lieu fees such as those set forth in the Agreement were not specifically addressed by the CPUC decision, to keep the City revenue-neutral as to the revenue it would have received had the Facility continued to be owned by a private entity (not a California public utility), the formula in Section 1.4 of the Agreement must be modified to reflect the method ordered in Decision No. 16-04-026 ("Revised Methodology").

To implement the Revised Methodology, the City and SDG&E have prepared a First Amendment to the Assignment and Obligation of Assumption Agreement. It is anticipated that the Revised Methodology will provide an annual increase to General Fund revenue depending on gas usage at the plant and the commodity price of gas. SDG&E anticipates the revised payment to commence in August of 2016.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jeffrey R. Epp", is written over the typed name.

Jeffrey R. Epp  
City Attorney

**RESOLUTION NO. 2016-116**

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AUTHORIZING THE MAYOR AND CITY  
CLERK TO EXECUTE, ON BEHALF OF THE  
CITY, A FIRST AMENDMENT TO THE  
ASSIGNMENT AND ASSUMPTION OF  
OBLIGATION AGREEMENT WITH SDG&E

WHEREAS, in 2003, the City of Escondido ("City") entered into a Development Agreement with Palomar Energy, LLC for the construction of the Palomar Energy Plant on the northeastern portion of the Escondido Research and Technology Center ("ERTC"); and

WHEREAS, in 2006, Palomar Energy transferred its interest in the Facility to SDG&E; and

WHEREAS, in cooperation with SDG&E, an Assignment and Assumption of Obligation Agreement was executed to assure that the City received all of the benefits to which it was originally entitled under the original Development Agreement with Palomar Energy, and to compensate the City for the additional obligations associated with related facilities; and

WHEREAS, during the past year, the California Public Utilities Commission ("CPUC") adopted a change in the method used to calculate the municipal surcharge remittances to all municipalities, therefore, a First Amendment to Assignment and Assumption of Obligation Agreement has been prepared in accordance with CPUC Decision No. 16-04-26.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. The Mayor and City Clerk are authorized to execute, on behalf of the City, a First Amendment to Assignment and Assumption of Obligation Agreement with SDG&E, which is attached and incorporated by this reference as Exhibit "A."

RECORDING REQUESTED BY  
AND WHEN RECORDED  
RETURN TO:

City Clerk  
City of Escondido  
201 N. Broadway  
Escondido, CA 92025

Above Space for Recorder's Use

No recording fee required; this document exempt from fee  
pursuant to Section 6103 of the California Government Code

**FIRST AMENDMENT TO ASSIGNMENT AND ASSUMPTION  
OF OBLIGATION AGREEMENT**

This **FIRST AMENDMENT TO ASSIGNMENT AND ASSUMPTION OF OBLIGATION AGREEMENT** ("First Amendment") is made as of August \_\_, 2016, by San Diego Gas & Electric Company ("SDG&E"), and the City of Escondido, a California general law city ("City"). This Amendment amends that certain Assignment and Assumption of Obligation Agreement, dated March 29, 2006, which was subsequently recorded as Document 2006-0228104 in the San Diego County Recorder's Office ("Agreement"). Unless otherwise defined herein, defined terms shall have the meaning set forth in the Agreement.

This First Amendment is made in connection with the following recitals:

A. Among other things, the Agreement obligated SDG&E to pay the City in-lieu franchise fee payments for natural gas service to the Facility, as authorized by the CPUC in Decision No. 04-06-011. Section 1.4 of the Agreement set forth the formulae for calculating the amount of the in-lieu franchise fee payments. Section 1.5 of the Agreement established the schedule by which SDG&E would pay the City the amounts calculated under Section 1.4 of the Agreement.

B. Because the payments pursuant to Section 1.4 of the Agreement were to be in-lieu of municipal surcharge remittances that the City would have received if the Facility were owned by a private entity (not a California public utility), the formulae in Section 1.4 of the Agreement were based on the then-current method SDG&E used to calculate municipal surcharge remittances pursuant to California Public Utilities Code section 6354(b) to all municipalities in its service territory.

C. In Decision No. 16-04-026, the CPUC ordered SDG&E to change the method it used to calculate municipal surcharge remittances to all municipalities for

payments made after July 1, 2016. Although in-lieu fees such as those set forth in the Agreement are not specifically addressed by the CPUC decision, in order, as stated in Section 1.2 of the Agreement to keep the City revenue-neutral as to the revenue it would have received had the Facility continued to be owned by a private entity (not a California public utility), the formulae in Section 1.4 of the Agreement should be modified to reflect the method ordered in Decision No. 16-04-026 ("Revised Methodology").

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, SDG&E and the City mutually agree to amend the Agreement as follows:

**I.** The following sentence is added to the end of Section 1.3 of the Agreement:

Moreover, this Section 1.0 as amended is intended to implement the Revised Methodology, effective for payments made after July 1, 2016.

**II.** Section 1.4 of the Agreement is deleted in its entirety and replaced as follows:

1.4 For all payments made after July 1, 2016, reflecting natural gas usage at the Facility beginning on April 1, 2016 and thereafter, SDG&E shall make payments to the City according to the Revised Methodology, as reflected in the following formula:

$$P = F \text{ times the sum of } (Q \text{ times TR}) + (Q \text{ times WACOG})$$

Where P = the monthly amount due to the City.

F = the Franchise Fee Rate, as reflected in SDG&E Tariff Schedule GP-SUR for the relevant month, as the same may be amended from time to time.

Q = the natural gas usage at the Facility for the relevant month.

TR = the effective transportation tariff rate for the relevant month for deliveries to an electric generation plant, as reflected in SDG&E Tariff Schedule EG, as the same may be amended from time to time.

WACOG = the weighted average cost of natural gas described in California Public Utilities Code Section 6353, for the relevant month, as reflected in SDG&E Tariff Schedule GPC, as the same may be amended from time to time.

For purposes of clarification, the payment made by SDG&E to the City on or about May 25, 2016, based on natural gas usage at the Facility during the period January 1, 2016 through March 31, 2016, was calculated using the formulae in the Agreement as it was in effect prior to this First Amendment. For natural gas usage at the Facility beginning on April 1, 2016 and thereafter, the calculation and timing of the payments to the City shall be based on the formula and according to the timing set forth in this First Amendment.



**III.** Section 1.5 of the Agreement is deleted in its entirety and replaced as follows:

1.5 The payment amounts set forth in Section 1.4 shall be paid to the City on a quarterly basis. The monthly payment amounts will be consolidated into a quarterly remittance that will be made on or before August 25 (for payments relating to April through June billings), November 25 (for payments relating to July through September billings), February 25 (for payments relating to October through December billings), and May 25 (for payments relating to January through March billings).

**IV.** Exhibit A of the Agreement is deleted in its entirety.

**V.** The Parties acknowledge that SDG&E is subject to the jurisdiction of the CPUC and agree that the terms and conditions of this First Amendment, and the obligations and performance of SDG&E hereunder, are subject to the rules, decisions, orders or other actions of the CPUC ("CPUC Rule"). SDG&E shall use commercially reasonable efforts to seek any required CPUC approval of this First Amendment, either as directed by the CPUC or if deemed necessary by SDG&E, and shall take all actions necessary or appropriate in SDG&E's reasonable judgment to secure such approval, in a form and substance acceptable to SDG&E in its sole discretion, in accordance with any CPUC action or CPUC Rule. SDG&E shall seek to provide reasonable notice to the City if SDG&E makes a filing with the CPUC for the purpose of seeking specific CPUC approval of this First Amendment, and, upon request by SDG&E, the City agrees to support such filing. In the event that any CPUC action or CPUC Rule shall require, in SDG&E's reasonable judgment, the modification of any provision or provisions of this First Amendment, SDG&E shall provide notice to the City and thereafter the Parties shall negotiate in good faith to amend this First Amendment with the intention of preserving the economic terms as much as possible (and modified only to the extent required to obtain CPUC approval). Without limiting the generality of the foregoing, SDG&E intends to make the first payment reflecting the Revised Methodology on August 25, 2016 (for payments relating to April through June 2016 billings).

**VI.** Except as specifically modified by this First Amendment, the Agreement shall remain in full force and effect.

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

<p>SAN DIEGO GAS &amp; ELECTRIC COMPANY, a California corporation</p> <p>By: _____ Name: Title:</p>	<p>CITY OF ESCONDIDO, a California municipal corporation</p> <p>By: _____ Name: Title:</p> <p>By: _____ Name: Title:</p>
<p>APPROVED AS TO FORM:</p> <p>SAN DIEGO GAS &amp; ELECTRIC COMPANY LAW DEPARTMENT</p> <p>By: _____</p>	<p>APPROVED AS TO FORM:</p> <p>OFFICE OF THE CITY ATTORNEY JEFFREY R. EPP, City Attorney</p> <p>By: _____</p>

## CITY COUNCIL

For City Clerk's Use:

☐ **APPROVED** ☐ **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 17**  
**Date: August 17, 2016**

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Jay Petrek, Assistant City Manager  
Karen Youel, Housing & Neighborhood Services Manager

**SUBJECT:** Approval and Authorization for Release of Notice of Funding Availability for Emergency Solutions Grant Funds (Case No 0871-15)

### RECOMMENDATION:

It is requested that the City Council authorize Housing Division staff to release a Notice of Funding Availability (NOFA) to provide assistance to persons experiencing homelessness or at-risk of homelessness.

### FISCAL ANALYSIS:

There will be no impact on the General Fund.

### CORRELATION TO THE CITY COUNCIL ACTION PLAN:

This item relates to the City Council's Action Plan regarding Neighborhood Improvement.

### PREVIOUS ACTION:

The City of Escondido received its first allocation of ESG funding from the U.S. Department of Housing and Urban Development (HUD). The City Council approved the ESG budget on July 20, 2016, with funds reserved for a NOFA.

### BACKGROUND:

The NOFA offers \$125,173 of federal ESG funds for projects that provide assistance to persons experiencing homelessness or at-risk of homelessness. ESG program components include Street Outreach, Emergency Shelters, Homelessness Prevention, Rapid Re-Housing, and Homeless Management Information Systems (HMIS) development and maintenance, and Administrative Costs. Homelessness prevention and rapid re-housing activities are encouraged.

Staff has prepared the draft NOFA (included as Exhibit A) for the use of the available ESG funds. ESG funds must be committed to a specific project within 180 days and expended within the grant year.

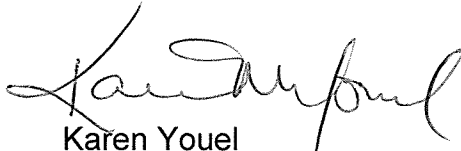
Approval and Authorization for Release of Notice of Funding Availability for Emergency Solutions  
Grant Funds (Case No 0871-15)  
August 17, 2016  
Page 2

Upon authorization of the City Council, staff will distribute the NOFA to prospective applicants and publish the NOFA on the City website (<http://www.escondido.org/neighborhood-services.aspx>) immediately. After staff review of the applications received, it is anticipated that recommendations to the City Council for award of projects would occur in September.

Respectfully submitted,



Jay Petrek  
Assistant City Manager



Karen Youel  
Housing & Neighborhood Services Manager



**NOTICE OF FUNDING AVAILABILITY (NOFA)**  
for the U.S. Department of Housing and Urban Development  
**Emergency Solutions Grant (ESG) Programs: CFDA – 14.231**  
August 18, 2016

Submission Deadline:  
**September 9, 2016, 4:00 p.m.**  
Housing & Neighborhood Services Division  
201 N Broadway, Escondido, CA 92025



It is the intention of the City of Escondido to comply with the Americans with Disabilities ACT (ADA). To request this document in alternate formats, or to request special assistance at a City meeting, please contact Nancy Melander at (760) 839-4579 or via e-mail at [NMelander@escondido.org](mailto:NMelander@escondido.org).

## ***Section One - Notice of Funding Availability (NOFA)***

### **INTRODUCTION**

Under this NOFA:

- The City of Escondido (City) Housing and Neighborhood Services Division (HNS) is accepting proposals from eligible organizations providing assistance to persons experiencing homelessness or at-risk of homelessness within the City.
- Funds to be used for this NOFA are from the federal Emergency Solutions Grant (ESG) Program.
- The ESG program provides funding to meet the following objectives: (1) engage homeless individuals and families living on the street; (2) improve the number and quality of emergency shelters for homeless individuals and families; (3) help operate these shelters; (4) provide essential services to shelter residents, (5) rapidly re-house homeless individuals and families, and (6) prevent families/individuals from becoming homeless.
- Homeless Management Information System (HMIS) participation is required by the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act).

### **BACKGROUND**

The HEARTH Act, enacted into law on May 20, 2009, consolidated three separate homeless assistance programs, administered by HUD under the McKinney-Vento Homeless Assistance Act, into a single grant program. One of the main revisions in the HEARTH Act was the revision of the existing federal Emergency Shelter Grant program into the new Emergency Solutions Grant (ESG) Program. The ESG regulations can be found at 24 Code of Federal Regulations (CFR), Parts 576.

### **FUNDING AVAILABILITY: Up to \$125,173**

Through the U.S. Department of Housing and Urban Development (HUD) ESG Program, the City has up to \$125,173 in **one-time** ESG funds available under this NOFA. These funds are available to non-profit organizations and/or public entities sponsoring projects within the City. Funds under this NOFA must be implemented and fully expended during Fiscal Year 2016-17 (July 1, 2016-June 30, 2017). The contract term will be limited to 9 months, ending June 30, 2017.

### **PRIORITIZATION OF ESG OBJECTIVES**

For this NOFA, the following ESG objectives have been prioritized in the order below:

1. Rapid re-housing for homeless individuals and families,
2. Homelessness prevention,
3. Emergency shelters,
4. Essential services to shelter residents, and
5. Engagement of homeless individuals and families.

Proposals for projects that will address higher priority objectives will be receive priority ranking.

**NOTE:** Due to the limited amount of ESG funds available, applications for rehabilitation, renovation or conversion will not be accepted at this time.

### **CONDITIONS**

The City reserves the right to determine which funding source will be used to fund specific proposals, negotiate and award contracts to multiple applicants, and request additional information from applicants. By the act of submitting a proposal, applicants acknowledge and

agree to the terms and conditions of this NOFA and to the accuracy of the information they submit in response. The City reserves the right to reject any and all submittals, waive any irregularities in the submittal requirements, or cancel this NOFA at any time. All submittal packages become the property of the City.

All requirements of the ESG Program apply under this NOFA. The HEARTH Act significantly revised the ESG Programs regulations at 24 CFR Part 576 and established new requirements for the ESG Program. HNS recommends that all organizations applying for funding review ESG Program eligibility criteria carefully.

### **PROPOSAL REVIEW**

Proposals are subject to preliminary review for threshold criteria. Applicants providing incomplete or ineligible proposals will be so notified. A determination will be made concerning the consistency of the proposal with the priorities outlined in the City of Escondido 2015-2019 Consolidated Plan with amendments.

Following the above review, the proposal and HNS staff comments will be considered by a NOFA Review Panel. The NOFA Review Panel will make funding recommendations to the Escondido City Council at for consideration on September 28, 2016 (tentative date). Applicants are encouraged to attend and participate at this public meeting.

### **TECHNICAL ASSISTANCE, CLARIFICATION AND ADDENDA**

Requests for clarifications regarding this NOFA should be directed to Karen Youel at (760) 839-4518, or by email at [KYouel@escondido.org](mailto:KYouel@escondido.org) by September 2, 2016. Responses will be posted on the City's website at [www.escondido.org/neighborhood-services.aspx](http://www.escondido.org/neighborhood-services.aspx).

Substantive changes in the submittal requirements, if any, will be made and issued in the form of an addendum posted on the City of Escondido website and sent to all organizations requesting a NOFA package.

### **SUBMITTALS**

Applications must be received no later than **4:00 p.m. on Friday, September 9, 2016**, at City of Escondido Housing Counter at the address listed below.

Submit an original set and three (3) copies and 2 electronic copies:

City of Escondido  
Housing & Neighborhood Services Division  
Attn: Housing & Neighborhood Services Manager  
201 N Broadway  
Escondido, CA 92025

Faxed and/or emailed applications will not be accepted.

## ***Section Two - NOFA Funding Source***

### **EMERGENCY SOLUTIONS GRANT PROGRAM**

- The federal ESG Program regulations are located at 24 CFR Part 576.
- Under this NOFA, ESG funds will be awarded to non-profit organizations and/or public entities sponsoring projects within the City of Escondido.
- ESG funds will be awarded for a maximum of nine months.
- All funds awarded under this NOFA must be fully expended by June 30, 2017.

### **SUMMARY OF ESG ELIGIBLE PROJECT COMPONENTS**

<b>Project Component</b>	<b>Main Eligible Activities</b>
Emergency Shelter*	Renovation (Major Rehabilitation and Conversion), Essential Services, Shelter Operations, and Assistance required under URA. See 24 CFR 576.102.
Rapid Re-Housing Assistance	Housing Relocation and Stabilization Services Financial Assistance: Moving Costs, Rent Application Fees, Security Deposits, Last Month's Rent, Utility Deposit and Utility Payment. Assistance may also include a one-time payment of rental arrears for up to 6 months. Services: Housing Search, Housing Placement, Housing Stability, Mediation, Legal Services, Credit Repair, Budgeting, Money Management. Rental Assistance: Short - Up to 3 months, Medium – 4-24 months. See 24 CFR 576.103, 576.105 and 576.106.
Street Outreach*	Essential Services necessary to reach out to unsheltered homeless individuals and families, connect them with emergency shelter, housing, or critical services, and provide them with urgent, non-facility-based care. Component services generally consist of engagement, case management, emergency health and mental health services, and transportation. For specific requirements and eligible costs, see 24 CFR 576.101.
Homelessness Prevention	Same activities as Rapid Re-Housing
HMIS**	Grant funds may be used for certain HMIS and comparable database costs, as specified at 24 CFR 576.107.

\* ESG regulations limit street outreach and emergency shelter activities (combined) to no more than 60% of the fiscal year grant.

\*\* HMIS participation is required as a project component within all proposals, but may not be the sole project component.

See HUD's ESG Program Components Quick Reference for more information.

**NOTE:** Due to the limited amount of ESG funds available, applications for rehabilitation, renovation or conversion will not be accepted at this time.



**ELIGIBLE COSTS:**

As of December 5, 2011, the Department of Housing and Urban Development issued an interim in regards to Emergency Solutions Grant funding. Please refer to Federal Register Notice Vol. 76, No. 233.

[http://www.hudhre.info/documents/HEARTH\\_ESGInterimRule&ConPlanConformingAmendment.s.pdf](http://www.hudhre.info/documents/HEARTH_ESGInterimRule&ConPlanConformingAmendment.s.pdf)

<http://www.hudhre.info/index.cfm?do=viewResource&ResourceID=4517>

<http://www.hudhre.info/documents/EmergencySolutionsGrantsProgramFactSheet.pdf>

**COMPLIANCE WITH APPLICABLE LAWS, RULES, AND REGULATIONS:**

Projects that are awarded ESG, funding must act in accordance with all relative federal, State of California, and City of Escondido laws, rules, and regulations. These include but are not limited to the following:

- **24 CFR Part 1 and 6, Public Law 90-284, Fair Housing Act** – The regulations issued following Title VI of the 1964 Civil Rights Act and Section 109 of the 1975 Housing and Community Development Act that prohibits discrimination in HUD programs based on sex, race, color, national origin, and religion and requires all programs and activities to be administered in a manner to affirmatively further the policies of the Fair Housing Act.
- **24 CFR Part 107 and 108** – The regulations issued following Executive Order 11063 and Executive Order 12892 which prohibit discrimination and promote equal opportunity in housing.
- **Section 504 of the Rehabilitation Act of 1973, 24 CFR Part 40 and 41** – The regulations that set forth policies and procedures for the enforcement of standards and requirements for disabled accessibility. The Architectural Barriers Act of 1968 and the Americans with Disabilities Act provide additional laws on accessibility and civil rights to individual with disabilities.
- **Age Discrimination Act of 1975 (42 U.S.C. 6101)** – The regulations that prohibit discrimination on the basis of age.
- **29 CFR Parts 3 and 5** – The regulations on labor standard provisions that include the payment of prevailing wages on federally assisted projects as mandated by the Davis-Bacon Act and Contract Work Hours and Safety Standards Act. 24 CFR Part 70 provides information on the use of volunteers.
- **Copeland “Anti-Kickback” Act (18 U.S.C. 874 and 40 U.S.C. 276c)** – The regulations on contracts for construction or repair awarded by subrecipients shall include a provision for compliance.
- **24 CFR Part 58** – The regulations prescribing the Environmental Review procedure under the National Environmental Policy Act of 1969.
- **National Flood Insurance Act of 1968, 24 CFR Part 55 under Executive Order 11988** – The regulations for proposed projects and properties located in a floodplain.
- **36 CFR Part 800** – The regulations outlining the procedures for the protection of historic and cultural properties.
- **Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970** – the policies for displacement, relocation assistance, and real property acquisition as defined by 42 U.S.C. 4601 (URA) and implementing regulations issued by the Department of Transportation at 49 CFR part 24 and section 104(d) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304(d)).
- **24 CFR Part 7 and 41 CFR Part 60** – The regulations outlining equal employment opportunity without regard to race, sex, color, religion, age, national origin, and disability in federally assisted construction contracts.

- **24 CFR 135** – Regulations outlining requirements of Section 3 of the Housing and Urban Development Act of 1968 providing for economic opportunities for low and very low local residents. All projects must, to the greatest extent feasible, provide opportunities for training and employment for low and moderate income persons residing within the City of Escondido, and contracts or work in connection with the project be awarded to eligible business concerns which are located in or owned in substantial part by persons residing in the City of Escondido.
- **Residential Lead Based Paint Hazard Reduction Act of 1992** – The regulations implemented by 24 CFR Part 35, Subpart B imposes certain requirements on disclosure of lead based paint hazards.
- **24 CFR Part 24** – The regulations that prohibit use of debarred or suspended contractors on federally assisted projects and Drug Free Workplace requirements, issued according to Executive Order 12459.
- **24 CFR Part 84 and OMB Circular A-110** – Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Nonprofit Organizations. These regulations include Conflict of Interest provisions under 24 CFR 84.42 and 570 as it applies to procurement.
- **OMB Circular A-122** – The regulations that identify cost principals for nonprofits.
- **OMB Circular A-133** – The regulations concerning annual audits.
- **24 CFR Part 49** – The regulations on eligibility restrictions for certain resident aliens.
- **24 CFR Part 87 and Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)** – The regulations for restrictions on lobbying and required certifications.
- **Executive Order 13170** – The regulations on increasing opportunities and access for Disadvantaged Businesses.
- **HUD Requirements** – All other applicable required reports, circulars, and procedures.
- **Administrative Procedures** – The rules issued by the City of Escondido in relation to contracts, process, and procedures.
- **Clean Air Act (42 U.S.C. 7401) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.)** – The regulations that require compliance with all applicable standards, orders, or regulations issued following the rule.

The following resources are available on HUD's website for your use:

- ESG Regulations: Interim Rule:  
[http://www.hudhre.info/documents/HEARTH\\_ESGInterimRule&ConPlanConformingAmendments.pdf](http://www.hudhre.info/documents/HEARTH_ESGInterimRule&ConPlanConformingAmendments.pdf)
- "Monitoring Checklists": <http://www.hud.gov/offices/cpd/library/monitoring/handbook.cfm>
- The Code of Federal Regulations (CFR) and Executive Orders may be found at:  
CFR: [www.gpoaccess.gov/cfr/index.html](http://www.gpoaccess.gov/cfr/index.html)  
Executive Orders: <http://www.archives.gov/federal-register/index.html>
- Emergency Solutions Grant: <http://www.hudhre.info/index.cfm?do=viewEsgProgram>
- Limited English Proficiency Requirements:  
<http://www.hud.gov/offices/fheo/promotingfh/lep-faq.cfm>

## ***Section Three - Proposal Parameters***

### **REQUIREMENTS FOR SUBMITTAL**

To be responsive, a complete NOFA Application must contain the following items:

#### ***A. Affordability***

Attachment A outlines income eligibility levels.

- "Extremely-Low Income" households are households whose adjusted household income is at or below 30% of the area median income ("AMI").
- "Very-Low Income" households are households whose adjusted household income is between 31% and 50% of AMI.
- "Low-income" households are defined here as households whose adjusted household income is between 51% and 80% of AMI.
- "Median income" is defined and published periodically by HUD for the San Diego Standard Metropolitan Statistical Area.

#### ***B. Project Location***

Projects must be located within the jurisdiction of the City of Escondido or serve residents of the City. Describe the project location and service area in as much detail as possible, including the street address, cross streets and Assessor Parcel Number. All homeless prevention activities must assist households within the incorporated areas of the City of Escondido.

#### ***C. Consistency with the FY 2015-2019 City of Escondido Consolidated Plan***

Applicants are required to demonstrate that their project is consistent with the City of Escondido's current HUD-approved Consolidated Plan and proposed amendments. Item 5 in the NOFA application addresses this requirement.

#### ***D. Match Requirements***

Section 576.201 of ESG regulations requires a 100 percent funding match. For this NOFA, applicants must match dollar-for-dollar the ESG funding provided by the City with funds from other public or private sources.

Qualifying project match includes, but is not limited to cash and value of donated materials and labor. Proposed match sources must be approved and consistent with program regulations.

#### ***E. Board Resolution***

An applicant must submit a resolution of its Board of Directors authorizing the submittal of a proposal and identifying who is authorized to execute documents. Use EXHIBIT 2.

#### ***F. Articles of Incorporation and By-Laws***

All proposals must include current Articles of Incorporation and By-Laws for the organization.

#### ***G. Audited Financial Statements*** - Submit the following information for the last two (2) fiscal years:

- Audited financial statements of the entire organization with the applicable notes;
- Independent Auditor's Report on Compliance and Internal Control over Financial Reporting based on an Audit of the Financial Statements in Accordance with Government Accounting Standards.
- Independent Auditor's Statement of Findings and Questioned costs.

#### *H. Evidence of Funding Commitments*

Applicants must demonstrate reasonable and efficient costs of operations and project implementation. The proposal must identify secured matching funds. Letters from other funding sources must include the name, title, and telephone number of the responsible contact person and funding amount.

#### *I. Cost Allocation Plan*

All applicants must submit a cost allocation plan that clearly demonstrates how direct and indirect costs are shared between the project and other agency projects.

#### *J. Position Descriptions*

Provide a position description for all proposed staffing positions funded by the project.

#### *K. Organizational/Staffing Chart*

Applicants must include an organizational/staffing chart that describes the overall organization and illustrates the relationship of the proposed program with other organizational divisions, programs and sections. Indicate the lines of organizational management, authority, and responsibility. The staffing chart identifies program staff positions (by name and title, if known) and reporting responsibility.

#### *L. Project/Program Description*

Applicant must describe the proposed project/program (work to be performed, components to be undertaken, or services to be provided) and also describe specifically how the requested ESG funds will be used. Describe how this project will benefit persons experiencing homelessness or at risk of homelessness. Describe the problem or need that the proposed project is intended to address.

#### *M. Homeless Management of Information System Participation*

ESG recipients will assure compliance with all HUD record-keeping provisions, including use of the **HMIS for clients served by ESG-funded programs**. The cost of complying with this requirement must be reflected in the project budget.

#### *N. Recordkeeping*

Under ESG, programs are also required to keep a record of all clients that are screened and classified as ineligible. The ESG recordkeeping and reporting requirements state that for each individual and family determined ineligible to receive ESG assistance, the record must include documentation of the reason for that determination. (See 24 CFR § 576.500(d)).

### **REQUIREMENTS FOR FUNDING**

The following items must be completed prior to funding:

#### *A. Environmental Review*

From the time the application has been submitted, the contractor must not commit funds or take any choice limiting actions (including option agreements or contracts for site purchase, excavation, filling, construction, rehabilitation, renovation, conversion or other physical activities) until completion of the environmental processing and HUD's formal Release-of-Funds, regardless of whether the work would be accomplished with federal funds or other matching funds. Failure to comply will jeopardize the availability of HUD funds for the project. An environmental review must be completed before the City will execute a contract. City staff conducts this review using information provided in the application.

### *B. Insurance Requirements*

Proof of insurance meeting these requirements must be submitted to the City ten (10) days prior to contract execution.

General Liability Insurance: Funding recipients will be required to obtain and provide evidence of general liability insurance in the amount of \$1,000,000 per occurrence for bodily injury, personal injury and property damage. The General Aggregate limit shall be \$2,000,000, and \$1,000,000 Products/Completed Operations Aggregate.

Automobile Liability Insurance: Funding recipients will be required to obtain and provide evidence of automobile liability insurance in the amount of \$1,000,000 combined single-limit per accident for bodily injury and property damage.

Endorsement to General Liability and Automobile Insurance: Each Contractor is required to name the City of Escondido as an additional insured on their general liability and automobile insurance policies.

Workers' Compensation and Employer's Liability Insurance: as required by the State of California.

### **PROJECT ADMINISTRATION AND MONITORING**

The City is the administrative and monitoring agency for projects awarded through this NOFA. Note the following project funding conditions:

#### *A. Disbursement of Funds*

It is estimated that it will take up to two months before contract documents are executed. The actual time will vary according to the complexity of the approved project(s), environmental constraints, and contract negotiations. HNS expects to execute one-time ESG contract(s) effective November 1, 2016.

Under this NOFA, City will award ESG funds in the form of grants. City distributes funds through a reimbursement program. Expenses incurred prior to the effective date of the executed contracts are not eligible for reimbursement. Billings for reimbursement must be submitted in accordance with contract specifications, 24 CFR Part 84 and OMB Circulars A-110, A-122, A-133.

#### *B. Funding Reallocations*

City reserves the right to reallocate funds from one approved project to another or to a new activity, or to cancel fund reservations at its discretion if projects are not proceeding satisfactorily (in the sole opinion of City) towards commencement of the proposed activity.

## ***Section Four – Project Proposal Ranking***

Each proposed project is rated on the merits of the application using criteria for need, feasibility, fiscal, and project management capacity. A minimum score of 70 (seventy) out of 100 (one hundred) points is required for a project to be recommended for funding by the review panel.

All proposals will be reviewed for completeness and threshold criteria. All proposals must meet the threshold criteria to be forwarded for further review by a NOFA review panel. The threshold criteria for ESG NOFA proposals are as follows:

### **Threshold Criteria**

- \_\_\_\_\_ Serves residents whose incomes are at or below 30% of the AMI
- \_\_\_\_\_ Serves persons experiencing homelessness or at risk of homelessness
- \_\_\_\_\_ City of Escondido Benefit
- \_\_\_\_\_ Consistent with the 2015-2019 Consolidated Plan and amendments
- \_\_\_\_\_ 100% match funding is proposed and funding source is identified
- \_\_\_\_\_ All submittal requirements have been met

Once proposals have been screened for threshold criteria and have been forwarded for competitive review, a NOFA Review Panel will be convened. The next page contains scoring criteria that will be used for the NOFA process. Funding recommendations will then be made to the Escondido City Council for consideration.

## PROJECT PROPOSAL RANKING

<b>Maximum Possible Points</b>	
<b>A. Project Need</b>	
1. Target Population – Does the applicant describe the target population or subpopulation and how they are accessed? Does it address the needs of the population? Does it describe challenges and barriers?	5
2. Geographic Area – Does the applicant describe the location? Does the project benefit the needs of City Residents?	15
3. Consolidated Plan – Does the applicant demonstrate how the proposal meets with the priorities outlined in the City of Escondido 2015-2019 Consolidated Plan?	10
<b>30</b>	
<b>B. Project Description</b>	
1. Project Goals/Objectives/Activities – Does the applicant provide a complete description of program?	10
2. How does the project benefit persons experiencing homelessness or at risk of homelessness? Proposals for projects that will address higher priority objectives will be receive priority ranking (See Section One, Subsection IV).	20
<b>30</b>	
<b>C. Experience, Management and Staffing</b>	
1. Agency/Program Experience – Does the applicant describe in detail the agency/program experience in developing, implementing and evaluating the proposed project or comparable project?	9
2. Government Contracts – Does the applicant have any experience with government contracts for similar projects? Have there been any corrective actions and were they resolved? If none, does the applicant have other contracts for similar projects?	6
3. Organizational/Staffing Chart – Did the applicant include an organizational/staffing chart? Does the chart illustrate organizational management, authority, and responsibility? Does the chart identify program staff (including title and FTE) and demonstrate the lines of accountability and reporting responsibility for the proposed project?	2
4. Position Descriptions – Does the applicant provide a position description for all the proposed staffing of the project? Does the position description reflect the proposed project? Does the applicant provide a résumé for the Executive Director/Chief Executive Officer? Does the résumé demonstrate capacity/experience to support the project?	3
<b>20</b>	
<b>D. Fiscal Capacity</b>	
1. Match – Does the applicant provide evidence of at least 100% Match?	5
2. Audited Financials – Does the applicant provide last two (2) fiscal years' Audited Financial Statements of the entire organization with the applicable notes, Independent Auditor's Report on Compliance and Internal Control over Financial Reporting based on an Audit of the Financial Statements in Accordance with Government Accounting Standards and Independent Auditor's Statement of Findings and Questioned costs?	5
3. ESG Cost Allocation Plan – Does the applicant provide a detailed cost allocation plan that clearly demonstrates how direct and indirect costs are shared between the project and other agency projects? Is it consistent with OMB Circular A-122?	10
<b>20</b>	
<b>E. Total</b>	<b>100</b>

## APPLICATION CHECK LIST

*Please complete the following checklist and submit this form with the application.*

All pages 8.5 x 11 inches

One master copy (no staples or binders) and three copies; both signed.

Two CDs with electronic file copies.

### Requirements for Submittal

- ☐ NOFA Application with Exhibits (pages 10-15)

### ATTACHMENTS:

- ☐ Articles of Incorporation and By-Laws
- ☐ Audited Financial Statements/Single Audit (last two (2) fiscal years)
- ☐ Board Resolution
- ☐ For non-profit organizations, proof of 501(c)(3) status
- ☐ Evidence of Funding Source Commitments (evidence of 100% match)

### Requirements for Funding

- ☐ Environmental Review
- ☐ General Liability Insurance, Automobile Liability Insurance and Workers Compensation Insurance.

The proposal and its submittals have been reviewed for completeness using the checklist above.

Authorized Signature: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_



# NOFA APPLICATION

**City of Escondido**  
**Housing and Neighborhood Services Division**

Emergency Solutions Grant (ESG)

**1. PROJECT TITLE:** \_\_\_\_\_

**2. APPLICANT:** \_\_\_\_\_

Contact Person: \_\_\_\_\_

Contact Person's Title: \_\_\_\_\_ Telephone \_\_\_\_\_

Email: \_\_\_\_\_

Organization Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

**3. ORGANIZATIONAL STATUS** (Check all that apply):

\_\_\_\_ Non-profit Organization \_\_\_\_ Public Entity

Does your organization expend \$500,000 or more a year in federal funds? \_\_\_\_ Yes \_\_\_\_ No

**4. SUMMARY OF FUNDING REQUEST** (List by funding activity):

<i><b>Activity</b></i>	<b>ESG</b>
<i><b>TOTAL REQUEST</b></i>	\$

**5. GENERAL PROJECT INFORMATION**

NOTE: Due to the limited amount of ESG funds available, applications for rehabilitation, renovation or conversion will not be accepted at this time.

**Attach pages as necessary to describe the following:**

Describe how your project is consistent with the priorities outlined in the City of Escondido 2015-2019 Consolidated Plan and amendments. Identify which of the Consolidated Plans goal(s) and objective (s) your project will help accomplish. Identify which special needs and disabled population(s) will be served in accordance with the Consolidated Plan and amendments.

Describe how your project aligns with the regional 25 Cities North County initiative.

Describe how your project aligns with the San Diego Continuum of Care goals and objectives.

Provide a summary description of project proposed, including the projected number of clients or units/beds to be served.

## 6. TARGETING

**Attach pages as necessary to describe the following:**

Describe the characteristics of the population to be served (e.g. youth, seniors, persons with disabilities, etc.) and the geographic area to be benefited. It is important to also attach a map (e.g. Thomas Bros. Map) showing the project location and draw a line on the map outlining the boundaries of the geographic area served.

- (1) Total number of housing units/beds upon project completion: \_\_\_\_\_
- (2) Total number of assisted units/beds upon project completion: \_\_\_\_\_
- (3) Total number of extremely low-income households  
(at or below 30% of AMI) to be served: \_\_\_\_\_
- (4) Total number of very low-income households  
(31-50% of AMI) to be served: \_\_\_\_\_
- (5) Total number of low income households  
(51-80% of AMI) to be served: \_\_\_\_\_
- (6) Total number of persons experiencing homelessness to be served: \_\_\_\_\_
- (7) Total number of persons at risk of homelessness to be served: \_\_\_\_\_
- (8) Other project objectives: \_\_\_\_\_

Median income is defined and published periodically by the United States Department of Housing and Urban Development (HUD) for the San Diego Standard Metropolitan Statistical Area. Please refer to Attachment A.

## 7. APPLICANT EXPERIENCE

**Attach pages as necessary to describe the following:**

### A. Organization

Describe the following for the organization:

- (1) Mission Statement
- (2) Past activities/experience
- (3) Administrative structure
- (4) Cost Allocation Plan

B. Technical Capacity

- (1) Describe the organization's capability to administer the project proposed.
- (2) Attach resumes of staff and consultants specifically assigned to this project and describe contractual relationship.

**8. OTHER**

State anything else pertinent about the proposed project.

**9. CERTIFICATION**

**The undersigned certifies under penalty of perjury that all statements made in this proposal are true and correct to the best of the undersigned's knowledge.**

Authorized Signature [Board Officer]

Typed Name

---

Title

Date Signed

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Submit an original set and three (3) sets of hard copies for a total of four (4) sets of your application and two (2) CDs (or thumb drive) in WORD or PDF Format prior to the date and time specified in the cover letter.

City of Escondido  
Housing & Neighborhood Services Division  
Attn.: Housing & Neighborhood Services Manager  
201 N Broadway  
Escondido, CA 92025

Faxed and/or emailed applications will not be accepted.

**EXHIBIT 1**  
**ESG PROGRAM BUDGET 2015-2016**

APPLICANT: \_\_\_\_\_

PROGRAM NAME: \_\_\_\_\_

<b>Sources of Funds:</b>	<b>ESG Funds:</b>	<b>Applicant's Funds:</b>	<b>Other Sources: (List each separately)</b>	<b>TOTAL:</b>
Street Outreach <sup>1</sup> : Service Activity:				
Service Activity:				
Service Activity:				
Emergency Shelter <sup>2</sup> : Operational Activity:				
Operational Activity:				
Operational Activity:				
Homelessness Prevention: Activity:				
Activity:				
Activity:				
Rapid Re-Housing Assistance Activity:				
Activity:				
Activity:				
HMIS <sup>3</sup> : Activity:				
TOTAL:				

<sup>1</sup>: Limited up to 60% of the total fiscal year grant for street outreach and emergency shelter activities combined

<sup>2</sup>: Limited up to 60% of the total fiscal year grant for street outreach and emergency shelter activities combined.

<sup>3</sup>: HMIS participation is required by the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act).

**Exhibit 2**  
**Board Resolution**

**RESOLUTION OF BOARD OF DIRECTORS**  
**OF**

---

WHEREAS, this entity has a minimum of four directors who constitute a quorum for conducting organization business; the organization conducts quarterly board meetings; quarterly financial statements are reviewed by the board; and, the executive director and other paid staff do not serve as voting board members;

WHEREAS, \_\_\_\_\_ is a \_\_\_\_\_ [Status of Corporation; i.e., A Non-profit Public Benefit Corporation, qualified pursuant to the provisions of Internal Revenue Code Section 501 (c) (3), etc.];

WHEREAS, \_\_\_\_\_, recognizes that the community at large, and especially low-income residents have many diverse needs for social, housing, education and other services;

WHEREAS, \_\_\_\_\_, is committed to effectively serving the communities referenced in the prior recital; and

NOW THEREFORE BE IT RESOLVED as follows:

1. That \_\_\_\_\_ is committed to providing safe, decent and affordable housing for persons of very low, low and moderate-income levels;

2. That on or about \_\_\_\_\_, 20\_\_\_\_, the Board of Directors voted to authorize the \_\_\_\_\_ [title of person authorized], or his designee, to apply for and accept assistance of the \_\_\_\_\_ Project, for the purpose of obtaining a grant to provide for the \_\_\_\_\_ [purpose; i.e., service provision, etc.] of the Project, in an amount not to exceed \_\_\_\_\_ (\$\_\_\_\_\_) from the City of Escondido.

3. That the Board of Directors further voted to authorize the \_\_\_\_\_ [title of person], or his designee, to execute any and all documents required by the City of Escondido, Housing and Neighborhood Services Division to document and secure its grant.

4. That the Board of Directors further authorized the \_\_\_\_\_ [title of person], or his designee, to perform all acts and to do all things necessary, in the opinion of the City of Escondido, Housing and Neighborhood Services Division to implement the funding and making of the grant.

I, the undersigned, certify that this Resolution was adopted at regularly or specially noticed meeting of the Board of Directors on \_\_\_\_\_, 20\_\_\_\_, at which a quorum of the Board of Directors was present, and at which the requisite percentage of the quorum voted to adopt the Resolution and that the Resolution has not been rescinded, modified or canceled as of the date of my execution of the same and that it remains in full force and effect as of this date. I further understand that the City of Escondido, Housing and Neighborhood Services Division is relying on the validity of this Resolution in taking the actions to process and approve the application. I declare under penalty of perjury, under the laws of the State of California that the foregoing is true and correct.

Executed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, at \_\_\_\_\_, California.

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

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

# NOFA ATTACHMENTS



**ATTACHMENT A**  
**HUD Income Limits for the County of San Diego**  
**Effective April 13, 2016**

The following are the income limits for moderate, low and extremely low-income families, adjusted for family size.								
	FAMILY SIZE							
Income	1	2	3	4	5	6	7	8
Low Income (80% of AMI)	47,600	54,400	61,200	68,000	73,450	78,900	84,350	89,800
Very Low Income (50% of AMI)	29,750	34,000	38,250	42,500	45,900	49,300	52,700	56,100
Extremely Low Income (30% of AMI)	17,850	20,400	22,950	25,500	27,550	29,600	31,650	33,700

## RENT REVIEW BOARD

For City Clerk's Use:

☐

**APPROVED**

☐

**DENIED**

Reso No. RRB \_\_\_\_\_

File No. \_\_\_\_\_

Ord No. RRB \_\_\_\_\_

**Agenda Item No.:** 18

**Date:** August 17, 2016

**TO:** Honorable Chairman and Members of the Rent Review Board

**FROM:** Jay Petrek, Assistant City Manager  
Karen Youel, Housing & Neighborhood Services Manager

**SUBJECT:** Adoption of A Resolution Related to the Long-Form Rent Review Board Hearing for Sundance Mobile Home Park (Case #0697-20-10092)

### RECOMMENDATION:

It is requested that the City Council adopt Rent Review Board Resolution No. 2016-12 granting an increase of \$102.22 per space per month to the 19 spaces regulated by the Escondido Mobilehome Rent Protection Ordinance, plus legal fee recovery to the 88 spaces in Sundance Mobile Home Park.

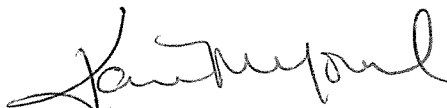
### ADDITIONAL INFORMATION:

On July 22, 2016, the City Council accepted the staff report and heard public testimony regarding a long-form rent increase application for Sundance Mobile Home Park, an 88-space mobilehome park at 2250 N. Broadway. After deliberation, the City Council determined, using a Maintenance of Net Operating Income approach, that \$102.22 was a fair, just and reasonable rent increase for the 19 spaces regulated by the Escondido Mobilehome Rent Protection Ordinance. The City Council also determined that the applicant would be able to recover legal fees in the amount of \$20,168 associated with preparing and presenting the rent increase application. These costs will be spread over the 88 spaces in the Park and are to be amortized over five years at 7 percent interest.

Respectfully Submitted,



Jay Petrek  
Assistant City Manager



Karen Youel  
Housing & Neighborhood Services Manager

RESOLUTION NO. RRB 2016-12

A RESOLUTION OF THE ESCONDIDO  
MOBILEHOME RENT REVIEW BOARD  
MAKING FINDINGS AND GRANTING A RENT  
INCREASE FOR SUNDANCE MOBILE HOME  
PARK

WHEREAS, Article V of Chapter 29 of the Escondido Municipal Code is a codification of the Escondido Mobilehome Rent Protection Ordinance ("Ordinance") which was adopted as an initiative measure by the voters in 1988 and provides for mobilehome space rent regulation; and

WHEREAS, the City of Escondido Mobilehome Rent Review Board ("Board") is charged with the responsibility of considering and making decisions on applications for rent increases.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Board does find declare, and order as follows:

1. That the above recitations are true.
2. That a long-form rent increase application pursuant to the Rent Review Board Guidelines was filed on February 5, 2016, by attorney C. William Dahlin and Amber Monte on behalf of Sundance MHP, LP, owner of Sundance Mobile Home Park ("Sundance" or "Park"). Sundance is an 88-space mobilehome park located at 2250 N Broadway, Escondido, California. The Park was opened in 1977 and has been operated by this applicant since 2014.
3. This is the fourth (4th) rent increase application filed since the Ordinance became effective in 1988. In 1989, an increase of \$45.00 per month above the January 1986 base rent amount was granted for three homes. In October 2013, an increase of

\$124.27 per space per month was authorized for 29 homes by RRB 2013-07 and RRB 2016-10. In March 2015, a short-form rent increase was granted in the amount of 2.332 percent (an average of \$15.29) for 24 spaces by RRB 2015-01. The Board's October 2013 decision was challenged by a Park resident and ultimately upheld by the Fourth District Court of Appeals in *Wise v. City of Escondido*, Cal. Ct. App., June 21, 2016, No. D068806.

4. The initial application filed by Sundance sought an increase for 22 of the 88 spaces in the Park. Due to the sale of coaches and subsequent long term leases on those spaces, Sundance ultimately reduced the spaces subject to the application and only sought an increase for 19 of the 88 spaces in the park. The remaining 69 spaces in the Park are on long-term leases and therefore not subject to regulation from the Ordinance. For the 19 spaces subject to the application, the residents provide their own coach, and pay an average monthly rent of \$673.47 for the space on which it is situated. They also pay a temporary (5-year) payment of \$17.07 for the recovery of costs of the 2013 rent increase application.

5. Sundance generally based its request for a fair return rent increase on the factors in the Ordinance and using a Maintenance of Net Operating Income ("MNOI") analysis. In the initial application, Sundance requested a \$157.17 per space per month increase. After recalculations due to the removal of spaces from the application, the Park revised the requested increase to \$171.14 per space per month.

6. Separately, Sundance requests approximately \$20,168 to recover the costs of preparing and presenting the rent increase application. The requested amount includes expenditures of \$16,568 as of July 1, 2016, and \$3,600 in anticipated expenditures (10-12 hours of legal billing at \$300 per hour) for the Board hearing.

7. Notice of the Rent Increase Application was sent to all affected

homeowners. All parties were given notice of the time, date, and place of the rent hearing before the Board. The public hearing on this matter was opened on July 20, 2016, at which time public testimony was taken, and the hearing was held.

8. On July 20, 2016, staff issued a written report which summarizes Sundance's justification for its rent increase. The staff report contains a summary of the rent increase application and separately analyzes each of the Rent Control Ordinance factors. The staff report also contains expert analysis by Dr. Kenneth Baar. Finally, the staff report contained responses to Dr. Baar's analysis by both the Resident Co-Representatives and the Owner's Representative.

9. Dr. Kenneth Baar has a Ph.D. in urban planning and is an attorney who has published extensively on housing policy issues and is recognized by the Board and the courts as an expert in fair return analyses under various ordinances regulating mobile home park space rents. The Board finds Dr. Baar's testimony and report credible and consistent with the Ordinance's requirements.

10. The Ordinance states that an applicant and the affected tenants may offer any testimony that is relevant to the requested rent increase. Section 6 of the Board Guidelines further explains that a designated representative for either party will be allowed to present testimony at the hearing. Section 13(H), states that "[o]ne applicant or their representative, and one affected resident or their representative shall be given fifteen (15) minutes to address the Board."

a. At the hearing, Karen Youel, Rent Control Administrator for the City, presented a brief summary of the staff report and the Ordinance.

b. Following the presentation by Ms. Youel, Mr. Dahlin, attorney for Sundance, addressed the Board.

c. Robert Wise and Jeremy Singer, co-representatives for the 19 residents of Sundance also addressed the Board.

d. Two members of the public addressed the Board and spoke against the increase.

e. Several residents of the 19 spaces subject to the application addressed the Board and described negative conditions at the Park or how they would be negatively impacted if the proposed rent increase was approved.

11. During the hearing, Mr. Dahlin described the MNOI methodology used by Sundance to justify the rent increase.

a. Mr. Dahlin also spoke regarding the Park's decision to move from a master meter for water service to submetered water. Mr. Dahlin explained how water would be separately charged and argued that the cost of the meters should be included as a capital expense in the analysis.

12. Dr. Baar's based his MNOI approach on decisions made in the 2013 proceedings regarding the portion of the Park included in the analysis and the CPI adjustment on the NOI.

a. Dr. Baar recommended an increase of \$102.22, based on an MNOI analysis, in order to maintain the net operating income of the Park.

b. Dr. Baar excluded the costs associated with the installation of individual water meters, legal costs associated with the subdivision of the Park, and reduced payroll and insurance costs in his analysis.

c. Dr. Baar recommended that recovery of \$20,168 in costs associated with preparing and presenting the application be allowed and that the requested costs be prorated among all 88 spaces in the Park.

13. The hearing was then closed, at which time the Board deliberated, asked questions of the applicant, residents, and staff, and made its decision on the rent increase application. The Board voted to grant a \$102.22 per month space rent increase subject to the findings and final decision to be expressed in this resolution. The Board also granted the applicant an increase of \$20,168 to recover the costs associated with preparing and presenting the rent increase application to be divided among the 88 spaces in the Park, spread over five years, at a seven percent interest rate.

14. The Board made the findings of this Resolution on the basis of the testimony received at the hearing, both oral and written, and on the basis of all written material received on this matter, including the staff report and City Council Reading File. The City Council Reading File included: the original application; supplemental information; correspondence between staff, Sundance, the resident representative, expert, park residents, and others; expert analysis; and written responses from the Park representative and resident co-representatives.

15. On July 6, 2016, a Mobilehome Park Rent Control Code Enforcement Inspection Report ("Inspection Report") was completed. It noted several Health and Safety Code Violations in the Park. Individual violations were listed in Exhibit A of the Staff Report. On July 20, 2016, all items listed in the Code Enforcement Inspection Report were in compliance.

16. Based upon the record and testimony of the residents, the Board finds that the full amount of Sundance's proposed rental increase of \$171.14 would impose a severe economic hardship on the resident homeowners of the rent controlled spaces.

17. The Board accepts and relies on Dr. Baar's recommendation to not include the cost of installation of water meters as a capital expense.

a. The Park owner argues that this portion of the request should be included because it is a capital expense. However, the Board does not believe this particular expense should be included for a number of reasons. First, the Board observes that the individual water meters do not necessarily benefit the residents. The residents receive the same water supply, pay the same amount, and in all respects have identical service whether the Park were to continue with a master meter or with individual meters. Second, the Board notes that installation of individual water meters actually benefits the park because the Park no longer has the administrative burden of handling water charges as part of the rent and no longer absorbs costs in the event of non-payment. The elimination of this administrative burden is of measurable benefit to the park owner. Third, to the extent laudable water conservation goals are furthered by individual metering, the park owner, as the property owner, will generally reap more benefit than the individual residents.

b. Even if the Board were to allow the cost of the individual meters to be considered a capital improvement and passed along to the residents, it is far from clear what the appropriate amortization schedule would be. Based on information in the record, the amortization period for a water meter would be quite lengthy, and when the cost per meter amortized over a long period of time is calculated as part of this rent increase, any change in the amount requested and the amount granted would be nominal.

18. A substantial portion of the requested increase was justified by an increase in property taxes after the property was sold and reassessed. The Board agrees with the



applicant's request in this regard, and with the recommendation of Dr. Baar, and therefore includes property tax increases in determining a just, fair, and reasonable rent increase.

19. That the last hearing and determination of an allowable, long-form, rent increase application was in 2013. The last rent increase in 2015 is not required to be used as the rate base because it was based on a short-form rent increase application.

20. That an increase of \$102.22 according to a Maintenance of Net Operating Income analysis with a 75 percent CPI indexing ratio and using only rent controlled income provides a fair return.

21. That Dr. Baar's recommended modifications to the operating costs are reasonable and appropriate and result in an overall rent increase that is fair, just and reasonable.

22. That an increase of \$102.22 according to a Maintenance of Net Operating Income is consistent with the Board Guidelines.

23. After having read and heard all of the evidence presented and weighing such evidence against the factors of the Ordinance and after having considered certain relevant factors, the Board determines that an average increase of \$102.22 per space per month is fair, just, and reasonable.

24. The Board determines that the applicant's claim for \$20,168 for costs associated with preparing and presenting the rent increase application was justified. The Board granted an increase of \$20,168, to be divided among the total number of spaces in the Park (88 spaces) amortized over 5 years, at a seven percent interest rate. Based on these calculations, the park owner may include a charge of \$5.92 per month per space for 5 years.

25. The Board finds that Dr. Baar's recommendation is persuasive in that spreading the cost of the \$20,168 for preparing and presenting the rent increase application across the 88 spaces in Sundance is fair and reasonable because the number of residents subject to the application has decreased relative to the number of overall residents living in Sundance. Spreading the costs over only the rent controlled spaces would unjustly require the rent controlled spaces to cover the whole cost of the rent increase application without placing any of the burden of the exemption on the exempt spaces. Although this is a different approach than was used in a previous application, the Board has the ability to consider other factors when spreading these costs and to make a decision tailored to the facts of each individual application. In this case, the Board determines that a different approach is appropriate and that the long term concern of continually exempting the non-rent controlled spaces from carrying the burden of their exemption is entitled to greater weight. Therefore, the Board has decided to spread these costs over all spaces in the Park rather than just the spaces in the rent increase application.

26. The increase may be implemented upon the expiration of the required 90-day notice to the residents which may be issued upon the adoption of this Resolution. As of the hearing date, all Health and Safety Code Violations have been corrected and signed off.

## CITY COUNCIL

For City Clerk's Use:

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**APPROVED**

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**DENIED**

Reso No. \_\_\_\_\_

File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 19**

**Date: August 17, 2016**

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Helen Davies, Environmental Programs Manager

**SUBJECT:** Approval of Contract to Complete 100 Percent Engineering Design of Spruce Street Drainage Improvement Project

### RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2016-117, authorizing the Mayor and City Clerk to execute a Consulting Agreement for \$225,925 with Michael Baker International for design of the Spruce Street Drainage Improvement Project.

### FISCAL ANALYSIS:

Sufficient funds are available in CIP project number 678301. In addition, staff are actively seeking funding through the County of San Diego Vector Habitat Remediation Program, Statewide IRWM Program's Disadvantaged Community Planning Grant (Proposition 1 funding) and California Urban Rivers Grant Program to assist with design and implementation of the project. Grant funding, if secured, will be used to the maximum extent to reserve CIP funds for implementation.

### COUNCIL ACTION PLAN:

This item relates to the City Council's Action Plan regarding neighborhood improvement. The project improves a tributary to the Escondido Creek, improving the aesthetic impact of the channel and providing flood control, vector control, and water quality benefits.

### PREVIOUS ACTION:

On December 11, 2013, the City Council adopted Resolution No. 2013-164 approving a contract for thirty percent design of the project. On February 10, 2016, the City Council adopted Resolution No. 2016-07, approving a mitigated negative declaration for the Spruce Street Drainage Improvement Project.

### BACKGROUND:

The Spruce Street drainage runs from South Third Avenue, under Spruce Street (near the Mission Pools business), between West Grand Avenue and West Valley Parkway, to the west of the Sprinter Station, and joins with Escondido Creek northwest of the Sprinter Station. Deferred maintenance has resulted in gradient variances and sediment deposits creating drainage problems. Standing water in the channel creates habitat for breeding mosquitoes. To reduce these drainage and vector concerns, the City is redesigning the drainage (within existing constraints) in a manner that improves drainage

Spruce Street Drainage Improvement Project  
August 17, 2016  
Page 2

and eliminates mosquito breeding habitat. Structural changes and improvements to the drainage are being evaluated and where appropriate, incorporated into the design.

Thirty percent design of the project and CEQA analysis has been completed. Resource agency permits have been prepared and submitted to the Army Corps of Engineers, Regional Water Quality Control Board and California Department of Fish and Wildlife.

This contract is for the completion of the engineering design, preparation of construction bid documents, and as-built plans after project completion.

Respectfully submitted,

A handwritten signature in cursive script that reads "Helen M. Davies". The signature is written in dark ink and is positioned above the printed name.

Helen M. Davies, M.S., CPSWQ  
Environmental Programs Manager

**RESOLUTION NO. 2016-117**

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AUTHORIZING THE MAYOR AND CITY  
CLERK, TO EXECUTE, ON BEHALF OF THE  
CITY, A CONSULTING AGREEMENT WITH  
MICHAEL BAKER INTERNATIONAL TO  
COMPLETE THE ENGINEERING DESIGN  
FOR THE SPRUCE STREET DRAINAGE  
IMPROVEMENT PROJECT

WHEREAS, the City of Escondido ("City") desires to design the Spruce Street Drainage Improvement Project ("Project"); and

WHEREAS, the City received and reviewed proposals from three consulting firms and Michael Baker International was selected for the Project; and

WHEREAS, Michael Baker International has the personnel and expertise to design the Project; and

WHEREAS, City staff have completed negotiations for the Project, and recommend City Council approval for execution of the Consulting Agreement ("Agreement") for the completion of the engineering design of the Spruce Street Drainage Improvement Project for an amount not to exceed \$225,925.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California:

1. That the above recitations are true.
2. That the City Council authorizes the Mayor and City Clerk to execute on behalf of the City an Agreement with Michael Baker International for the completion of the engineering design of the Spruce Street Drainage Improvement Project for an amount not to exceed \$225,925. A copy of the Agreement is attached as Exhibit "A" and is incorporated by this reference.



CITY OF ESCONDIDO  
CONSULTING AGREEMENT

This Agreement is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Between:           CITY OF ESCONDIDO  
                      a Municipal Corporation  
                      201 N. Broadway  
                      Escondido, California 92025  
                      Attn: Helen Davies, Environmental Programs  
                      760-839-6315  
                      ("CITY")

And:               Michael Baker International  
                      5050 Avenida Encinas, Ste. 260  
                      Carlsbad, CA 92008  
                      Attn: Richard Lucera, VP  
                      760-603-6253  
                      ("CONSULTANT")

Witness that whereas:

- A. It has been determined to be in the CITY's best interest to retain the professional services of a consultant to provide the design of the Spruce Street Drainage Improvement Project; and
- B. The CONSULTANT is considered competent to perform the necessary professional services for CITY;

NOW, THEREFORE, it is mutually agreed by and between CITY and CONSULTANT as follows:

- 1. Services. The CONSULTANT will furnish all of the services as described in "Attachment A" (Entire proposal booklet) and "Attachment B" (Organizational Chart and Project Team Members, page 3 of booklet) which is attached and incorporated by this reference.
- 2. Compensation. The CITY will pay the CONSULTANT in accordance with the conditions specified in "Attachment A," in the sum of \$225,925.00. Any breach of this Agreement will relieve CITY from the obligation to pay CONSULTANT, if CONSULTANT has not corrected the breach after CITY provides notice and a reasonable time to correct it. If this Agreement is amended at any time, additional compensation of CONSULTANT contained in subsequent amendment(s) shall not exceed a cumulative total of twenty-five percent (25%) of the maximum payment provided for in this Section 2.

3. Scope of Compensation. The CONSULTANT will be compensated for performance of tasks specified in "Attachment A" only. No compensation will be provided for any other tasks without specific prior written consent from the CITY.
4. Duties. CONSULTANT will be responsible for the professional quality, technical accuracy, timely completion, and coordination of all reports and other services furnished by the CONSULTANT under this Agreement, except that the CONSULTANT will not be responsible for the accuracy of information supplied by the CITY.
5. Personnel. The performance of services under this Agreement by certain professionals is significant to the CITY. CONSULTANT will assign the persons listed on "Attachment B," which is attached and incorporated by this reference, to perform the Services described in Paragraph 1, and will not add or remove persons from the list without the prior written consent of the CITY. If no designation is made, then CONSULTANT may not assign services without obtaining the advance written consent of the CITY. CONSULTANT will not subcontract any tasks under this Agreement without obtaining the advance written consent of the CITY.
6. Termination. Either CONSULTANT or the CITY may terminate this Agreement with thirty (30) days advance written notice.
7. City Property. All original documents, drawings, electronic media, and other material prepared by CONSULTANT under this Agreement immediately becomes the exclusive property of the CITY, and may not be used by CONSULTANT for any other purpose without prior written consent of the CITY.
8. Insurance.
  - a. The CONSULTANT shall secure and maintain at its own cost, for all operations, the following insurance coverage, unless reduced by the City Attorney:
    - (1) General liability insurance. Occurrence basis with minimum limits of \$1,000,000 each occurrence, \$2,000,000 General Aggregate, and \$1,000,000 Products/Completed Operations Aggregate; and
    - (2) Automobile liability insurance of \$1,000,000 combined single-limit per accident for bodily injury and property damage, unless waived as provided in 8(b) below; and
    - (3) Workers' compensation and employer's liability insurance as required by the California Labor Code, as amended, or certificate of sole proprietorship; and
    - (4) Errors and Omissions professional liability insurance with minimum coverage of \$1,000,000.
  - b. It is the parties' understanding that the use of a motor vehicle is not a primary subject of this Agreement. CONSULTANT acknowledges that operating a motor vehicle is outside the scope of this Agreement and occurs only at the convenience of the CONSULTANT. A waiver of automobile liability insurance is only effective if both sets of initials appear below, otherwise such insurance is required.

Acknowledged by CONSULTANT \_\_\_\_\_

Waiver appropriate by CITY \_\_\_\_\_

- c. Each insurance policy required above must be acceptable to the City Attorney.
  - (1) Each policy must provide for written notice within no more than thirty (30) days if cancellation or termination of the policy occurs. Insurance coverage must be provided by an A.M. Best's A- rated, class V carrier or better, admitted in California, or if non-admitted, a company that is not on the Department of Insurance list of unacceptable carriers.
  - (2) All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.
  - (3) Both the General Liability and the Automobile Liability policies must name the CITY specifically as an additional insured under the policy on a separate endorsement page. The CITY includes its officials, employees, and volunteers. The endorsement must be ISO Form CG 20 10 11 85 edition or its equivalent for General Liability endorsements and CA 20 01 for Automobile Liability endorsements.
  - (4) The General Liability policy must include coverage for bodily injury and property damage arising from CONSULTANT's work, including its on-going operations and products-completed operations hazard.
  - (5) The General Liability policy must be primary and noncontributory and any insurance maintained by CITY is excess.
- c. In executing this Agreement, CONSULTANT agrees to have completed insurance documents on file with the CITY within fourteen (14) days after the date of execution. Failure to comply with insurance requirements under this Agreement will be a material breach of this Agreement, resulting in immediate termination at CITY's option.
- 9. Indemnification. CONSULTANT (which in this paragraph 9 includes its agents, employees and subcontractors, if any) agrees to indemnify, defend, and hold harmless the CITY from all claims, lawsuits, damages, judgments, loss, liability, or expenses, including attorneys' fees, for any of the following:
  - a. Any claim of liability arising out of the negligence or any acts or omissions of CONSULTANT in the performance of this Agreement;
  - b. Any personal injuries, property damage or death that CONSULTANT may sustain while using CITY-controlled property or equipment, while participating in any activity sponsored by the CITY, or from any dangerous condition of property; or
  - c. Any injury or death which results or increases by any action taken to medically treat CONSULTANT.
- 10. Anti-Assignment Clause. The CONSULTANT may not assign, delegate or transfer any interest or duty under this Agreement without advance written approval of the CITY, and any attempt to do so will immediately render this entire Agreement null and void. Unless CONSULTANT assigns this entire Agreement, including all rights and duties herein, to a third party with the CITY'S written consent, CONSULTANT shall be the sole payee under this Agreement. Any and all payments made pursuant to the terms of this Agreement are otherwise not assignable.
- 11. Costs and Attorney's Fees. In the event that legal action is required to enforce the terms and conditions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs.



12. Independent Contractor. CONSULTANT is an independent contractor and no agency or employment relationship, either express or implied, is created by the execution of this Agreement.
13. Merger Clause. This Agreement and its Attachments, if any, are the entire understanding of the parties, and there are no other terms or conditions, written or oral, controlling this matter. In the event of any conflict between the provisions of this Agreement and any of its Attachments, the provisions of this Agreement must prevail.
14. Anti-Waiver Clause. None of the provisions in this Agreement will be waived by CITY because of previous failure to insist upon strict performance, nor will any provision be waived by CITY because any other provision has been waived, in whole or in part.
15. Severability. The invalidity in whole or in part of any provision of this Agreement will not void or affect the validity of any other provisions of this Agreement.
16. Choice of Law. This Agreement is governed by the laws of the State of California. Venue for all actions arising from this Agreement must be exclusively in the state or federal courts located in San Diego County, California.
17. Multiple Copies of Agreement/Counterparts. Multiple copies and/or counterparts of this Agreement may be executed, including duplication by photocopy or by computerized scanning device. Each duplicate will be deemed an original with the same effect as if all the signatures were on the same instrument. However, the parties agree that the Agreement on file in the office of the Escondido City Clerk is the copy of the Agreement that shall take precedence should any differences exist among copies or counterparts of the document.
18. Provisions Cumulative. The foregoing provisions are cumulative and in addition to and not in limitation of any other rights or remedies available to the CITY.
19. Notices to Parties. Any statements, communications or notices to be provided pursuant to this Agreement must be sent to the attention of the persons indicated below. Each party agrees to promptly send notice of any changes of this information to the other party, at the address first above written.
20. Business License. The CONSULTANT is required to obtain a City of Escondido Business License prior to execution of this Agreement.
21. Compliance with Applicable Laws, Permits and Licenses. CONSULTANT shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, and rules in effect during the term of this Agreement. CONSULTANT shall obtain any and all licenses, permits, and authorizations necessary to perform services set forth in this Agreement. Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY shall be liable, at law or in equity, as a result of any failure of CONSULTANT to comply with this section.
22. Immigration Reform and Control Act of 1986. CONSULTANT shall keep itself informed of and comply with the Immigration Reform and Control Act of 1986. CONSULTANT affirms that as an employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will be employed on

IN WITNESS WHEREOF, the parties below are authorized to act on behalf of their organizations, and have executed this Agreement as of the date set forth below.

CITY OF ESCONDIDO

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

\_\_\_\_\_  
Sam Abed  
Mayor

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

\_\_\_\_\_  
Diane Halverson  
City Clerk

MICHAEL BAKER INTERNATIONAL

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

\_\_\_\_\_  
Richard Lucera

\_\_\_\_\_  
Vice President  
Title

*(The above signature must be notarized)*

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY  
JEFFREY R. EPP, City Attorney

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

THE CITY OF ESCONDIDO DOES NOT DISCRIMINATE AGAINST QUALIFIED PERSONS WITH DISABILITIES.

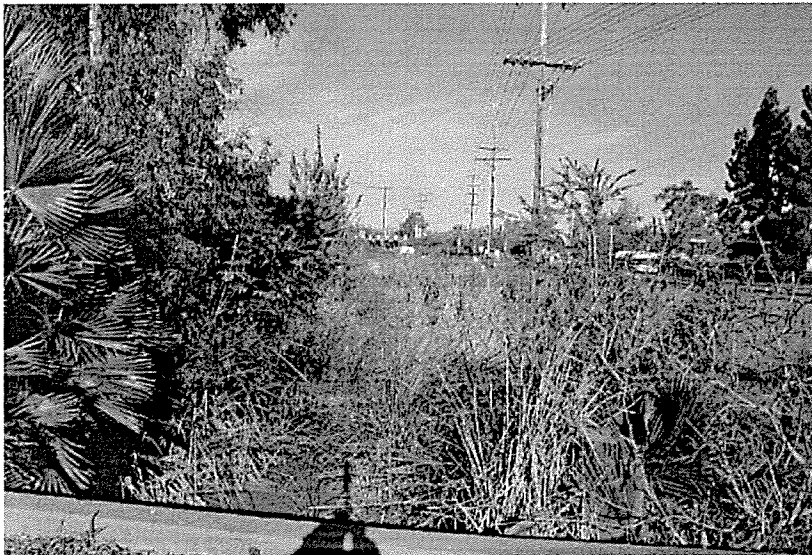
### 3. Scope of Work and Approach

#### General Technical Approach

The Michael Baker Team will utilize an approach to the design of the Spruce Street Channel that will provide for sustainable indefinite operation: A stable channel that is low maintenance, offers flood protection, is aesthetically pleasing, and supportive of beneficial uses. Our approach will include the following:

- 1) Identification and implementation of design elements into the project plans that achieve **high performance**, yet are **easily constructed**.
- 2) Determination of design concepts and details that minimize capital expenditure and **alleviate long term maintenance**.
- 3) **Emphasis on multi-objective solutions** – this means implementing designs that not only achieve the intended performance objective, but that also cost effectively address other non-related deficiencies in the surrounding infrastructure that may exist within close proximity to the project work zone.
- 4) **A solid understanding and close adherence with the project environmental documents and local City design standards.** Staff members from Michael Baker selected for this project will bring the City their expertise related to the resource agency permitting process, CEQA, and public works engineering standards. They also bring the City highly relevant experience implementing channel restoration projects funded through local vector control grants and/or requiring coordination with NCTD. A description of our team members and their relevant project experience can be found within the "Project Team References and Qualifications Section" (pages 5-12) of this proposal. Our qualifications and understanding of technical and regulatory issues will ensure that the project is completed within the necessary time frame and budget identified by the City.

#### Michael Baker Produces Cost Effective and High Performance Channel Projects



*Michael Baker will investigate methods necessary to achieve more efficient hydraulics caused by inlet control conditions, including the clearing of excessive sediment and vegetation.*

Drainage channels such as the one at Spruce Street were originally intended to eliminate flood impacts to public safety and public property. That objective will be maintained throughout the design process. Our design will consider all the relevant issues related to hydraulic performance of a large scale flood control channel including:

- 1) Adherence with minimum freeboard criteria for the appropriate design event.
- 2) Identification and minimization of system energy loss at bends, contraction and expansion areas, confluence points, at the entrance and exit points of roadway culverts.

Wherever appropriate, regional standard structures such as splash walls, channel confluences, super-elevation controls, and wing-walls will be incorporated into the design as a cost effective means of improving system

hydraulics. Should project circumstances preclude the use of regional standard designs, our team also brings the City proven and cost effective design solutions based on similar experience with other local, large scale channel projects such as the City of Oceanside's **Pilgrim Creek Restoration**, and the County of San Diego projects at **Central Avenue** and **Woodside Avenue**, among others. These projects have successfully integrated elements such as pre-fabricated culvert systems, structural flood wall extensions, weirs, hydraulic baffles, and headwall tapers to improve conveyance of floodwater and provide the appropriate level of protection to local residences and businesses.

Preliminary research indicates that the Spruce Street Channel conveys runoff from approximately 750 acres. It is likely that the existing culverts between West 2nd Avenue and the confluence with Escondido Creek have significantly lower hydraulic

capacity compared to what the open channels are likely to convey after excessive sediment and vegetation have been cleared. Of particular concern is the existing 5' x 10' box culvert at West 2nd Avenue. Our team will investigate the methods necessary to achieve more efficient hydraulics by improving inlet control conditions. This includes the headwall "filet" indicated on the 30% plans as well as other cost effective design approaches, such as enlargement of the culvert throat to increase the performance of the existing infrastructure. Design of channel improvements will be carefully coordinated with separate design activity related to the transit center at West Valley Parkway.

### Our Approach will Reduce Long Term Maintenance for the City

In order to ease the burden of long term maintenance on City staff, the Spruce Street Channel improvements will need to be designed to minimize sediment accumulation during smaller, more moderate events, and provide maximum resiliency against scour in the event of larger floods. The design approach must be compliant with the restrictions specified in the project Mitigated Negative Declaration (MND) and resource agency permitting requirements. Maintenance considerations of sedimentation and scour must also be carefully balanced with adherence to flood hydraulic standards. With past successful projects such as **Buck Gully Channel Restoration**, Michael Baker successfully balanced these considerations by incorporating cross sloped bottom areas, multi-stage (stepped) cross sections, and strategic choices in vegetation (native mixes that are sustainable, and will not reduce conveyance over time). Our staff also understands that the resource agencies are a source of increasing resistance to hardened channel elements, such as Regional Standard Rip Rap Energy Dissipaters. Our team is well versed on other equally suitable green infrastructure design options, which are often times more desirable to the resource agencies. Project landscaping choices will also adhere to local design standards and favor the use of native, non-irrigated species that provide the intended hydraulic retardance characteristics. A range of acceptable options is included within the project MND.

The project 30% plans and MND discuss collection of sediment using rip rap pads, an optional offline basin, and installation of small riffles. Our team's approach is to wherever possible preserve natural sediment flows throughout the project limits to reduce accumulation and buildup. Inclusion of design elements such as improved vegetation and culvert inlet hydraulics conditions will offer significant help in achieving this objective. We anticipate some degree of bed material will continue to accumulate at culvert entrances; although at a significantly reduced rate.

### The City of Escondido will Achieve Multi-Benefit Objectives

Michael Baker staff will work with City staff throughout the design life of the project to identify and incorporate multi-benefit elements that extend beyond those related to flood control and goals of the vector reduction grant. In the past, our staff has incorporated a wide spectrum of infrastructure benefits into the design of traditional stormwater facilities. A few examples are cited below:

- 1) During the design of retrofit improvements to the **Woodside Avenue Flood Control Channel** in unincorporated areas, Michael Baker staff implemented a design solution to optimize and improve performance from a nearby existing water quality basin through more frequent diversion. This approach helped to **reduce annual pollutant load to downstream receiving waters**.
- 2) During recent work efforts with the City of Carlsbad to improve drainage conditions along **State Street**, Michael Baker staff members provided recommendations for water quality treatment along the busy existing store frontages through incorporation of pre-fabricated porous concrete gutters. Our staff has been working on urban drainage solutions with the City for the densely populated **Northwest Quadrant** for over 5 years. Improvement plans have incorporated replacement of deficient water valves, aging decorative pavement areas, and traffic control conduit – eliminating the need to create separate bid packages and **resulting in economy of scale from contractor bids**.
- 3) Members of the Michael Baker Team selected for this project are currently assisting the City of Oceanside in the completion of retrofit improvements to the portion of **Pilgrim Creek** that flows through the Oceanside Municipal Golf



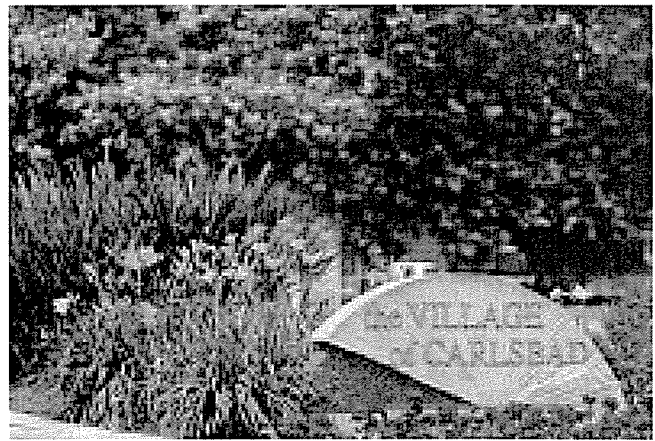
*Michael Baker staff members helped incorporate water quality solutions into the completion of heavy infrastructure retrofit at Woodside Avenue*

Course. This project is similar to the Spruce Street Channel improvements in that it was developed through a County grant program aimed at reducing vector breeding. The goal of reducing vectors was accomplished through re-grading of the channel bottom area, elimination of standing water zones, and removal and replacement of excessive vegetation. However the Michael Baker design also allowed the City to simultaneously address other issues within the golf course related to aesthetics, internal circulation, and drainage within smaller tributary reaches. The design work also identified deficiency within a receiving channel, and was completed so that current improvements would be compatible with potential downstream improvements in the future.

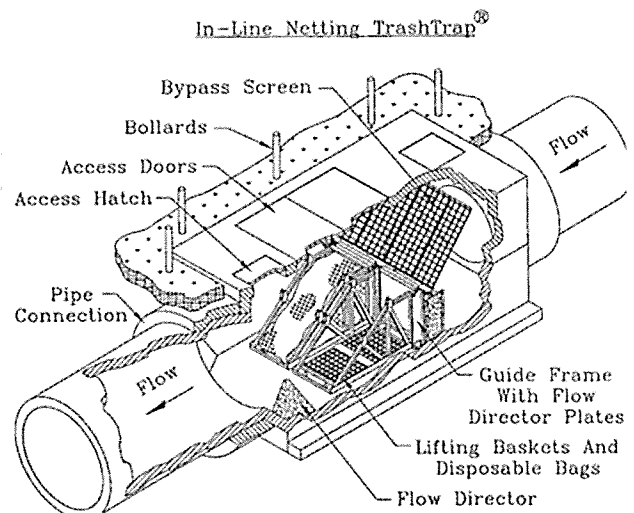
With respect to the Spruce Street Channel, Michael Baker has previously identified strong potential for this project to offer Alternative Compliance water quality treatment benefit to other public or private projects within the watershed (Escondido Creeks Hydraulic Study, performed by Michael Baker International January 2016).

Our team understands that the Carlsbad Watershed Management Area Water Quality Improvement Plan (WQIP) discusses the goals related to short and long term reduction (and eventual elimination) of dry weather flow within this focus area. Lastly, we understand the City of Escondido will soon be faced with requirements under the Statewide Trash Amendments to achieve full capture of trash within high priority land use areas, which exist at and within the vicinity of the project. Through previous work effort completed by Michael Baker, alternative design scenarios have been proposed to the City that involve substitution of the off-line sediment basin with either underground storage/retention or bioretention – both of which are capable of significant pollutant load reduction that could be credited towards the completion of other future projects. Both of these would also contribute towards the City's dry weather flow elimination goals. An in-line trash trap such as the one shown in Figure 1 would provide the additional benefit of meeting Regional Board criteria for full capture of trash. These systems can be designed to perform effectively for flow rates up to 3,000 cfs (in excess of what we estimate being carried within the project channel), and unlike the current approach discussed in the Request for Proposal (RFP), can be maintained from the surface without the need to enter confined spaces. They can be also designed for structural compatibility with the desired access shafts discussed RFP. Providing this system at this location will not only be very effective, but will also eliminate visual impacts that we understand are part of the City's priority for this project.

Our approach will involve working with City staff to further develop these or other similar concepts during Task 1, so that the overall product will be more cost effective at achieving a broader spectrum of City goals, without impact to the regulatory or CEQA processes.



*Multi-year design efforts to improve drainage conditions within Carlsbad's Northwest Quadrant have offered an array of options to also improve street aesthetics, domestic water, and traffic systems*



*Figure 1 Example of Multi Benefit In-Line Trash Trap*

## Project Tasks and Specific Technical Approach

## Task 1- Research and Preliminary Design (Update to 30% Plans)

### *Easement and Survey Records*

Available City of Escondido and County of San Diego maps and records will be reviewed to document and identify the need for temporary construction easements. Consideration will be given to staging areas and access roads that may be necessary as part of the project.

### *Utility Research and Potholing*

As-built utility research will be performed based on information provided by the City as well as information from local franchise utility companies (SDG&E, AT&T, TWC, Etc.). The consultant will identify any relocations needed and coordinate with City staff and the utility companies to determine responsibilities. One round of potholing will be performed for us in 5 locations. Prior to performing potholing, the intended locations will be submitted to the City for concurrence.

### *Design Alternatives Analysis*

Michael Baker will perform an initial review of the 30% plans, topographic survey data (to be provided by the City), and do an accompanying field visit. Based on this information, we will develop a Design Alternatives Memo with up to 3 different schematic exhibits, preliminary construction cost estimates, and preliminary construction duration information to assist the City with informed decision making. These alternatives will consider the ideas discussed in the General Technical Approach for hydraulic improvements.

### *Alternatives Consultation Meeting*

Michael Baker and the City will discuss the merits of the ideas presented in the Design Alternatives Memo and select a preferred alternative for design.

**Deliverables:** Design Alternatives Memo, Meeting Minutes from the Alternatives Consultation Meeting, Revised 30% Plans

## Task 2- Final Plans, Specifications, and Estimates (PS&E Package at 60%, 90%, and 100% Stage)

### *Project Improvement Plans and Associated Documents*

Improvement Plans – The plan set will be based on the design alternative selected by the City in Task 1, and will include a City standard title sheet, general notes, typical sections, details, and the following elements:

- a) **Grading Plans** – The grading design sheets will include plan and profile sheets with horizontal and vertical channel alignment data, channel re-grading, culvert improvements, removal of sediment, energy dissipation, sediment riffles, permanent BMPs, and identification of utility impacts.
- b) **Landscape and Irrigation Plans** – Michael Baker shall prepare detailed landscape and irrigation plans based on the 30% complete plans, the approved restoration plan and regulatory permits. The irrigation system will be designed based on input obtained from City maintenance managers.
- c) **Erosion and Sediment Control Plans** – The erosion and sediment control sheets will show the temporary measures that will be implemented to minimize the creation and discharge of sediment and debris into the channel. The plans will identify material and equipment storage and cleaning areas, stabilized construction access points, perimeter control measures, and other good housekeeping practices. Temporary drainage measures will also be identified since the scope of the project includes work within a channel.
- d) **Structural Details** – Our team will develop structural details for the following anticipated facets of the project design



Michael Baker will prepare detailed landscape and irrigation plans that will not only create aesthetically pleasing elements of the channel, but will serve to reduce sediment and pollutant runoff as well.



- i. Endwall/culvert improvement at confluence with Escondido Creek.
- ii. Access hatches along the warehouse/storage facility frontage.
- iii. Improved culvert entrance for existing culvert between West Grand Avenue and West 2nd Street.

It is assumed that structural improvements to the existing culvert at W. Valley Parkway (localized headwall improvements, surface improvements, pedestrian bridge, culvert extension, energy dissipaters, etc.) are the responsibility of others.

- e) **Temporary Traffic Control Plans** – If required, traffic control sheets will specify temporary signage and control measures needed to safely convey traffic during construction. These may be necessary to accommodate the construction of manhole shafts adjacent to the existing warehouse and storage facility between West Grand Avenue and West 2nd Avenue.

#### *Design Support Documents*

- a) **Hydrology Study** – Michael Baker will develop a hydrology and hydraulics report to evaluate the following anticipated issues associated with the design:
  - i. Confirm existing hydrology (project design flow rates) using City standard methodology.
  - ii. Confirm existing and proposed condition channel and culvert hydraulics for the design event. Analysis will consider changes to channel grading, vegetation, and improvements to culvert hydraulics.
  - iii. Details necessary for energy dissipaters.

Preliminary research indicates the Spruce Street Channel within the project vicinity is not included within the regulatory floodplain. Consequently, coordination with FEMA or processing of CLOMRs, LOMRs, etc. is considered unwarranted.

- b) **SWQMP** – Per the recently adopted Escondido Storm Water Design Manual, it is assumed that this project will be considered a "Standard Project." A Storm Water Project Submittal form will be completed and submitted to the City. Based upon other potential City objectives associated with the project, the following additional items shall be addressed as required:
  - i. Estimated reduction in dry weather flow for consistency with the Carlsbad Watershed Management Area WQIP.
  - ii. Estimated reduction in pollutant load/consistency of project design with the City's recently-completed Alternative Compliance Study. This would also require development of details necessary to support the design of permanent structural BMPs.
- c) **SWPPP** – Michael Baker shall develop a SWPPP tailored to this specific construction project. This plan will identify sources of sediment and pollutants, and establish an approach for reducing their discharge into the channel. The SWPPP will also address temporary drainage measures that may be necessary for work within the channel.

#### *Supplemental Topographic Survey*

Michael Baker will provide up to 2 field days to perform supplemental ground survey based upon needs generated by the progress of design work.

#### *Project Specifications*

We will prepare special provisions and a bid schedule for the project. It is understood that the City will prepare the front end section of the specifications and provide input on the format. Our firm will check the PS&Es for consistency.

#### *Cost Estimates*

The cost estimate will include quantities, unit prices, and total estimated cost for each bid item. Unit prices will be based on regional standards, the City, or other historical data.

#### *Utility Research and Coordination*

If necessary, the consultant will obtain additional as-built utility drawings from the City or local utility companies within the project limits (beyond what we obtained in Task 1). The consultant will identify any relocations needed and coordinate with City Staff and the utility companies to determine responsibilities. Additional potholing, if needed, can be provided under a separate authorization.

### *Client Comment Response Matrix*

A comment response matrix will be developed and submitted with each PS&E package. The matrix will include all City comments from the previous submittal as well as formal comment responses.

### *Design Issues Memoranda*

Each submittal will be accompanied by a memo outlining any noteworthy issues for the City. The memo will focus on items that require City input or determination.

**Deliverables:** 60% PS&E Package, 90% PS&E Package, 100% PS&E Package including Design Issues Memoranda, and Client Comment Response Matrices

### **Task 3- Public and Resource Agency Coordination**

Due to the proximity of this project to active NCTD tracks and their Right of Way, coordination will be required. It is understood that the City is already working on an easement for the pedestrian bridge that will be constructed as part of the Transit Center Connections Project.

We will coordinate with NCTD and prepare a Work Plan for a Right of Entry Permit. The primary components of the work plan are a description of the scope and purpose of the project, equipment, schedule, and traffic control.

Michael Baker understands that entitlement and regulatory approvals are currently underway and will be available upon issuance. We view ourselves as an extension of staff and are eager to provide the City with additional support, if required, throughout the permitting process. Our direct experience and existing relationships add value to processing and negotiations, ultimately leading to approvals that are acceptable to the City. Specifically, we plan to provide as needed support for the following:

- ✓ County of San Diego DEH
- ✓ SANDAG
- ✓ CDFW
- ✓ USACE (Section 404 Permit)
- ✓ Regional Water Quality Control Board (Section 401 Water Quality Certification)

Support for the approvals may include telephone/email correspondence, coordination with the permitting team (AECOM), coordination and negotiation with state, federal and local agencies as well as in-person meetings. Once approvals are obtained, we can also provide peer review services to ensure permit compliance.

**Deliverables:** Meeting Minutes, Peer Review Documentation

### **Task 4- Community Meetings**

Michael Baker will attend two public meetings. It is understood that the City will schedule the meetings, advertise the meetings, determine a meeting locations, and take the lead on notifying the appropriate stake holders. Michael Baker will prepare overall exhibits, present the project to the public at the meeting and be available to answer questions, as requested by the City. The exhibits will communicate the preliminary location of the channel improvements, a traffic control concept, a landscaping concept, and other conceptual design information with the intent on obtaining feedback. Michael Baker will compile a list of questions and issues from the public and take photographs of the meeting. After the meeting, the Michael Baker will summarize the information in a memo to the City, compile the photographs, and copies of the exhibits to document the meeting. The project team will discuss the ideas brought up at the meeting and modify the design as deemed appropriate by the City. We estimate a budget of 48 hours for meeting attendance, support, and follow-up.

**Deliverables:** Public Outreach Materials, Summary of Meeting Memo with exhibits and pictures

### **Task 5- Construction Support and Bid Support**

Michael Baker staff members will facilitate construction and bid support by providing the following services on a time and materials basis with an assumed budget of 120 hours. The keys to successful engineering bid and construction support services include:

- ✓ Responsiveness



- ✓ Proactive communication
- ✓ Organization
- ✓ Thorough documentation

#### *Bid Support*

Michael Baker will attend the pre-bid meeting and help respond to contractor questions. Notes will be taken to assist the City of Escondido in addenda preparation. Technical questions will be fielded and responded to in a timely manner. If necessary, plans and specifications will be updated to address questions and comments. Assistance will also be provided in reviewing contractor bids.

#### *RFI/Submittal Review and Response*

Michael Baker will provide written clarifications and interpretation of the construction contract documents, design criteria, or design intent, in response to construction contractor requests for information (RFI) or requests for clarification (RFC).

#### *Engineering Field Support*

The design team will be on-call during construction to review shop drawings and help resolve technical issues. Services shall include attendance at bi-weekly construction progress meetings, special technical meetings, and issue resolution meetings.

#### *Field Changes*

Michael Baker will assist the City in evaluating construction contractor initiated changes to resolve field constructability issues, City initiated change order requests based upon proposed design modifications, and construction contractor initiated change order requests based upon design elements in the construction drawings and specifications. After each review, written recommendations will be provided. Revised PS&Es will be prepared for approved major design modifications for the Extended Services fee mutually agreed upon.

#### *Record Drawings*

Michael Baker will incorporate all changes made during construction into the record drawings AutoCAD files per the City's standards.

**Deliverables:** Revised Plans and Documentation as Requested by City (TBD)

### **Task 6- Project Management**

Project management includes ongoing coordination with the City and preparation of schedule updates, as needed. Monthly status reports will be submitted with each invoice. Invoices will be submitted in a format that is most acceptable to the City. Regular contact through email, conference calls, and face-to-face meetings will ensure timely coordination of all relevant project issues and milestones.

**Deliverables:** Meeting Agendas, Meeting Minutes, Project Schedule Updates, Monthly Status Reports, and Necessary Backup Information for Grant Reimbursement

### **Managerial Approach and Client Communication**

Our Project Manager, Richard Lucera, PE has extensive experience with the administration of public agency consulting contracts. He, along with the proposed Michael Baker Team members for this project, have developed a set of tools to facilitate management of work, budgets, and schedules for large or small interdisciplinary teams. At the discretion of the City, some of the optional tools we can provide include:

- ✓ Conference Calls - Michael Baker routinely uses conference calls as an economical alternative to in-person meetings.
- ✓ Web Facilitated Meetings - Michael Baker also uses web facilitated meetings to allow the meeting host to show documents through the web-hosting service. Web facilitated meetings are especially helpful in the review of presentation materials and smaller documents.
- ✓ Video Conferencing - Michael Baker routinely hosts video conferencing between offices and with locations through a web-based conferencing service. Each of our offices in San Diego County has video conference capability, which would also be available to project staff. Video conferences provide a good vehicle to include team members in strategy type meetings. The video conferencing system also includes a tool to allow input from a computer on a separate screen.

The hallmark of our management approach is communication – within our team and with the City. We understand that effective communication will ensure the best work product and the most efficient work production. Our Project Manager will provide the City's Project Manager with monthly progress updates. The updates are prepared in an easy to read format and include the following information for each task order:

- ✓ Work completed during the reporting period, and anticipated to be completed the following period,
- ✓ Contract amount, billed to date, percent and dollar amount remaining and,
- ✓ Percent complete of the scope/budget.

### Schedule and Budgets

Michael Baker closely tracks the schedule and budget for each task order using Microsoft Project. Monthly updates from Microsoft Project showing the hours completed on each task will be provided to the City's Project Manager. Microsoft Project is a highly effective tool in tracking the project schedule and budget using the 'baseline' feature included with the software. Clients that have received grant funding often find the information supplied from our scheduling and budget updates very useful for quality assurance reporting.

Monthly updates ensure that each task order is completed on time and within budget, and that the project completion date adheres to the agreed-upon schedule.

### Meeting Facilitation

Michael Baker has extensive experience in meeting facilitation including the preparation of agendas, and meeting minutes. We have developed a meeting minute template that tracks previous action items as well as providing a general record of the meeting. Meeting minutes are recorded directly into the form via laptop computer at the meeting, and provided to the group within a few days following the meeting.

### Graphics

Michael Baker has a dedicated graphics and multi-media department that routinely produces professional quality graphics for meeting facilitation, presentation materials and reports. They serve as excellent decision making aides for our clients during the planning stages of a project, and can help garner the support of other key project stakeholders. Our graphics professionals use InDesign, Illustrator and Photoshop on Macintosh computers.

### Quality and Cost Control

The Michael Baker Team will ensure quality control through implementation of our Design Quality Management Plan (DQMP). Our DQMP uses a continuous process as work flows from desk to desk, discipline to discipline and consultant team to client; not just at project milestones. This program consists of the following key elements:

- ✓ "Over-the-Shoulder" Review
- ✓ Independent Technical Review throughout the Project Process
- ✓ Open Client Communication Channels
- ✓ Project Coordination Meetings
- ✓ Weekly Personnel Scheduling & Budgeting Administration

Michael Baker's concept for quality management is to remove barriers so that each stormwater professional and engineer can develop each element of a project correctly, the first time. Real quality begins with the designation of individuals with the appropriate experience and availability to manage the project, lead tasks and accomplish technical work.

Description	Project Manager		Senior Landscape Architect		Senior Environmental		Survey Mapping Manager		Project Engineer		Design Engineer		Structural Engineer		Project Landscape Architect		Assistant Engineer		Technical Writing Assistant		Project Coordinator		Administrative Assistant		2-Man Survey Crew		Total	
	Hrs.	\$	Hrs.	\$	Hrs.	\$	Hrs.	\$	Hrs.	\$	Hrs.	\$	Hrs.	\$	Hrs.	\$	Hrs.	\$	Hrs.	\$	Hrs.	\$	Hrs.	\$	Hrs.	\$	Hrs.	\$
<b>Task 1</b> Research and Preliminary Design (Update to 30% plans) Easement and Survey Records Utility Research Design Alternatives Analysis Consultation Meeting Update 30% Plans City of Escondido Review Submit Comments to Consultant Team	24	5,280					5	950	48	7,200	4	540									16	1,440					161	25,260
<b>Task 2</b> Final Plans, Specifications, and Estimates (PS&E Package at 60%, 90%, and 100% stages) Supplemental Topographic Ground Survey 60% PS&E 60% Improvement Plans 60% Project Specifications 60% Cost Estimate 60% Hydrology, Water Quality, SWPPP Utility Research and Coordination 30% Client Comment Response Matrix 60% Design Issues Memoranda Submit 60% Package 60% City of Escondido Review Submit 60% Comments to Consultant Team	13	2,860	13	2,860			12	2,280	51	7,650	96	12,960	13	1,950	96	12,960	96	12,480							12	3,600	25	6,030
90% PS&E 90% Improvement Plans 90% Project Specifications 90% Cost Estimate 90% Hydrology, Water Quality, SWPPP 60% Client Comment Response Matrix 90% Design Issues Memoranda Submit 90% Package 90% City of Escondido Review Submit 90% Comments to Consultant Team	1	220							4	600	20	2,700	1	150	20	2,700												
100% PS&E 100% Improvement Plans 100% Project Specifications 100% Cost Estimate 100% Hydrology, Water Quality, SWPPP 90% Client Comment Response Matrix 100% Design Issues Memoranda Submit 100% Package Council Approval & Advertisement Public and Resource Agency Coordination Coordination	3	550	3	550					7	1,050	12	1,620	1	150	12	1,620	20	2,600									108	15,418
Community Meetings Meeting 1 Meeting 2	8	1,760							1	150	6	810	1	150	6	810											48	7,440
Construction Support and Bid Support Bid and Construction Support As-Built Drawings	30	6,600							16	2,400	3	338	7	1,050													56	10,388
Project Management Project Management	75	16,500							4	600	40	5,400	2	225													136	23,425
Professional Services Reimbursables	202	44,440	24	5,170	40	7,600	17	3,230	428	63,750	251	33,818	30	4,425	203	27,405	148	18,240	25	2,423	20	1,800	25	1,625	12	3,600	1,457	23,925
<b>Total Project Costs</b>																												225,925

## CITY COUNCIL

For City Clerk's Use:

☐ **APPROVED** ☐ **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 20**

**Date: August 17, 2016**

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Bill Martin, Director of Community Development

**SUBJECT:** Modification to a Regional Market Sign Permit for the Escondido Auto Park, and Zoning Code Amendment (PHG 16-0009 & AZ 16-0004)

### STAFF RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2016-109, approving a Modification to a Regional Market Sign Permit for the replacement of an existing Escondido Auto Park freeway sign with a new, larger sign incorporating LED technology. It is also requested that the City Council introduce Ordinance No. 2016-07, amending Escondido Zoning Code Section 33-1395.10 to allow for larger Regional Market Signs than currently permitted.

### PLANNING COMMISSION RECOMMENDATION:

On July 12, 2016, the Planning Commission voted 6-0-0 (Romo absent) to recommend approval of the proposed Modification to the Regional Market Sign Permit and Zoning Code Amendment.

### PROJECT DESCRIPTION:

The Escondido Auto Park Association is requesting permission to replace its existing Regional Market Sign with a larger, more modern sign, in the same location. The existing sign is approximately 630 SF in total area per side, with a lamp-matrix changeable message board of approximately 267 SF per side and internally-illuminated fixed copy of approximately 126 SF per side (total copy area per side: 393 SF). The new sign would be approximately 775 SF in total area per side, and would include an LED message board of approximately 587 SF per side and internally-illuminated fixed copy of approximately 67 SF per side (total copy area: 654 SF per side). The overall height of the sign would be lowered from 80 feet to 73 feet 6 inches. The Association believes that the upgraded sign would improve the aesthetics of this portion of the I-15 corridor, while continuing to attract business to the dealerships within the Auto Park and promoting tax revenue for the City.

Because the new sign would not conform to the City's Regional Market Sign size standards as described in Section 33-1395.10 of the Zoning Code, the project includes a proposal for a Zoning Code Amendment to change these standards. The text to be changed is described in the proposed ordinance, and also summarized as follows:

	<u>Current</u>	<u>Proposed</u>
Total sign area	750 SF maximum	825 SF maximum
Copy area (message board only)	270 SF maximum	600 SF maximum
Copy area (fixed only)	No specific restrictions for fixed copy alone, but total copy (fixed plus message board) is restricted- see next line	No specific restrictions for fixed copy alone, but total copy (fixed plus message board) is restricted- see next line
Copy area (message board plus fixed)	400 SF maximum	710 SF maximum
Height	80' maximum	No change
Administrative Adjustments	Not allowed	Signs up to 10% larger in sign area, message board area, or height may be permitted with approval of an administrative adjustment from the Community Development Director

LOCATION:

The Regional Market Sign site is located on the north side of Simpson Way, near its intersection with Hale Avenue and directly west of Interstate 15, and addressed as 1130 Simpson Way.

FISCAL ANALYSIS:

No impact.

CORRELATION TO THE CITY COUNCIL ACTION PLAN:

The 2015-2016 City Council Action Plan includes a goal to “revamp and clean up policies, practices and standards around Planning, Development, Enforcement and Economic Development”, to be accomplished in part by amending the Zoning Code to streamline permitting processes where feasible. The proposed Zoning Code Amendment would increase the allowed dimensions of Regional Market Signs and also allow for an administrative adjustment process to exceed those dimensions up to 10 percent with approval from the Community Development Director. The Zoning Code Amendment would give applicants more flexibility in project design, and give staff the power to

approve minor deviations from sign size without taking a previously-approved sign back to City Council for reapproval.

#### GENERAL PLAN ANALYSIS:

The project site is located within the General Industrial (GI) land use designation of the General Plan, and is zoned Heavy Industrial (M-2). The GI designation is intended for manufacturing, warehouse, distribution, assembling, and wholesaling uses, as well as uses providing supporting products and services for those industries.

While the proposed sign itself is not an industrial use, it would not interfere with existing industrial uses taking place on the property or on adjacent properties. Section 33-1395.10 of the Zoning Code limits installation of Regional Market Signs to selected industrially-zoned parcels along the I-15 corridor, and the subject property is one of these parcels. The proposed sign exceeds the Regional Market Sign size standards in Section 33-1395.10, but the proposed Zoning Code Amendment would increase these limits so that the sign would be in conformance.

#### ENVIRONMENTAL REVIEW:

The proposal for the new Regional Market Sign is exempt from the requirements of the California Environmental Quality Act (CEQA) in conformance with Section 15302(b), "Replacement or Reconstruction" (replacement of a commercial structure with a new structure of substantially the same size, purpose, and capacity). The Zoning Code Amendment portion of the project is exempt from CEQA in conformance with Section 15061(b)(3), which states that a project is exempt when the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment (the "General Rule" provision).

#### BACKGROUND:

On September 13, 1995, the City Council approved a Zoning Code Amendment (95-05-AZ) that had been proposed by the Escondido Auto Park Association. The amendment provided regulations for a new category of sign: the "Regional Market Sign", to be owned/maintained only by a "regional market group", defined as a group of related commercial uses occupying a planned development of at least forty acres, with a market area extending beyond city limits into a larger regional area, and represented by a marketing or advertising association benefiting its members. One of the new standards included in Section 33-1395.10 specified that Regional Market Signs could be located only on commercially-zoned property fronting Interstate 15. No City approvals for any signs were included with this 1995 Zoning Code Amendment.

A new Zoning Code Amendment request, 96-06-AZ, was submitted the following year, specifying that Regional Market Signs be allowed at 1130 Simpson Way and on other industrial parcels lining Interstate 15 between Mission Avenue and the flood control channel. The Association also submitted an application for the Regional Market Sign itself (96-21-RMS), which was proposed to be 80 feet in height, approximately 630 SF in area, and including approximately 393 SF of copy per side, including a 267-SF electronic message board and 126 SF of fixed copy. The Association was required to establish a presence on the 1130 Simpson site in the form of an information center for the proposal to

be an on-premise sign. The Planning Commission recommended approval of 96-06-AZ and 96-21-RMS to City Council, and City Council approved both proposals. A determination was made that the information center could be considered an “automotive service” instead of a standard office, which qualified it as an industrial use. Following approval of 96-06-AZ and 96-21-RMS, the Auto Park sign was installed and has not been altered in the last twenty years.

#### PLANNING COMMISSION RECOMMENDATION AND SUMMARY

On July 12, 2016, the Planning Commission voted 6-0-0 (Romo absent) to recommend approval of the proposed Modification to a Regional Market Sign and Zoning Code Amendment. The Commission discussed several topics, including the screen display and timing of messages, the likelihood of additional organizations requesting similar signs (unlikely since only “regional market groups” can have them and only on specific properties), and the distinction between off-premise and on-premise signs. They also discussed whether it was appropriate for the proposed Zoning Code Amendment to allow for an administrative adjustment for sign proposals up to 10 percent larger in size or height than the allowed dimensions. Staff explained that this provision would allow a small “buffer” for increases in sign size occurring between City Council approval of a Regional Market Sign and preparation of final construction drawings.

#### PUBLIC COMMENT:

No correspondence has been received from the public regarding this proposal, and no public speakers spoke about the proposal at the Planning Commission hearing, aside from the applicant’s representative.

#### ANALYSIS:

Regional Market Signs have been permitted on certain industrially-zoned properties along the I-15 corridor since 1996, when Section 33-1395.10 was added to the Zoning Code. This section of the code was specifically tailored to the needs of the Escondido Auto Park Association, since it was the only organization up to that point that was known to have requested a freeway-oriented, message board sign of this scale. Because City staff knew how large the Association wanted their sign to be and what it was expected to look like when built, they were able to write the language of 33-1395.10 to allow those dimensions, while also including provisions to prevent cluttering the freeway with excessive electronic signage (restricting the number and location of signs, strictly defining “regional market groups” to limit the range of potential applicants, etc.)

The Association now would like to upgrade the existing Regional Market Sign with one that is more modern in appearance and that utilizes energy-efficient LED technology for its message board. The overall area of the proposed sign would be larger than what currently exists (increase from 630 SF to 775 SF per side), and the message board itself would also be larger (increase from 267 SF to 587 SF per side). While the area of fixed copy would decrease from 126 SF to 67 SF per side, the total copy size (fixed copy plus message board) would increase. These larger features would exceed the size limits currently set by the Regional Market Sign standards, so a code amendment is necessary. The code amendment would not include any changes to the maximum allowed height of the sign, nor would it add new properties to the map of parcels that are allowed to have a Regional Market Sign

under Section 33-1395(c). Furthermore, the code amendment would not increase the number of Regional Market Signs in this area (only one sign total is allowed for these industrial properties as described in Section 33-1395(e)(1)), and it would not broaden the definition of "regional market group" to allow organizations who do not currently qualify for such a sign to obtain one. The code amendment would include provisions allowing the Community Development Director to administratively approve a sign with an overall sign area, copy area, or message board area up to 10% larger than the maximum allowed, under the administrative adjustment application process. These provisions allow for some minor flexibility in sign design on a case-by-case basis, without requiring an application to move back through the typical Planning Commission and City Council approval channels.

The proposed project has been reviewed by all necessary City departments, and none of these departments had any comments or requested any conditions of approval. Caltrans also reviewed the proposed code amendment and Regional Market Sign modification and expressed no concerns with increasing the size of the sign or its message board. Caltrans did state that while its agency maintains no regulations for maximum light output, it recommends that the sign be dimmable, and also recommends following Outdoor Advertising Association of America (OAAA) guidelines limiting ambient light to an output level of 0.3 footcandles at a distance of 250 feet from the sign. These recommendations have been incorporated into the proposed conditions of approval for the project (and the applicant has already indicated to staff that the sign will include an ambient light sensor to enable it to dim or brighten as outside light levels vary by season and time of day, and will also be dimmable manually).

Caltrans has also indicated that the sign will require an Outdoor Advertising Display Permit from their agency only if it is an "off-premise" sign. This appears to be supported by Section 5274 of the Outdoor Advertising Act (administered by Caltrans), which states that most provisions of the Act, including permitting requirements, are not applicable to on-premise signs located in business centers and visible from an interstate, as long as certain conditions are met (the display identifies the name of the business center, all businesses noted on the sign are located within the business center, all city or county approvals have been obtained, etc.) As discussed in this staff report, the existing sign was deemed upon approval to be "on-premise" since the Association arranged to lease office space on the site to serve as an information center for potential Auto Park customers visiting the site. Since the Association intends to continue this arrangement, the upgraded sign still can be considered an on-premise sign.

Staff has determined that the proposed code changes will support business activity in Escondido as well as the City's goals to streamline the development permit process. Therefore, staff recommends approval of the project.

Respectfully Submitted,



Bill Martin

Director of Community Development



Ann Dolmage

Associate Planner



**CITY OF ESCONDIDO**  
**MINUTES OF THE REGULAR MEETING OF THE**  
**ESCONDIDO PLANNING**

**July 12, 2016**

The meeting of the Escondido Planning Commission was called to order at 7:05 p.m. by Chairman Weber in the City Council Chambers, 201 North Broadway, Escondido, California.

**Commissioners present:** Jeffery Weber, Chairman; Bob McQuead, Vice-chairman; Michael Cohen, Commissioner; Gregory Johns, Commissioner; James Spann, Commissioner and Stan Weiler, Commissioner.

**Commissioners absent:** Don Romo, Commissioner.

**Staff present:** Bill Martin, Director of Community Development; Jay Paul, Associate Planner; Adam Finestone, Principal Planner; Owen Tunnell, Principal Engineer; and Adam Phillips, Deputy City Attorney.

**MINUTES:**

Moved by Commissioner Spann, seconded by Vice-chairman McQuead, to approve the minutes of the June 14, 2016, meeting. Motion carried. Ayes: Weber, Spann, McQuead, and Cohen. Noes: None. Abstained: Johns. Commissioner Weiler was absent from the vote. (4-0-1)

**WRITTEN COMMUNICATIONS** – None.

**FUTURE NEIGHBORHOOD MEETINGS** – Received.

**ORAL COMMUNICATIONS** – None.

**PUBLIC HEARINGS:**

**1. CONDITIONAL USE PERMIT – PHG 15-0036:**

**REQUEST:** A proposed Conditional Use Permit to increase the number of non-ambulatory residents (aged 60 and above) in an existing 3,421 SF, residential care facility from six to ten, on a 10,385 SF lot in the R-1-6 zone (Single-Family Residential, 6,000 SF minimum lot size). No exterior additions or improvements

to the existing structure are proposed. The proposal also includes the adoption of the environmental determination prepared for the project.

**PROPERTY SIZE AND LOCATION:** Approximately 0.24-acres, on the northeast side of Wanek Road, west of East Valley Parkway and east of Socin Court, addressed as 2870 Wanek Road (APN 231-050-50).

Adam Finestone, Principal Planner, referenced the staff report and noted staff issues were whether the site could reasonably accommodate the increase in the number of residents, and whether adequate parking could be provided for the proposed use. Staff recommended approval based on the following: 1) The proposed increase in the number of residents is consistent with General Plan goals to provide housing for special needs households including the elderly. The facility allows residents to live in a residential environment rather than an institutional setting. The proposed increase to ten residents can be reasonably accommodated on site since the residence is of adequate size and adequate parking can be provided; and 2) The demand for parking was expected to be limited primarily to employees because the residents do not drive and visitation occurs on an infrequent basis. The three required spaces could be provided on the applicant's property as required by the Zoning Code. The applicant's proposed parking solution met code requirements and there were plenty of other parking opportunities for infrequent occurrences where additional spaces were needed.

Vice-chairman McQuead asked if staff had received any comments from the neighbors. Mr. Finestone replied in the negative.

Chairman Weber asked if the subject property would be subject to a higher sewer rates given the increase in occupants. Mr. Martin replied sewer rates were based on EDU's.

Chairman Weber and Mr. Martin discussed the feasibility of raising the EDU formula for residences that are converted to residential care facilities.

Discussion ensued regarding available parking and the delineation between what defined residential and institutional settings.

**Ana Osborn, Escondido, Applicant,** noted that her facility would provide for individuals needing care in a residential setting. She also stated that she had provided care for over 20 years and loved it.

## **ACTION:**

Moved by Vice-chairman McQuead, seconded by Commissioner Spann, to approve staff's recommendation. Motion carried unanimously. Weiler was absent from the vote. (5-0)

## **2. REGIONAL MARKET SIGN PERMIT AND ZONING CODE AMENDMENT – PHG 16-0009; AZ 16-0004:**

REQUEST: A modification to an existing Regional Market Sign Permit to upgrade the existing Escondido Auto Park freeway sign with a larger sign. The existing sign is approximately 630 SF in size and includes an electronic message board of approximately 267 SF per side, as well as 126 SF of internally-illuminated fixed copy per side. The new sign would be approximately 775 SF in size, and would include an LED message board of approximately 587 SF per side, as well as approximately 67 SF of internally-illuminated fixed copy per side. The sign would still be supported by two poles, though the overall height of the sign would be lowered from 80' to 73'6" and the pole covers would be painted gray. Since the proposed changes would cause the sign to exceed current size limits for Regional Market Signs, a Zoning Code Amendment is also proposed to modify those limits.

PROPERTY SIZE AND LOCATION: The project site is 1.17 acres in size and is addressed as 1130 Simpson Way (Assessor's Parcel Number 232-061-36). The site is located on the north side of Simpson Way, near its intersection with North Hale Avenue and immediately west of Interstate 15.

Bill Martin, Director of Community Development, referenced the staff report and noted staff issues were whether the proposed Zoning Code Amendment, allowing for larger Regional Market Signs, was appropriate, and whether the design of the proposed new sign was appropriate. Staff recommended approval based on the following: 1) Regulations for Regional Market Signs were added to the Zoning Code in 1995 and amended in 1996, in response to the Escondido Auto Park Association's interest in installing a freeway-oriented sign bearing a changeable message board within the Interstate 15 corridor. These regulations had not changed since the 1996 amendment. The Association now would like to upgrade the existing Regional Market Sign with one that was more modern in appearance and that utilizes LED technology for its message board. The proposed design would incorporate a larger total sign area and a larger message board than what currently exist. The total copy size (fixed plus message board) would also increase. These larger features would exceed the size limits currently set by the Regional Market Sign standards, so a code amendment is necessary. The proposed project has been reviewed by all relevant City departments, none of

which had any comments or recommendations. Caltrans also reviewed the proposed code amendment and Regional Market Sign modification and expressed no concerns with increasing the size of the sign or its message board, but did make some recommendations regarding light output, which are addressed further later in this report. These recommendations have been incorporated into the conditions of approval for the project. Finally, staff believes that the increase in the digital message board size (and the overall size of the sign) is warranted since it is consistent with current LED technology that is more efficient and has become increasingly popular in the years since the original Auto Park sign was approved; and 2) The current Regional Market Sign was installed in 1996 under 96-21-RMS and the sign had not been changed since it was first installed. The Association now would like to replace the existing sign with a new one featuring cleaner lines and a modern appearance, as well as a larger electronic message board. The applicant believed, and staff concurred, that the new design would upgrade the look of the sign and this area of the I-15 corridor.

Commissioner Weiler entered the meeting at this time.

Commissioner Cohen asked if there would be any power consumption difference with the new sign. Mr. Martin estimated that the power usage would be reduced, noting the applicant was present and could provide more input.

Commissioner Johns and staff discussed the type and timing for the screen display.

Chairman Weber and staff discussed the reasoning for the administrative adjustment language in the proposed code amendment.

Chairman Weber asked if staff foresaw any other possible entities coming forward with similar requests. Mr. Martin replied in the negative noting the regional market sign regulations had been in effect for 20 years now and no other entities had applied.

Chairman Weber and staff discussed the language related to the requirement for on-premise signs versus being subject to the Outdoor Advertising Act for an off-premise sign installation. Chairman Weber expressed his concern with the on-premise nature of the request.

**Rory Nicholls, ADTI Media**, noted that the LED technology would reduce the power usage for the sign. He stated that there was a mistake regarding the actual size of the LED sign, noting that it was less than stated in the staff report. He also elaborated that the aesthetics of the sign would be significantly increased.

Commissioners Spann, Weiler, and Cohen were in favor of the proposed sign.

**ACTION:**

Moved by Commissioner Johns, seconded by Commissioner Cohen, to approve staff's recommendation. Motion carried unanimously. (6-0)

**CURRENT BUSINESS:** None.

**ORAL COMMUNATIONS:** None.

**PLANNING COMMISSIONERS:**

Commissioner Weiler apologized for being late due to an unavoidable work commitment.

Vice-Chairman McQuead noted he would be absent from the meetings in September and the first one in October.

Bill Martin noted that the July 26<sup>th</sup> meeting was canceled.

**ADJOURNMENT:**

Chairman Weber adjourned the meeting at 7:32 p.m. The next meeting was scheduled for August 9, 2016, at 7:00 p.m. in the City Council Chambers, 201 North Broadway, Escondido, California.

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Bill Martin, Secretary to the Escondido  
Planning Commission

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Ty Paulson, Minutes Clerk

## PLANNING COMMISSION

Agenda Item No.: G.2  
Date: July 12, 2016

**CASE NUMBER:** PHG 16-0009 & AZ 16-0004  
**APPLICANT:** Escondido Auto Park Association  
**LOCATION:** 1130 Simpson Way, just west of I-15 (APN 232-061-36)  
**TYPE OF PROJECT:** Regional Market Sign and Zoning Code Amendment

**PROJECT DESCRIPTION:** A modification to an existing Regional Market Sign Permit to upgrade the existing Escondido Auto Park freeway sign with a larger sign. The existing sign is approximately 630 SF in size and includes an electronic message board of approximately 267 SF per side, as well as 126 SF of internally-illuminated fixed copy per side. The new sign would be approximately 775 SF in size, and would include an LED message board of approximately 587 SF per side, as well as approximately 67 SF of internally-illuminated fixed copy per side. The sign would still be supported by two poles, though the overall height of the sign would be lowered from 80' to 73'6" and the pole covers would be painted gray. Since the proposed changes would cause the sign to exceed current size limits for Regional Market Signs, a Zoning Code Amendment is also proposed to modify those limits.

**STAFF RECOMMENDATION:** Approval

**GENERAL PLAN DESIGNATION/TIER** GI (General Industrial)

**ZONING:** M-2 (General Industrial)

### BACKGROUND/SUMMARY OF ISSUES:

On September 13, 1995, the City Council approved a Zoning Code Amendment (95-05-AZ) that had been proposed by the Escondido Auto Park Association. The amendment repealed Chapter 13 of the Municipal Code, which effectively confined all sign-related regulations to the Zoning Code. It also amended Article 66 of the Zoning Code to add Section 33-1395.10, providing regulations for a new category of sign: the "Regional Market Sign", to be owned/maintained only by a "regional market group", defined as a group of related commercial uses occupying a planned development of at least forty acres, with a market area extending beyond city limits into a larger regional area, and represented by a marketing or advertising association benefiting its members. One of the new standards included in Section 33-1395.10 specified that Regional Market Signs could be located only on commercially-zoned property fronting Interstate 15. No City approvals for any signs were included with this 1995 Zoning Code Amendment. It was understood that the Association would need to submit a separate Regional Market Sign permit application and go through the project review channels described in the new Section 33-1395.10 of the Zoning Code before a sign could be installed.

A new Zoning Code Amendment request was submitted (96-06-AZ), specifying that Regional Market Signs be allowed at 1130 Simpson Way and on other industrial parcels lining Interstate 15 between Mission Avenue and the flood control channel. The Association also submitted an application for the Regional Market Sign itself (96-21-RMS), which was proposed to be 80 feet in height, approximately 630 SF in area, and including approximately 393 SF of copy per side, including a 267-SF electronic message board and 126 SF of fixed copy. The Association needed to establish a presence on the 1130 Simpson site in order for the proposal to be an on-premise sign. This could take the form of an information center, but general office uses were not permitted on industrially-zoned property. Additionally, freestanding signs in the industrial zones were previously limited to a

height of six feet and an area of 50 SF, so the introduction of large freeway-oriented signs in this zone would be a significant departure from this policy (signs in commercial zones were not as severely restricted).

The Planning Commission recommended approval of 96-06-AZ and 96-21-RMS to City Council, and City Council approved both proposals. The determination was made that the information center could be considered an "automotive service" instead of a standard office, which qualified it as an industrial use. Following approval of 96-06-AZ and 96-21-RMS, the Auto Park sign was installed and has not been altered in the last twenty years.

The Association would now like to update the sign in its current location to incorporate a more streamlined, modern appearance, including a larger message board that would utilize LED technology. The Association believes that the upgraded sign would improve the aesthetics of this portion of the I-15 corridor, while continuing to attract business to the dealerships within the Auto Park and promoting tax revenue for the City. Because the modification would result in a sign that does not conform to current Regional Market Sign standards for size, a proposal for a Zoning Code Amendment is included in the project. The proposed revised code text is attached to this staff report.

**Staff believes that the issues are as follow:**

1. Whether the proposed Zoning Code Amendment, allowing for larger Regional Market Signs, is appropriate.
2. Whether the design of the proposed new sign is appropriate.

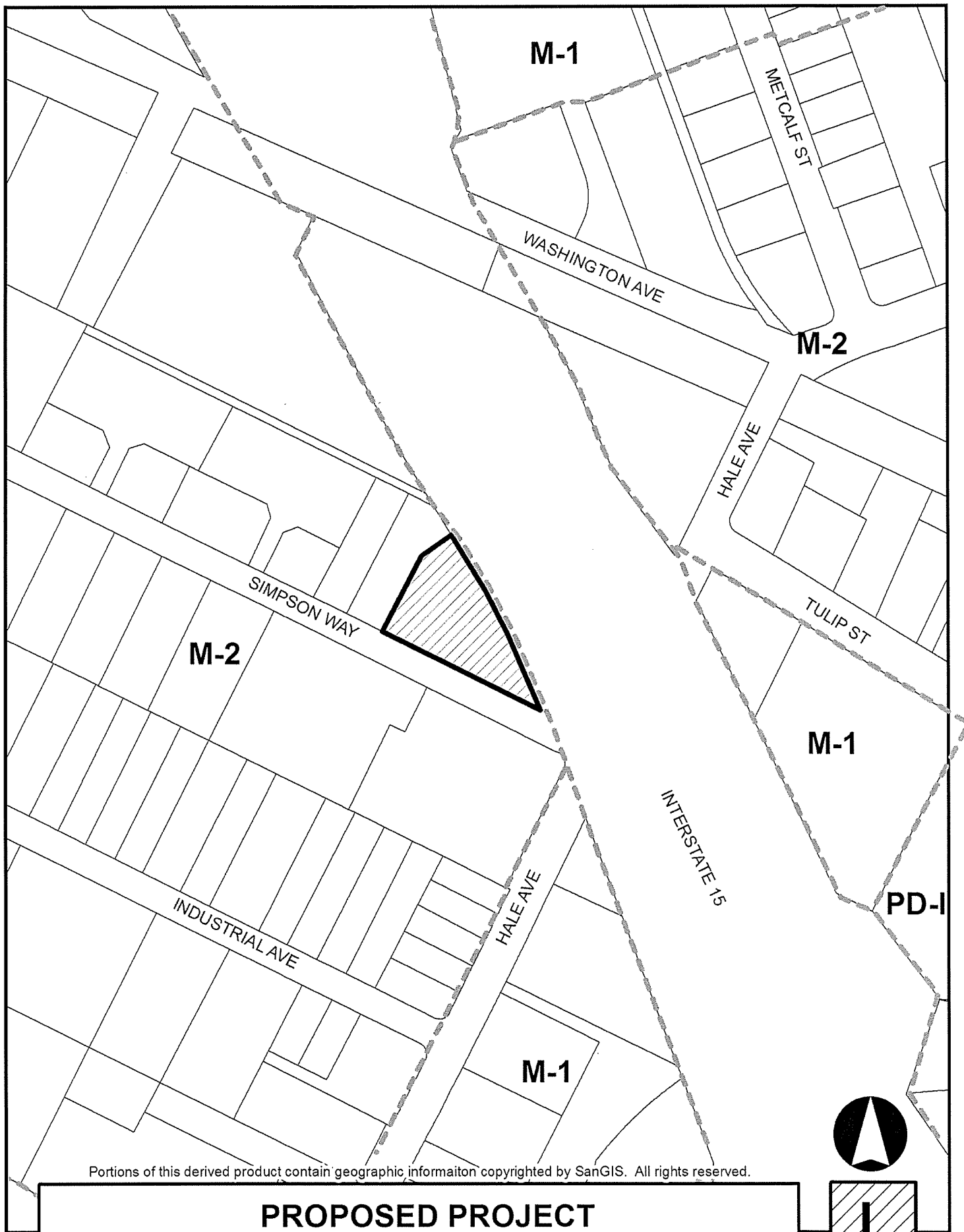
**REASONS FOR STAFF RECOMMENDATION:**

1. Regulations for Regional Market Signs were added to the Zoning Code in 1995 and amended in 1996, in response to the Escondido Auto Park Association's interest in installing a freeway-oriented sign bearing a changeable message board within the Interstate 15 corridor. These regulations have not changed since the 1996 amendment. The Association now would like to upgrade the existing Regional Market Sign with one that is more modern in appearance and that utilizes LED technology for its message board. The proposed design would incorporate a larger total sign area and a larger message board than what currently exist. The total copy size (fixed plus message board) would also increase. These larger features would exceed the size limits currently set by the Regional Market Sign standards, so a code amendment is necessary. The proposed project has been reviewed by all relevant City departments, none of which had any comments or recommendations. Caltrans also reviewed the proposed code amendment and Regional Market Sign modification and expressed no concerns with increasing the size of the sign or its message board, but did make some recommendations regarding light output, which are addressed further later in this report. These recommendations have been incorporated into the conditions of approval for the project. Finally, staff believes that the increase in the digital message board size (and the overall size of the sign) is warranted since it is consistent with current LED technology that is more efficient and has become increasingly popular in the years since the original Auto Park sign was approved.
2. The current Regional Market Sign was installed in 1996 under 96-21-RMS and the sign has not been changed since it was first installed. The Association now would like to replace the existing sign with a new one featuring cleaner lines and a modern appearance, as well as a larger electronic message board. The applicant believes, and staff concurs, that the new design would upgrade the look of the sign and this area of the I-15 corridor.

Respectfully submitted,

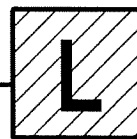


Ann Dolmage  
Associate Planner



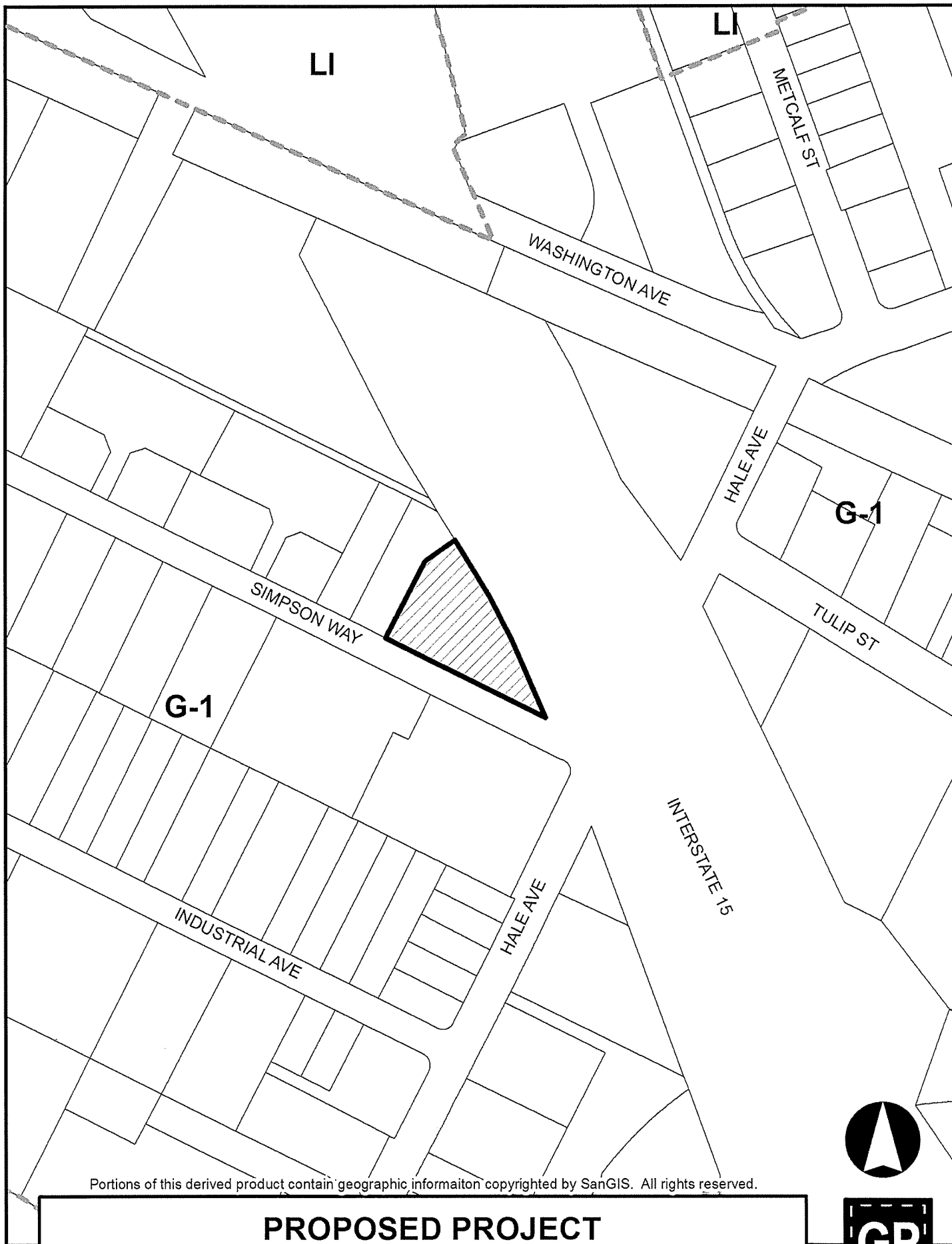
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# PROPOSED PROJECT PHG 16-0009



LOCATION/ZONING





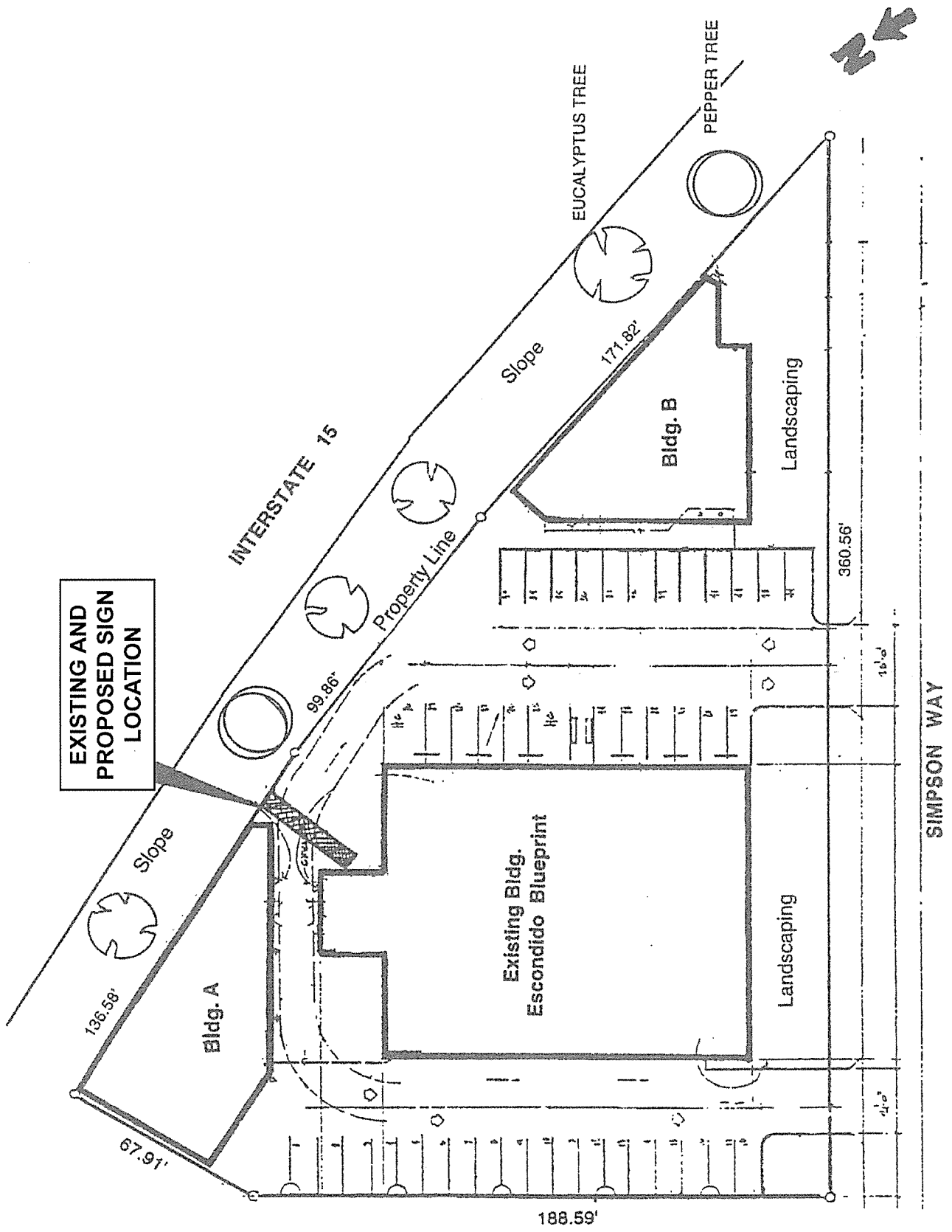
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# PROPOSED PROJECT PHG 16-0009



GENERAL PLAN

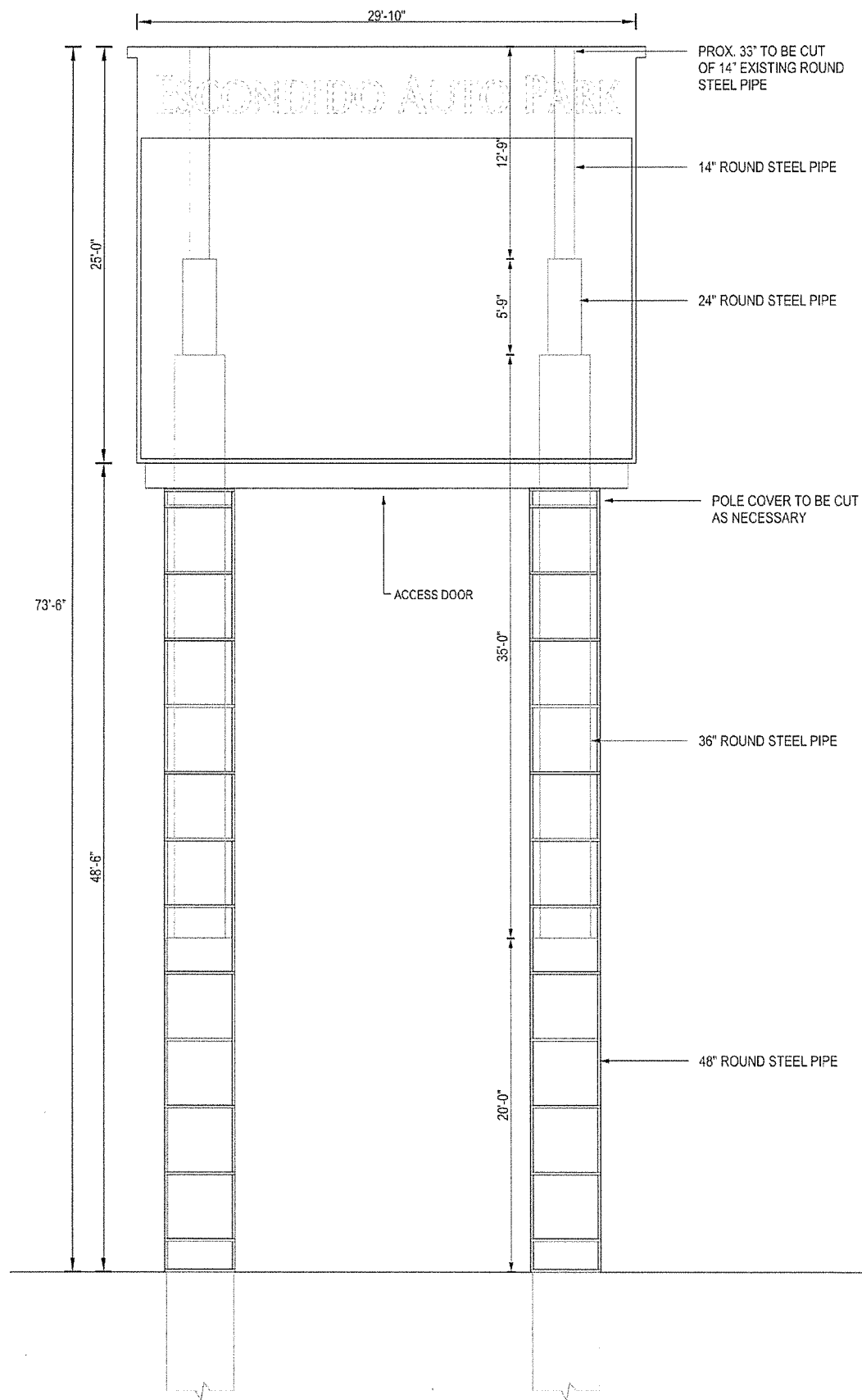
EXISTING AND  
PROPOSED SIGN  
LOCATION



PROPOSED PROJECT  
PHG 16-0009

S

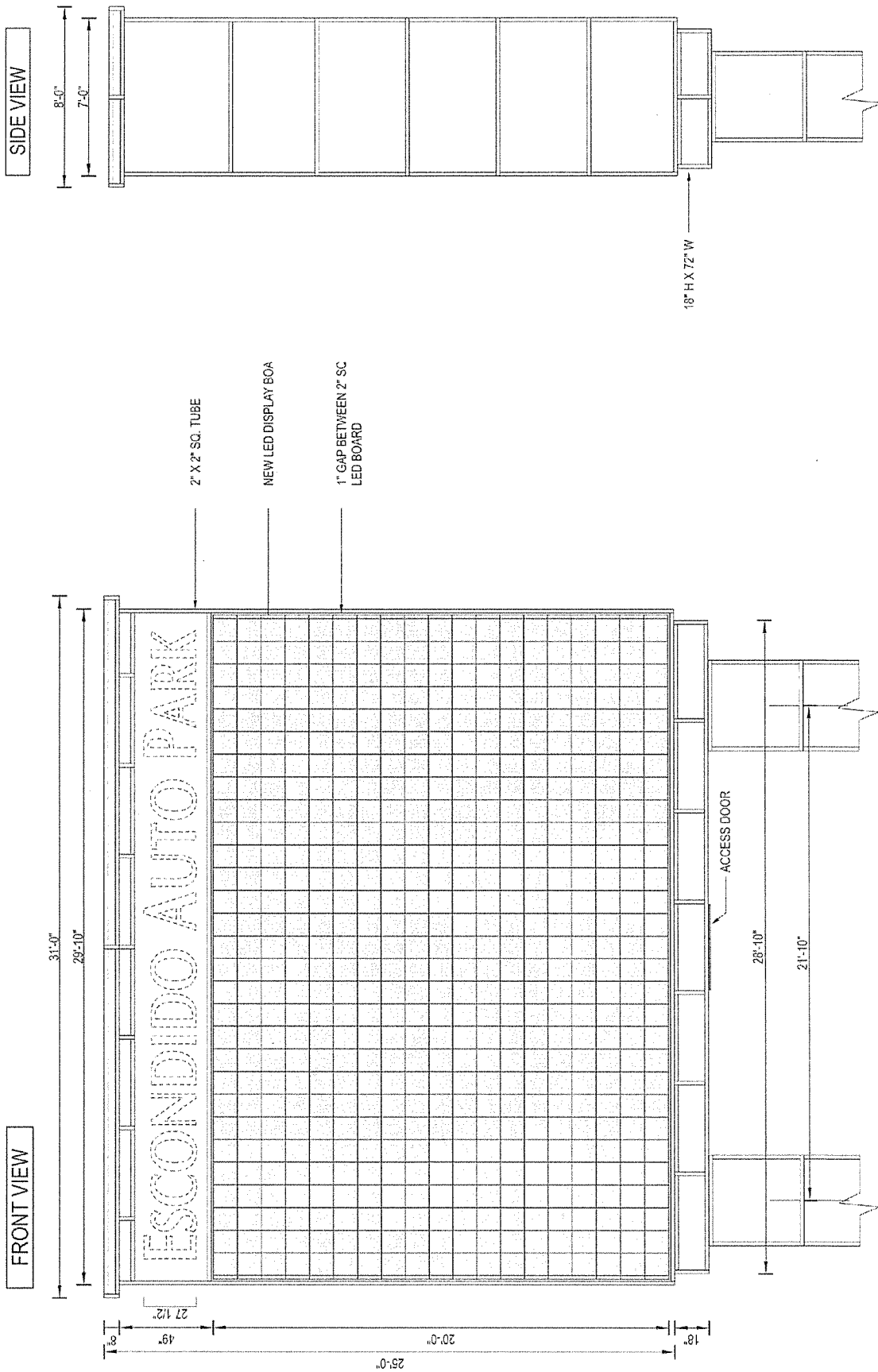
SITE PLAN



**PROPOSED PROJECT**  
**PHG 16-0009**

**E**

ELEVATIONS



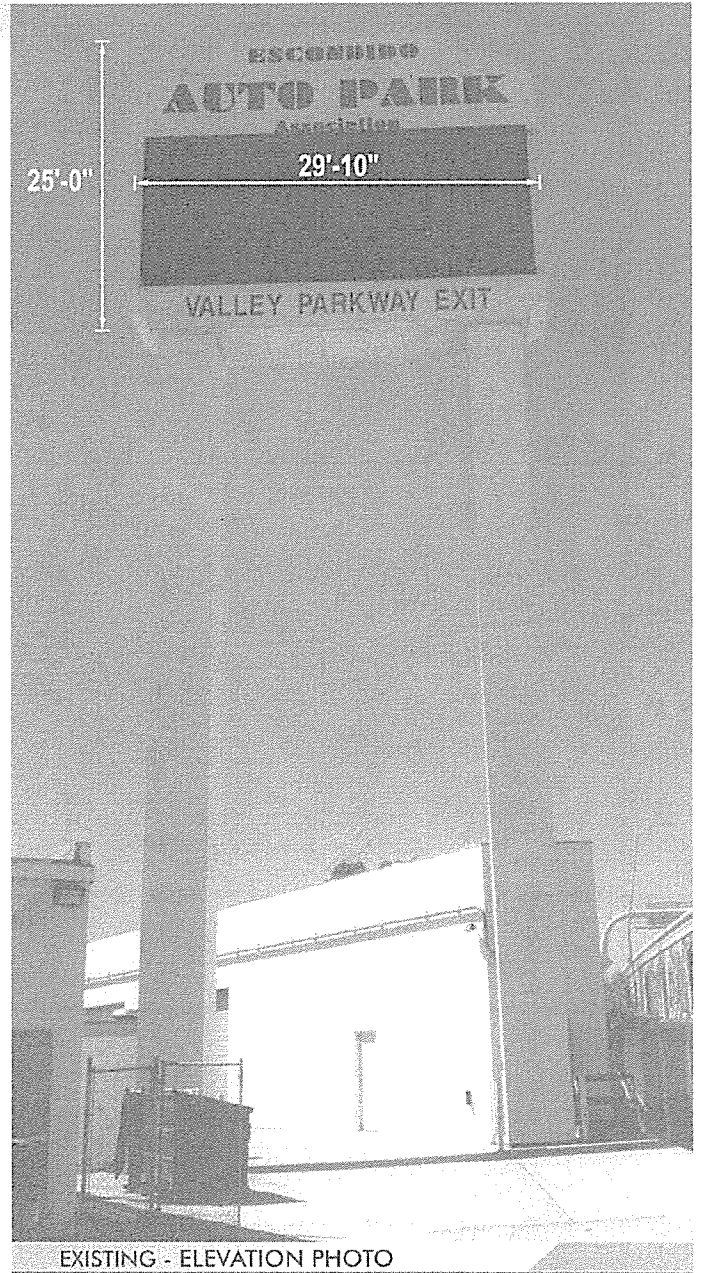
**PROPOSED PROJECT  
PHG 16-0009**

**E**

ELEVATIONS



PROPOSED - ELEVATION PHOTO



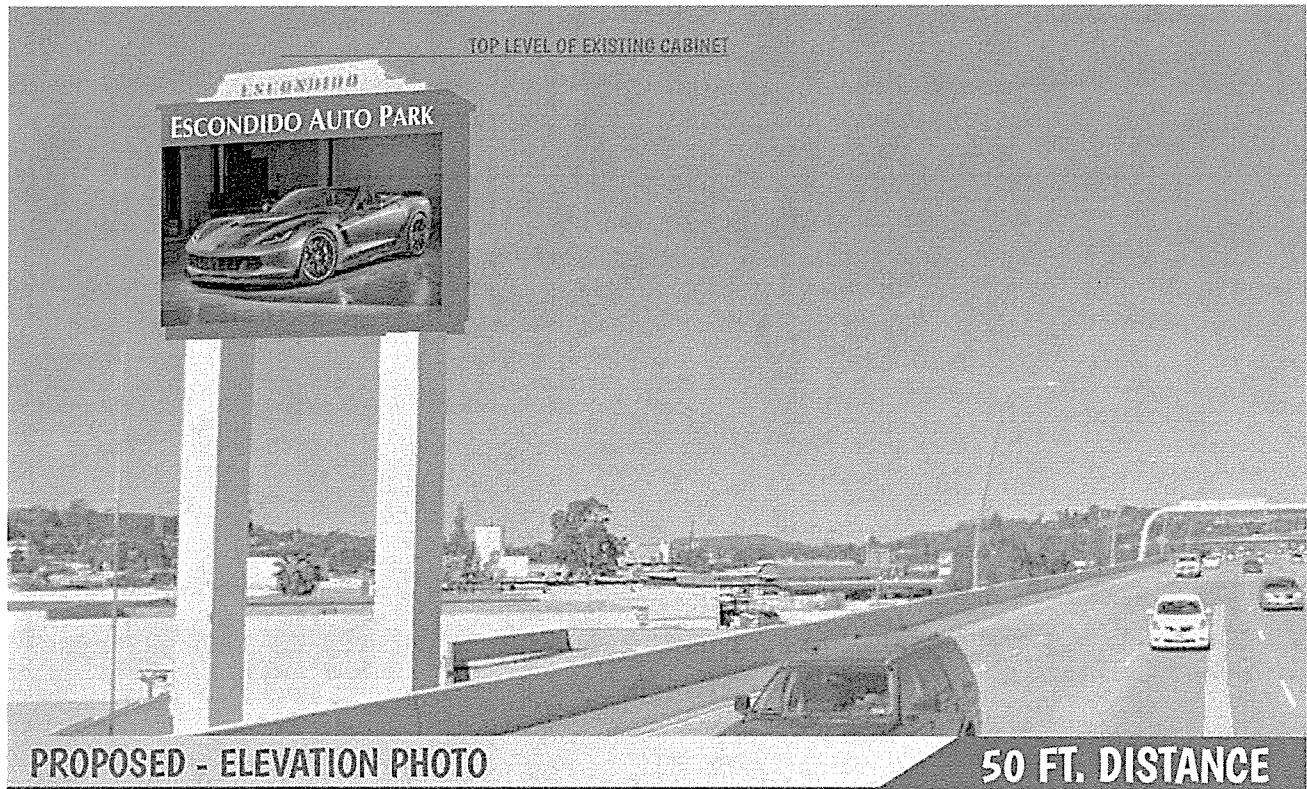
EXISTING - ELEVATION PHOTO

PROPOSED PROJECT  
PHG 16-0009

E

ELEVATIONS





**PROPOSED PROJECT**  
**PHG 16-0009**

**E**

ELEVATIONS

#### **A. LAND USE COMPATIBILITY/SURROUNDING ZONING**

**NORTH** - M-1 (Light Industrial) and M-2 (General Industrial) zoning: Interstate 15 and the Sprinter light rail line are located to the north of the project site, running in a northwest to southeast orientation. Several industrially-zoned properties also lie to the north of the project site, within two triangular areas (one bound by I-15, West Washington Avenue, and North Hale Avenue, and the other bound by West Washington Avenue, Metcalf Street, and West Mission Avenue).

**SOUTH** - M-1 and M-2 zoning: The properties located on the south side of Simpson Way and the west side of Hale Avenue are zoned M-2. M-1 zoning occupies the area east of Hale Avenue and west of the flood control channel.

**EAST** - M-1, M-2, and PD-I (Planned Development- Industrial) zoning: Interstate 15 is located directly east of the project site. The area to the east of the freeway (the convergence of Washington Avenue, Hale Avenue, and Tulip Street, on the north side of the flood control channel) is primarily zoned M-1 and M-2, though the Ice-Plex complex on Tulip Street is zoned PD-I.

**WEST** - M-2 zoning: The properties west of the project site have General Industrial zoning.

#### **B. AVAILABILITY OF PUBLIC SERVICES**

1. Effect on Police Service - The Police Department has expressed no concern since the project will not have an impact on their ability to provide services.
2. Effect on Fire Service - The Escondido Fire Department expressed no concern relative to their ability to provide service to the site.
3. Traffic - The project site is located on the north side of Simpson Avenue, just west of its intersection with North Hale Avenue. Interstate 15 borders the property on its east side. Access to the project site is from Simpson Avenue only. Simpson Avenue is not classified in the Circulation Element of the General Plan. Hale Avenue is classified as a Collector between the I-15 HOV off-ramp and Industrial Avenue, and this section of Hale has a level of service (LOS) of F per 2011 data. While installation of the sign will involve a temporary increase in traffic to the project site during construction, permanent and significant increases are not expected. The subject property is not located directly within the Auto Park and no merchandise would be stored, displayed, or serviced on-site. The Association would continue to maintain an office presence on the property to assist any customers who visit with questions about Auto Park products or services and to maintain the sign's status as an on-premise sign, but visitation for informational purposes is expected to be low, as most Auto Park customers will proceed directly to the dealerships. Therefore, no traffic impact analysis was required for this project.
4. Utilities - Water and sewer service are provided to the site by the City of Escondido, and extension of services is not required since a sign already exists in this location.
5. Drainage - The project site is not located within the 100-year flood zone as designated on current FEMA flood insurance rate maps. There are no significant drainage courses within or adjoining the property.

#### **C. ENVIRONMENTAL STATUS**

The proposal for the new Regional Market Sign is exempt from the requirements of the California Environmental Quality Act (CEQA) in conformance with Section 15302(b), "Replacement or Reconstruction" (replacement of a commercial structure with a new structure of substantially the same size, purpose, and capacity). The Zoning Code Amendment portion of the project is exempt from CEQA in conformance with Section 15061(b)(3), which states that a project is exempt when the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment (the "General Rule" provision). A Notice of Exemption will be filed upon project approval, a copy of which is attached to this report. In staff's opinion, no project issues remain unresolved through compliance with code requirements and the recommended conditions of approval. The project will have no impact on fish and wildlife resources as no

sensitive or protected habitat occurs within the project development area or will be impacted by the proposed facility.

#### **D. CONFORMANCE WITH CITY POLICY**

##### **General Plan**

The project site is located within the General Industrial (GI) land use designation of the General Plan. This designation is intended for areas not in proximity to residential uses, and appropriate land uses include manufacturing, warehouse, distribution, assembling, and wholesaling, as well as uses that provide supporting products and services for those heavier industries. Existing businesses on the project site include Escondido Reprographics and Industrial Foam Products.

The proposed project would replace an existing Regional Market Sign for the Escondido Auto Park Association with a new sign incorporating a more modern design and a larger size, including an LED electronic message board that would be substantially larger than the message board on the existing sign. The overall height of the sign would be lowered from its current height of 80' to a new height of 73'6". While the sign itself is not an industrial use, it would not interfere with existing industrial uses taking place on the property or on adjacent properties, and a sign of this size that includes an electronic message board is more appropriate for an industrial neighborhood than a residential one. Section 33-1395.10 of the Zoning Code limits installation of Regional Market Signs to selected industrially-zoned parcels along the I-15 corridor, and the subject property is one of these parcels. The proposed sign exceeds the Regional Market Sign size standards in Section 33-1395.10, but the proposed Zoning Code Amendment would increase these limits so that the sign would be in conformance.

#### **E. ANALYSIS**

As described earlier in this staff report, Regional Market Signs have been permitted on certain industrially-zoned properties along the I-15 corridor since 1996, when Section 33-1395.10 was added to the Zoning Code. This section of the code was specifically tailored to the needs of the Escondido Auto Park Association, since it was the only organization up to that point that was known to have requested a freeway-oriented, message board sign of this scale. Because City staff knew how large the Association wanted their sign to be and what it was expected to look like when built, they were able to write the language of 33-1395.10 to allow those dimensions, while also including provisions to prevent cluttering the freeway with excessive electronic signage (restricting the number and location of signs, strictly defining "regional market groups" to limit the range of potential applicants, etc.)

The Association now would like to upgrade the existing Regional Market Sign with one that is more modern in appearance and that utilizes LED technology for its message board. The overall area of the proposed sign would be larger than what currently exists (increase from 630 SF to 775 SF per side), and the message board itself would also be larger (increase from 267 SF to 587 SF per side). While the area of fixed copy would decrease from 126 SF to 67 SF per side, the total copy size (fixed copy plus message board) would increase. These larger features would exceed the size limits currently set by the Regional Market Sign standards, so a code amendment is necessary. The code amendment would not include any changes to the maximum allowed height of the sign, nor would it add new properties to the map of parcels that are allowed to have a Regional Market Sign under Section 33-1395(c). Furthermore, the code amendment would not increase the number of Regional Market Signs in this area (only one sign total is allowed for these industrial properties as described in Section 33-1395(e)(1)), and it would not broaden the definition of "regional market group" to allow organizations who do not currently qualify for such a sign to obtain one. The code amendment would include provisions allowing the Community Development Director to administratively approve a sign with an overall sign area, copy area, or message board area up to 10% larger than the maximum allowed, pending submittal of an administrative adjustment application and payment of associated application fees. These provisions allow for some minor flexibility in sign design on a case-by-case basis, without requiring an application to move through the typical Planning Commission and City Council approval channels.

The proposed project has been reviewed by all necessary City departments, and none of these departments had any comments or requested any conditions of approval. Caltrans also reviewed the proposed code amendment and Regional Market Sign modification and expressed no concerns with increasing the size of the sign or its message board. Caltrans did state that while its agency maintains no regulations for maximum light



output, it recommends that the sign be dimmable, and also recommends following Outdoor Advertising Association of America (OAAA) guidelines limiting ambient light to an output level of 0.3 footcandles at a distance of 250 feet from the sign. These recommendations have been incorporated into the proposed conditions of approval for the project (and the applicant has already indicated to staff that the sign will include an ambient light sensor to enable it to dim or brighten as outside light levels vary by season and time of day, and will also be dimmable manually).

Caltrans has also indicated that the sign will require an Outdoor Advertising Display Permit from their agency only if it is an "off-premise" sign. This appears to be supported by Section 5274 of the Outdoor Advertising Act (administered by Caltrans), which states that most provisions of the Act, including permitting requirements, are not applicable to on-premise signs located in business centers and visible from an interstate, as long as certain conditions are met (the display identifies the name of the business center, all businesses noted on the sign are located within the business center, all city or county approvals have been obtained, etc.) As discussed in this staff report, the existing sign was deemed upon approval to be "on-premise" since the Association arranged to lease office space on the site to serve as an information center for potential Auto Park customers visiting the site. Since the Association intends to continue this arrangement, the upgraded sign still can be considered an on-premise sign.

## **SUPPLEMENT TO STAFF REPORT/DETAILS OF REQUEST**

### **A. PHYSICAL CHARACTERISTICS:**

The subject property is 1.17 acre in size, is triangular in shape, and is located on the north side of Simpson Way, near its intersection with North Hale Avenue. The property is immediately west of Interstate 15. The site is primarily flat and is fully developed with three office/industrial buildings and associated parking and landscaping. Property access is from Simpson Way (no access from Hale Avenue or I-15).

### **B. SUPPLEMENTAL DETAILS OF REQUEST:**

1. Lot Size	1.17 acres	
2. Sign Characteristics	Existing	Proposed
Height	80 feet	73 feet, 6 inches
Dimensions (approx.)	25' high x 29'10" wide (sign is irregularly-shaped and these are dimensions at widest points, not including cutouts)	25' high x 31' wide (plus 1'6" x 28'10" base)
Total sign area per side (approx.)	630 SF	775 SF
Sign materials	Metal panel finished with white stucco Two sign poles; covers painted white to match panel	Aluminum clad panel, painted blue Existing pole covers to remain (shortened as necessary) and painted gray
Area of fixed copy per side (approx.)	126 SF Internally illuminated (red letters)	67 SF Internally illuminated (white letters)

Area of electronic message board per side (approx.)	267 SF	587 SF
Electronic message board graphic capabilities	48 x 128 lamp matrix with raised lens prisms in red, green, blue, & white Approx. 7.5 watts per lens 6 lines of 18" characters Dimming capabilities- not known	LED- full color images and text Ambient light sensor for automatic dimming Sign can also be dimmed manually if needed

**C. CODE COMPLIANCE ANALYSIS:**

	<u>Proposed per PHG 16-0009</u>	<u>Current Regional Market Sign standards (Zoning Code §33-1395.10)</u>	<u>Proposed amendment to 33-1395.10 per AZ 16-0004</u>
1. Total sign area	775 SF	750 SF maximum	825 SF maximum
2. Copy area (message board only)	587 SF	270 SF maximum	600 SF maximum
3. Copy area (fixed only)	67 SF	No restrictions	No change
4. Copy area (message board plus fixed)	655 SF	400 SF maximum	710 SF maximum
5. Height	73'6"	80' maximum (33-1395.10(d))	No change

**FINDINGS OF FACT**  
**PHG 16-0009 and AZ 16-0004**  
**EXHIBIT "A"**

**Regional Market Sign Permit (PHG 16-0009)**

1. The proposed sign is appropriate for the proposed location, type of regional market group, and surrounding development. The 1.17-acre project site has a General Plan Designation of General Industrial (GI) and is located adjacent to Interstate 15. The zoning designation for this property is General Industrial (M-2). Zoning Code Section 33-1395.10 allows for Regional Market Signs on designated properties along I-15 that have M-2 zoning, and the project site is one of these designated properties. The proposed project would be compatible with the surrounding neighborhood since adjacent properties share the GI designation and are zoned M-1 (Light Industrial) or M-2 (General Industrial). Since 1130 Simpson Way is not located within the Auto Park proper, the Association has been leasing office space from the property owner, for use as an "information center" to assist people visiting the site with questions about Auto Park products or services. Stationing this information center on the 1130 Simpson site has qualified the Regional Market Sign as an "on-premise sign" for state and local regulatory purposes. The Planning Commission and City Council made the determination in 1996 that this information center could qualify as an automotive service instead of an administrative office, therefore avoiding any conflicts with the list of allowed uses in the M-2 zoning district. Finally, the Escondido Auto Park Association qualifies as a "regional market group" as defined in Section 33-1391(51-1) of the Zoning Code, so it is appropriate for this organization to have a Regional Market Sign.
2. The proposed sign is comprehensively designed to artistically integrate the various elements of the advertising and structure consistent with the sign design guidelines, to create a high-quality advertisement. The project was discussed at the staff design review meeting on May 12, 2016. At this meeting, staff agreed that that design of the sign was modern and attractive, and that the update is justified since the original sign is twenty years old and outdated in appearance. Staff requested that the sign be dimmable and that the applicant provide a nighttime visual simulation to supplement the daytime simulations already provided. The applicant has indicated that the sign will be dimmable, and a nighttime simulation was provided. Per Section 33-1395.10(l) of the Zoning Code, the project has been conditioned to require each message on the changeable LED screen to be displayed for a minimum of eight seconds, with a blank screen at least one second in length between messages. Additionally, messages may not be moving or animated, and may not appear on the screen in incremental stages. This condition will minimize the sign's potential to distract motorists on Interstate 15.
3. The project is not likely to be detrimental to the public health, safety, or welfare, or injurious to the property or improvements in the vicinity in which the property is located. A Regional Market Sign has existed in this location since 1996, and the project would upgrade that existing sign. A construction-related increase in traffic is expected in the area while the sign is installed, but this increase will be temporary and minor. While the Association will maintain an office presence on the project site to assist any visitors seeking information about Auto Park products or services, a substantial portion of the Auto Park's customers are expected to proceed directly to the dealerships without stopping at the project site, so customer-related traffic is expected to be minimal. Caltrans has reviewed the proposed project and commented on May 16, 2016, stating that while they do not define formal requirements for the brightness or intensity of advertising signs, the Outdoor Advertising Association of America (OAAA) recommends a maximum ambient light output level of 0.3 footcandles at a distance of 250 feet from a commonly-sized LED billboard. This recommendation has been incorporated into the conditions of approval for the project. Caltrans has also recommended that the light intensity of the sign be adjustable based on ambient light conditions, and the applicant has noted that the sign would include a sensor for this purpose and would also be adjustable manually.
4. The Escondido Auto Park Association has demonstrated the ability and intent to enter into an agreement with the City to provide continuing maintenance of the regional market sign in accordance with the sign standards and conditions of approval. The existing Regional Market Sign (approved in 1996) was conditioned to require this agreement, and the current project has been conditioned to continue the agreement.

**Zoning Code Amendment (AZ 16-0004)**

1. Approval of the proposed Zoning Code Amendment would not be detrimental to the public health, safety, or welfare, or injurious to the property or improvements in the zone or vicinity in which the property is located. The amendment proposes to modify text in Section 33-1395(10) of the Zoning Code, to allow for larger Regional Market Signs than what is currently permitted. Only guidelines for total sign area, copy area, and changeable message board size will change. There will be no change to the allowed height of these signs. The amendment does not propose to amend which parcels are allowed to have Regional Market Signs, the number of signs that can be located in this area, or the definition of "regional market group". Individual sign proposals would still be required to obtain a Regional Market Sign Permit, and would still be subject to review by City staff and final approval by City Council, including any necessary environmental review as mandated by CEQA.
2. The subject property is suitable for the uses permitted since auto sales and related uses are permitted within industrial zones. The 1.17-acre project site is suitable to accommodate the enlarged sign since the structure would not interfere with internal traffic/circulation patterns or result in a significant impact to highway safety.
3. The proposed amendment would be compatible with Economic Prosperity Goal 1 of the General Plan, which encourages high quality, diversified, and employee-intensive industrial, retail, technology, manufacturing, and service-oriented businesses that create and sustain a strong economic base. It would also be compatible with the associated Policy 1.2, which encourages the preservation and expansion of existing industrial uses in appropriate designated areas that are consistent with the City's vision and goals. Auto sales and related uses are permitted within industrial zones, and the applicant maintains that the amendment to allow a larger Regional Market Sign on an industrial parcel would enhance their ability to attract consumers to their business, which in turn helps to sustain a strong economic base for Escondido.
4. The proposed code amendment is not applicable to any adopted specific plans since no specific plans have been adopted for this area.

**CONDITIONS OF APPROVAL**  
**PHG 16-0009**  
**EXHIBIT "B"**

1. Unless modified herein, all conditions of the original Regional Market Sign permit (96-06-AZ) shall remain in effect.
2. This Regional Market Sign Permit shall be null and void if not utilized within twelve (12) months of the effective date of approval. Should this Regional Market Sign Permit not be utilized, the existing approval (96-06-AZ) shall remain in effect.
3. All construction shall comply with all applicable requirements of the Escondido Zoning Code and requirements of the Planning Department, Director of Building, and the Fire Chief.
4. The legal description attached to the application has been provided by the applicant and neither the City of Escondido nor any of its employees assume responsibility for the accuracy of said legal description.
5. All requirements of the Public Arts Partnership Program, Ordinance No. 86-70, shall be satisfied prior to building permit issuance. The ordinance requires that a public art fee be added at the time of building permit issuance for the purpose of participating in the City Public Art Program.
6. Prior to or concurrent with the issuance of building permits, the appropriate development fees and Citywide Facility fees shall be paid in accordance with the prevailing fee schedule in effect at the time of building permit issuance, to the satisfaction of the Community Development Director.
7. All exterior lighting shall conform to the requirements of Article 35, Outdoor Lighting Ordinance (Ordinance No. 2014-20).
8. Four (4) sets of the final site and design plans shall be submitted to the Planning Division for review and approval prior to the issuance of building permits.
9. Colors, materials, and design of the project shall conform to the exhibits and references in the staff report to the satisfaction of the Planning Division.
10. The type of activities conducted on the site shall comply with those listed in the staff report, to the satisfaction of the Planning Division.
11. No outdoor bells, horns, or speakers/address systems shall be incorporated into the sign design.
12. A maintenance agreement shall be executed (continued?) between the Regional Market Group and the City prior to the issuance of building permits for the Regional Market Sign. The agreement shall identify the party responsible for the maintenance and operation of the Regional Market Sign and shall include the annual maintenance schedule, to the satisfaction of the City Attorney. The maintenance agreement also shall include provisions for the removal of the sign should the auto-related uses on the site cease to exist.
13. Any permanent fixed copy shall be individual letters or have the appearance of individual letters as required by Section 33-1359.10(g).
14. As required by Section 33-1359.10(h), each message displayed on the changeable message screen shall be displayed for a period of at least eight (8) seconds. The sign shall remain blank (no messages or display) for at least one (1) second between displays. The messages and displays shall not be animated, appear in incremental stages, or move across the changeable copy sign face. The software manufacturer and the software installer shall certify to the City that the software for the computer which controls the sign has been designed to and can only operate the sign at the approved on and off intervals.

15. The Escondido Auto Park Association shall maintain its lease for office space on the 1130 Simpson Way site, so that the sign may preserve its "on-premise" status. An updated copy of the original 1996 lease (bearing an expiration date that has not yet passed) shall be provided to Planning staff prior to issuance of any building permits. If this cannot be provided, a letter from the property owner, stating that the original 1996 lease is still in effect, is also acceptable.
16. The following messages may be displayed on the changeable message screen:
  - The names of auto dealers who are members of the Escondido Auto Park Association, and goods or services that are available through them.
  - Generic public service messages for the Department of Transportation and other public agencies ("Don't Drink and Drive", etc.)
  - Messages related to specific road conditions (construction, maintenance, public safety, etc.)
  - Messages related to off-premise community events where no admission fee is charged and where the activities are local in nature (parade in the downtown area, free concert in the park, etc.)
  - Time and temperature messagesMessages advertising goods or services available through businesses that are not part of the Escondido Auto Park Association, or advertising off-site events for which an admission fee is charged, are prohibited.
17. The LED message board shall include one or more ambient light sensors to allow the sign to dim or brighten automatically from day to night. These sensors shall be set to limit the ambient light output level to 0.3 footcandles at a distance of 250 feet from the sign, per recommendations of the Outdoor Advertising Association of America as provided by Caltrans.
18. All new utilities shall be underground.
19. An inspection by the Planning Division will be required prior to operation of the project. Everything should be installed prior to calling for an inspection, although preliminary inspections may be requested. Contact the project planner at (760) 839-4671 to arrange a final inspection.
20. This item may be referred back to the Planning Commission upon recommendation of the Community Development Director for review and possible revocation or modification of the Regional Sign Permit upon receipt of nuisance complaints regarding performance of the operation of the facility and/or non-compliance with the conditions of project approval.

**Sec. 33-1395.10. Sign standards—Regional market signs.**

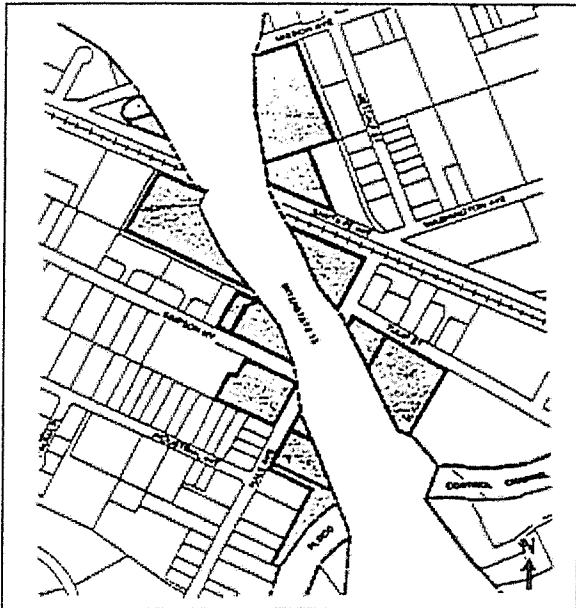
Notwithstanding other sections of this article, this section shall regulate the type, location, size, number, and eligible user(s) of regional market signs, as well as the application and review process.

(a) Eligible users. Only a regional market group or an affiliated business organization consisting of members of the regional market group, as approved by the city council, may request a regional market sign.

(b) Type of sign. Regional market signs may be freeway-oriented, freestanding pole or monument type signs, wall signs, structures, art pieces, or other building signs which are determined by the planning commission and city council to be consistent with the design guidelines, appropriate for the specific site and surrounding development, and comprehensively designed to provide artistically integrated elements which create an innovative and high-quality advertisement.

(c) Location. Regional market signs shall be located only on commercially and certain industrially zoned parcels contiguous to Interstate 15, as shown on Figure 33-1395.10(c)1.

**Figure 33-1395.10(c)1**



(d) Size. The area and height of the sign shall be the minimum needed to achieve a visible and functional sign in compliance with the design guidelines. Signs up to a maximum of eighty (80) feet high and ~~four hundred (400)~~ seven hundred ten (710) square feet in copy area including any message center panel approved by the city council, with the total sign area not exceeding ~~seven hundred fifty (750)~~ eight hundred twenty-five (825) square feet, may be considered based on specific site characteristics, adjacent freeway elevation and substantiation of the need for that large of sign. The Director of Community Development may approve a sign up to 10 percent larger than the maximum sign height and total sign area specified here, upon receipt of an application for an administrative adjustment.

(e) Number.

(1) Not more than one (1) regional market sign is permitted for any regional market group or lot/center where the sign will be located. Not more than one (1) regional market sign shall be permitted within the industrially zoned area along Interstate 15 as described above in section 33-1395.10(c). The regional market sign may be in addition to any existing permitted freeway oriented advertising sign(s) not related to the regional market group, on the property at the time the regional market sign is requested. An appropriate separation based on specific site characteristics and existing signs shall be provided between freeway-oriented signs.

(2) A regional market group may have either a freeway-oriented regional market sign or a freeway-oriented advertising sign on any site; not both.

(f) Displays. Regional market signs may only identify the regional market group, group members, or affiliated business organization located on-site as owners or occupants of the premises, and/or advertise the business conducted or services rendered or goods produced or sold upon the property upon which the regional market sign is constructed, and other information consistent with Section 5405 of Division 3, Chapter 2 of the Business and Professions Code. Outdoor Advertising Act, and the policies of the California Department of Transportation (Caltrans) for freeway-oriented signs.

(g) Fixed text. Any permanent fixed copy on a regional market sign shall be individual letters or have the appearance of individual letters, and shall be consistent with the sign design guidelines including criteria for legibility and the avoidance of a cluttered appearance.

(h) Changeable message. An electronic message center may be incorporated in the regional market sign with the approval of the city council, subject to the following.

(1) Length of display. Each message shall be displayed for a period of at least eight (8) seconds. The sign shall remain blank (no messages or display) for at least one (1) second between displays. The messages and displays shall not be animated, appear in incremental stages or move across the changeable copy sign face. The software manufacturer and the software installer shall certify to the city that the software for the computer which controls the sign has been designed to and can only operate the sign at the approved on and off intervals.



(2) Maximum size. The maximum size of the electronic message center portion of a regional market sign shall be ~~two hundred seventy (270)~~ six hundred (600) square feet. The Director of Community Development may approve an electronic message center up to 10 percent larger than the maximum size specified here, upon receipt of an application for an administrative adjustment.

(i) Illumination. The permanent copy maybe illuminated by internal illumination of each individual letter or by halo back-lighting of each letter. No cabinet signs with illuminated backgrounds are allowed. The changeable copy area shall only be illuminated by the internal electronically controlled lights of the message center component.

(j) Initiation of application. Each sign application for a regional market sign shall be forwarded to the city council for initiation. The city council shall make the following findings prior to initiating any request.

Initiation findings.

(1) The applicant(s) constitute(s) a regional market group as defined by section 33-1391(52-1) or an affiliated business organization consisting of members of a qualified regional market group.

(2) The regional market group has limited visibility from the Interstate 15 freeway.

(3) Due to interurban competition, the defined group of users is at risk of a reduction in their share of the regional market; or

The regional market sign will assist in the retention of the regional market group uses in Escondido.

Upon initiation by the city council, a sign(s) shall be posted in a conspicuous location(s) on the project site so as to be visible from each public street adjacent to the site. The sign(s) shall notify the public of the submittal of a regional market sign application and shall be consistent with the requirement of section 33-1300(c)(2) of this chapter as to content and size.

(k) Review of application. Upon initiation by the city council, the sign permit application and processing fee shall be submitted to the planning division and shall include a site-specific study prepared pursuant to subsection (n) of this section, as well as a list of property owners within five hundred (500) feet of the proposed sign location pursuant to subsection (l) below. If the proposed location for the regional market sign is zoned PD-C (planned development-commercial), no separate modification of the master sign program for the planned development is necessary. The sign application shall be reviewed by the planning division, whose recommendations shall be considered by the planning commission and the city council at separate public hearings. The city council shall make all the following findings prior to any approval or conditional approval of a regional market sign.

Approval findings.

(1) The proposed sign size and design are appropriate for the proposed location, type of regional market group, and surrounding development including the elevation of the adjacent freeway travel lane and mature height of landscaping, and conform to the sign standards of this section.

(2) The proposed sign is comprehensively designed to artistically integrate the various elements of the advertising and structure consistent with the sign design guidelines, which creates a high quality advertisement.

(3) The proposed sign will not be materially detrimental to the public health, safety or welfare or injurious to the property or improvements in the vicinity in which the property is located.

(4) The regional market group association has demonstrated the ability and intent to enter into an agreement with the city to provide continuing maintenance of the regional market sign in accordance with the sign standards and conditions of approval.

(l) Public hearing notice. Public notice of the public hearings before the planning commission and the city council shall be given pursuant to Division 6, section 33-1300 of this chapter. However, the five hundred (500) foot radius from the property line adjacent to the freeway shall be measured from the Caltrans right-of-way line on the opposite side of the freeway from the project site.

(m) Other permits. Any approval of a sign application submitted without a current sign permit from the California Department of Transportation (Caltrans) for the proposed location, shall be conditioned upon obtaining any applicable sign permit from Caltrans for the proposed location.

(n) Requirements of site-specific study. The applicant shall provide a visual study representing the sign at the proposed location which demonstrates the visibility of the proposed sign from northbound and southbound travel lanes of Interstate 15. The study may be photographs or video tape of sign mockups situated on the proposed site; photo simulations; computer simulations; or other appropriate representations to the satisfaction of the director.

(o) Maintenance agreement. A maintenance agreement between the regional market group and the city shall be executed prior to the issuance of building permits for the regional market sign. The agreement shall identify the party responsible for the maintenance and operation of the regional market sign and shall include the annual maintenance schedule, to the satisfaction of the city attorney. (Ord. No. 95-18, § 2, 9-13-95; Ord. No. 96-27, § 1, 8-28-96; Ord. No. 2008-22, § 7, 9-10-08; Ord. No. 2011-19R, § 5, 1-11-12)

**DEPARTMENT OF TRANSPORTATION**

DISTRICT 11, DIVISION OF PLANNING

4050 TAYLOR ST, M.S. 240

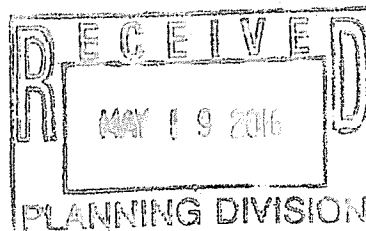
SAN DIEGO, CA 92110

PHONE (619) 688-6960

FAX (619) 688-4299

TTY 711

www.dot.ca.gov



Serious drought.  
Help save water!

May 16, 2016

11-SD-15

PM 30.63

Auto Park Sign

PHG-16-0009-AZ 16-0004

Ms. Ann Dolmage  
City of Escondido  
201 North Broadway  
Escondido, CA 92025

Dear Ms. Dolmage:

The California Department of Transportation (Caltrans) has received the Request For Comments for Auto Park Sign Project, dated May 4, 2016, located on Simpson Way adjacent to Interstate 15 (I-15). Caltrans has the following comments:

Any sign advertising a business not "on premise" will require an Outdoor Advertising Display Permit. Information on outdoor advertising may be obtained by contacting George Anzo of Caltrans at (213) 897-4208 or [george.anzo@dot.ca.gov](mailto:george.anzo@dot.ca.gov). <http://www.dot.ca.gov/hq/oda/>

Illuminated signs could be considered a traffic safety hazard given the potential of light and glare to distract drivers. Section 21466.5 of the California Vehicle Code regulates illumination by placing limits on maximum light output. [http://www.dmv.ca.gov/pubs/vctop/d11/vc21466\\_5.htm](http://www.dmv.ca.gov/pubs/vctop/d11/vc21466_5.htm)

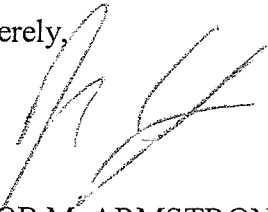
Caltrans does not define formal requirements regarding brightness or light intensity of advertising signs. However, the Outdoor Advertising Association of America (OAAA) recommends that a commonly sized LED billboard should commit to a maximum ambient light output level of 0.3 footcandles at a distance of 250 feet from the billboard. The light levels emitted from the billboard should be set to adjust, based upon ambient light conditions at any given time (i.e., nighttime versus daytime).

Caltrans will not allow any encroachment into State Right of Way.

Ms. Dolmage  
May 16, 2016  
Page 2

If you have any questions, please contact Roy Abboud at (619) 688-6968.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Armstrong', with a stylized flourish at the end.

JACOB M. ARMSTRONG, Branch Chief  
Development Review Branch



CITY OF ESCONDIDO  
PLANNING DIVISION  
201 NORTH BROADWAY  
ESCONDIDO, CA 92025-2798  
(760) 839-4671

### Notice of Exemption

To: San Diego County Recorder's Office  
Attn: James Scott  
P.O. Box 121750  
San Diego, CA 92101-1750

From: City of Escondido  
Planning Division  
201 North Broadway  
Escondido, CA 92025

**Project Title/Case No.:** PHG 16-0009 (Regional Market Sign for Escondido Auto Park Association)

**Project Location - Specific:** 1130 Simpson Way (APN: 232-061-36)

**Project Location - City:** Escondido **Project Location - County:** San Diego

**Description of Project:** A modification to an existing Regional Market Sign Permit to upgrade the existing Escondido Auto Park freeway sign with a larger sign. The existing sign is approximately 630 SF in size and includes an electronic message board of approximately 267 SF per side, as well as 126 SF of internally-illuminated fixed copy per side. The new sign would be approximately 775 SF in size, and would include an LED message board of approximately 587 SF per side, as well as approximately 67 SF of internally-illuminated fixed copy per side. The sign would still be supported by two poles, though the overall height of the sign would be lowered from 80' to 73'6" and the pole covers would be painted gray. Since the proposed changes would cause the sign to exceed current size limits for Regional Market Signs, a Zoning Code Amendment is also proposed to modify those limits.

**Name of Public Agency Approving Project:** City of Escondido

**Name of Person or Agency Carrying Out Project:**

Name: Escondido Auto Park Association

Telephone: (760) 745-3000

Address: 1555 Auto Park Way, Escondido, CA 92029

☒ Private entity ☐ School district ☐ Local public agency ☐ State agency ☐ Other special district

**Exempt Status:** The Regional Market Sign Permit modification is a Categorical Exemption under Section 15302(b), "Replacement or Reconstruction" (replacement of a commercial structure with a new structure of substantially the same size, purpose, and capacity). The Zoning Code Amendment is exempt under the "General Rule" provision of Section 15061(b)(3), which states that CEQA does not apply where it can be seen with certainty that there is no possibility that an activity may have a significant effect on the environment.

#### Reasons why project is exempt:

1. The Regional Market Sign Permit modification would alter an existing freeway-oriented sign promoting a commercial activity (automobile sales). The sign would increase by 148 SF in total area and the height would lower by 6.5'. The new sign would be placed in the same location as the existing sign, and would serve the same purpose and capacity.
2. The Zoning Code Amendment would increase the allowed sign area, copy area, and message board area for Regional Market Signs. Individual proposals for new or modified Regional Market Signs would still be required to submit the necessary permit applications to the City and would be subject to CEQA review.
3. The project site has no value as habitat for endangered, threatened, or rare species, and is not located within a 100-year flood hazard zone.

**Lead Agency Contact Person:** Ann Dolmage

Area Code/Telephone/Extension (760) 839-4548

Signature: \_\_\_\_\_  
Ann Dolmage, Associate Planner

\_\_\_\_\_  
Date

☒ Signed by Lead Agency

Date received for filing at OPR:

☐ Signed by Applicant

RESOLUTION NO. 2016-109

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
APPROVING A MODIFICATION TO A  
REGIONAL MARKET SIGN PERMIT TO  
REPLACE AN EXISTING 630-SF FREEWAY  
SIGN WITH A 775-SF SIGN THAT INCLUDES  
A 587-SF ELECTRONIC MESSAGE SCREEN  
AND 67 SF OF ILLUMINATED FIXED COPY

Case No. PHG 16-0009

WHEREAS, on August 17, 2016, the City Council of the City of Escondido considered a request for a Modification to Regional Market Sign Permit 96-21-RMS, to allow the replacement of an existing, 630-SF freeway-oriented Regional Market Sign with a 775-SF sign in the same location, incorporating a 587-SF LED message board. The site of the Auto Park's existing and proposed Regional Market Sign is addressed as 1130 Simpson Way; and

WHEREAS, the City Council has determined that the proposed Modification to the Regional Market Sign Permit is exempt from the California Environmental Quality Act ("CEQA") in conformance with Section 15302(b), "Replacement or Reconstruction", and finds that no significant environmental impact will result from approving this permit.

WHEREAS, the City Council desires at this time, and deems it to be in the best public interest, to approve the Modification to the Regional Market Sign Permit; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California:

1. That the above recitations are true.
2. That the Project Findings of Fact attached as Exhibit "A", and incorporated by this reference, were considered and made by the City Council.

3. That upon consideration of the staff report (a copy of which is on file in the Planning Division), the Planning Commission comments provided at a public hearing on July 12, 2016, public testimony presented at the City Council hearing, the findings, and applicable law, the City Council finds that the project is consistent with the General Plan and hereby approves the Modification to the Regional Market Sign Permit, subject to the Conditions of Approval attached as Exhibit "B", and incorporated by this reference.

**EXHIBIT "A"**

**FINDINGS OF FACT  
PHG 16-0009**

1. The proposed sign is appropriate for the proposed location, type of regional market group, and surrounding development. The 1.17-acre project site has a General Plan Designation of General Industrial (GI) and is located adjacent to Interstate 15. The zoning designation for this property is General Industrial (M-2). Zoning Code Section 33-1395.10 allows for Regional Market Signs on designated properties along I-15 that have M-2 zoning, and the project site is one of these designated properties. The proposed project would be compatible with the surrounding neighborhood since adjacent properties share the GI designation and are zoned M-1 (Light Industrial) or M-2 (General Industrial). Since 1130 Simpson Way is not located within the Auto Park proper, the Association has been leasing office space from the property owner, for use as an "information center" to assist people visiting the site with questions about Auto Park products or services. Stationing this information center on the 1130 Simpson site has qualified the Regional Market Sign as an "on-premise sign" for state and local regulatory purposes. The Planning Commission and City Council made the determination in 1996 that this information center could qualify as an automotive service instead of an administrative office, therefore avoiding any conflicts with the list of allowed uses in the M-2 zoning district. Finally, the Escondido Auto Park Association qualifies as a "regional market group" as defined in Section 33-1391(51-1) of the Zoning Code, so it is appropriate for this organization to have a Regional Market Sign.
2. The proposed sign is comprehensively designed to artistically integrate the various elements of the advertising and structure consistent with the sign design guidelines, to create a high-quality advertisement. The project was discussed at the staff design review meeting on May 12, 2016. At this meeting, staff agreed that that design of the sign was modern and attractive, and that the update is justified since the original sign is twenty years old and outdated in appearance. Staff requested that the sign be dimmable and that the applicant provide a nighttime visual simulation to supplement the daytime simulations already provided. The applicant has indicated that the sign will be dimmable, and a nighttime simulation was provided. Per Section 33-1395.10(I) of the Zoning Code, the project has been conditioned to require each message on the changeable LED screen to be displayed for a minimum of eight seconds, with a blank screen at least one second in length between messages. Additionally, messages may not be moving or animated, and may not appear on the screen in incremental stages. This condition will minimize the sign's potential to distract motorists on Interstate 15.
3. The project is not likely to be detrimental to the public health, safety, or welfare, or injurious to the property or improvements in the vicinity in which the property is located. A Regional Market Sign has existed in this location since 1996, and the project would upgrade that existing sign. A construction-related increase in traffic is expected in the area while the sign is installed, but this increase will be temporary and minor. While the Association will maintain an office presence on the project site to assist any visitors seeking information about Auto Park products or services, a substantial portion of the Auto Park's customers are expected to proceed directly to the dealerships without stopping at the project site, so customer-related traffic is expected to be minimal. Caltrans has reviewed the proposed project and commented on May 16, 2016, stating that while they do not define formal requirements for the brightness or intensity of advertising signs, the Outdoor Advertising Association of America (OAAA) recommends a maximum ambient light output level of 0.3 footcandles at a distance of 250 feet from a commonly-sized LED billboard. This recommendation has been incorporated into the conditions of approval for the project. Caltrans has also recommended that the light intensity of the sign be adjustable based on ambient light conditions, and the applicant has noted that the sign would include a sensor for this purpose and would also be adjustable manually.
4. The Escondido Auto Park Association has demonstrated the ability and intent to enter into an agreement with the City to provide continuing maintenance of the regional market sign in accordance



with the sign standards and conditions of approval. The existing Regional Market Sign (approved in 1996) was conditioned to require this agreement, and the current project has been conditioned to continue the agreement.

**EXHIBIT "B"****CONDITIONS OF APPROVAL  
PHG 16-0009**

1. Unless modified herein, all conditions of the original Regional Market Sign permit (96-06-AZ) shall remain in effect.
2. This Regional Market Sign Permit shall be null and void if not utilized within twelve (12) months of the effective date of approval. Should this Regional Market Sign Permit not be utilized, the existing approval (96-06-AZ) shall remain in effect.
3. All construction shall comply with all applicable requirements of the Escondido Zoning Code and requirements of the Planning Department, Director of Building, and the Fire Chief.
4. The legal description attached to the application has been provided by the applicant and neither the City of Escondido nor any of its employees assume responsibility for the accuracy of said legal description.
5. All requirements of the Public Arts Partnership Program, Ordinance No. 86-70, shall be satisfied prior to building permit issuance. The ordinance requires that a public art fee be added at the time of building permit issuance for the purpose of participating in the City Public Art Program.
6. Prior to or concurrent with the issuance of building permits, the appropriate development fees and Citywide Facility fees shall be paid in accordance with the prevailing fee schedule in effect at the time of building permit issuance, to the satisfaction of the Community Development Director.
7. All exterior lighting shall conform to the requirements of Article 35, Outdoor Lighting Ordinance (Ordinance No. 2014-20).
8. Four (4) sets of the final site and design plans shall be submitted to the Planning Division for review and approval prior to the issuance of building permits.
9. Colors, materials, and design of the project shall conform to the exhibits and references in the staff report to the satisfaction of the Planning Division.
10. The type of activities conducted on the site shall comply with those listed in the staff report, to the satisfaction of the Planning Division.
11. No outdoor bells, horns, or speakers/address systems shall be incorporated into the sign design.
12. A maintenance agreement shall be executed (continued?) between the Regional Market Group and the City prior to the issuance of building permits for the Regional Market Sign. The agreement shall identify the party responsible for the maintenance and operation of the Regional Market Sign and shall include the annual maintenance schedule, to the satisfaction of the City Attorney. The maintenance agreement also shall include provisions for the removal of the sign should the auto-related uses on the site cease to exist.
13. Any permanent fixed copy shall be individual letters or have the appearance of individual letters as required by Section 33-1359.10(g).
14. As required by Section 33-1359.10(h), each message displayed on the changeable message screen shall be displayed for a period of at least eight (8) seconds. The sign shall remain blank (no messages or display) for at least one (1) second between displays. The messages and displays shall not be animated, appear in incremental stages, or move across the changeable copy sign face. The

software manufacturer and the software installer shall certify to the City that the software for the computer which controls the sign has been designed to and can only operate the sign at the approved on and off intervals.

15. The Escondido Auto Park Association shall maintain its lease for office space on the 1130 Simpson Way site, so that the sign may preserve its "on-premise" status. An updated copy of the original 1996 lease (bearing an expiration date that has not yet passed) shall be provided to Planning staff prior to issuance of any building permits. If this cannot be provided, a letter from the property owner, stating that the original 1996 lease is still in effect, is also acceptable.
16. The following messages may be displayed on the changeable message screen:
  - The names of auto dealers who are members of the Escondido Auto Park Association, and goods or services that are available through them.
  - Generic public service messages for the Department of Transportation and other public agencies ("Don't Drink and Drive", etc.)
  - Messages related to specific road conditions (construction, maintenance, public safety, etc.)
  - Messages related to off-premise community events where no admission fee is charged and where the activities are local in nature (parade in the downtown area, free concert in the park, etc.)
  - Time and temperature messagesMessages advertising goods or services available through businesses that are not part of the Escondido Auto Park Association, or advertising off-site events for which an admission fee is charged, are prohibited.
17. The LED message board shall include one or more ambient light sensors to allow the sign to dim or brighten automatically from day to night. These sensors shall be set to limit the ambient light output level to 0.3 footcandles at a distance of 250 feet from the sign, per recommendations of the Outdoor Advertising Association of America as provided by Caltrans.
18. All new utilities shall be underground.
19. An inspection by the Planning Division will be required prior to operation of the project. Everything should be installed prior to calling for an inspection, although preliminary inspections may be requested. Contact the project planner at (760) 839-4671 to arrange a final inspection.
20. This item may be referred back to the Planning Commission upon recommendation of the Community Development Director for review and possible revocation or modification of the Regional Sign Permit upon receipt of nuisance complaints regarding performance of the operation of the facility and/or non-compliance with the conditions of project approval.

**ORDINANCE NO. 2016-07**

**AN ORDINANCE OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AMENDING ARTICLE 66 OF THE ESCONDIDO  
ZONING CODE, ARTICLE 66, TO REVISE THE  
SIZE STANDARDS FOR REGIONAL MARKET  
SIGNS**

Planning Case No. AZ 16-0004

The City Council of the City of Escondido, California, DOES HEREBY ORDAIN  
as follows:

SECTION 1. That proper notices of a public hearing have been given and a  
public hearing has been held before the City Council on this issue.

SECTION 2. That the City Council has determined that this Municipal Code  
Amendment is exempt from the California Environmental Quality Act ("CEQA") in  
conformance with Section 15061(b)(3) "General Rule" and finds that no significant  
environmental impact will result from approving this code amendment.

SECTION 3. That upon consideration of the staff report; Planning Commission  
recommendation; Factors to be Considered, attached as Exhibit "A" to this Ordinance  
and incorporated by this reference; and all public testimony presented at the hearing  
held on this project, this City Council finds the proposed amendment, which would  
increase the allowable size of Regional Market Signs, to be consistent with the General  
Plan and all applicable specific plans of the City of Escondido.

SECTION 4. That Escondido Zoning Code Chapter 33, Article 66 (Sign  
Ordinance), is amended as described in the attached Exhibit "B", which is incorporated  
by this reference.

SECTION 5. SEPARABILITY. If any section, subsection, sentence, clause, phrase, or portion of this ordinance is held invalid or unconstitutional for any reason by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions.

SECTION 6. That as of the effective date of this ordinance, all ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 9. That the City Clerk is hereby directed to certify to the passage of this ordinance and to cause the same or a summary to be prepared in accordance with Government Code section 36933, to be published one time within 15 days of its passage in a newspaper of general circulation, printed and published in the County and circulated in the City of Escondido.

## EXHIBIT "A"

### FINDINGS OF FACT AZ 16-0004

1. Approval of the proposed Zoning Code Amendment would not be detrimental to the public health, safety, or welfare, or injurious to the property or improvements in the zone or vicinity in which the property is located. The amendment proposes to modify text in Section 33-1395(10) of the Zoning Code, to allow for larger Regional Market Signs than what is currently permitted. Only guidelines for total sign area, copy area, and changeable message board size will change. There will be no change to the allowed height of these signs. The amendment does not propose to amend which parcels are allowed to have Regional Market Signs, the number of signs that can be located in this area, or the definition of "regional market group". Individual sign proposals would still be required to obtain a Regional Market Sign Permit, and would still be subject to review by City staff and final approval by City Council, including any necessary environmental review as mandated by CEQA.
2. The subject property is suitable for the uses permitted since auto sales and related uses are permitted within industrial zones. The 1.17-acre project site is suitable to accommodate the enlarged sign since the structure would not interfere with internal traffic/circulation patterns or result in a significant impact to highway safety.
3. The proposed amendment would be compatible with Economic Prosperity Goal 1 of the General Plan, which encourages high quality, diversified, and employee-intensive industrial, retail, technology, manufacturing, and service-oriented businesses that create and sustain a strong economic base. It would also be compatible with the associated Policy 1.2, which encourages the preservation and expansion of existing industrial uses in appropriate designated areas that are consistent with the City's vision and goals. Auto sales and related uses are permitted within industrial zones, and the applicant maintains that the amendment to allow a larger Regional Market Sign on an industrial parcel would enhance their ability to attract consumers to their business, which in turn helps to sustain a strong economic base for Escondido.
4. The proposed code amendment is not applicable to any adopted specific plans since no specific plans have been adopted for this area.

## EXHIBIT "B"

Amendments to Escondido Zoning Code Section 33-1395.10  
(Language to be removed in ~~strikeout~~; language to be added in underline)

### **Sec. 33-1395.10. Sign standards—Regional market signs.**

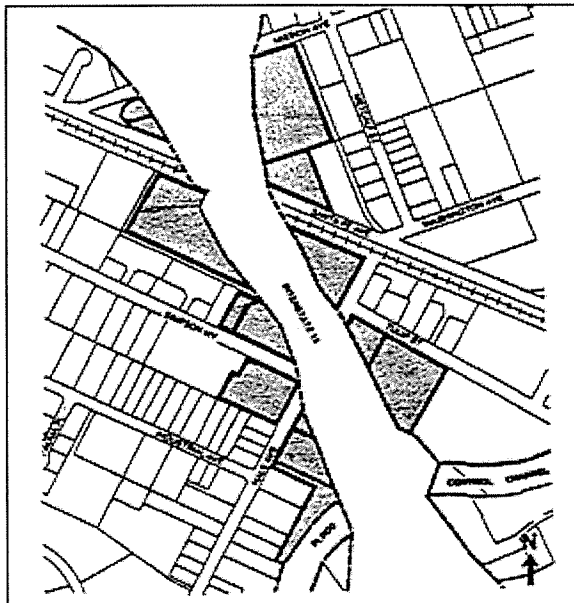
Notwithstanding other sections of this article, this section shall regulate the type, location, size, number, and eligible user(s) of regional market signs, as well as the application and review process.

(a) Eligible users. Only a regional market group or an affiliated business organization consisting of members of the regional market group, as approved by the city council, may request a regional market sign.

(b) Type of sign. Regional market signs may be freeway-oriented, freestanding pole or monument type signs, wall signs, structures, art pieces, or other building signs which are determined by the planning commission and city council to be consistent with the design guidelines, appropriate for the specific site and surrounding development, and comprehensively designed to provide artistically integrated elements which create an innovative and high-quality advertisement.

(c) Location. Regional market signs shall be located only on commercially and certain industrially zoned parcels contiguous to Interstate 15, as shown on Figure 33-1395.10(c)1.

**Figure 33-1395.10(c)1**



(d) Size. The area and height of the sign shall be the minimum needed to achieve a visible and functional sign in compliance with the design guidelines. Signs up to a maximum of eighty (80) feet high and ~~four hundred (400)~~ seven hundred ten (710) square feet in copy area including any message center panel approved by the city council, with the total sign area not exceeding ~~seven hundred fifty (750)~~ eight hundred twenty-five (825) square feet, may be considered based on specific site characteristics, adjacent freeway elevation and substantiation of the need for that large of sign. The Director of Community Development may approve a sign up to 10 percent larger than the maximum sign height and sign area specified here, upon receipt of an application for an administrative adjustment.

(e) Number.

(1) Not more than one (1) regional market sign is permitted for any regional market group or lot/center where the sign will be located. Not more than one (1) regional market sign shall be permitted within the industrially zoned area along Interstate 15 as described above in section 33-1395.10(c). The regional market sign may be in addition to any existing permitted freeway oriented advertising sign(s) not related to the regional market group, on the property at the time the regional market sign is requested. An appropriate separation based on specific site characteristics and existing signs shall be provided between freeway-oriented signs.

(2) A regional market group may have either a freeway-oriented regional market sign or a freeway-oriented advertising sign on any site; not both.

(f) Displays. Regional market signs may only identify the regional market group, group members, or affiliated business organization located on-site as owners or occupants of the premises, and/or advertise the business conducted or services rendered or goods produced or sold upon the property upon which the regional market sign is constructed, and other information consistent with Section 5405 of Division 3, Chapter 2 of the Business and Professions Code. Outdoor Advertising Act, and the policies of the California Department of Transportation (Caltrans) for freeway-oriented signs.

(g) Fixed text. Any permanent fixed copy on a regional market sign shall be individual letters or have the appearance of individual letters, and shall be consistent with the sign design guidelines including criteria for legibility and the avoidance of a cluttered appearance.

(h) Changeable message. An electronic message center may be incorporated in the regional market sign with the approval of the city council, subject to the following.

(1) Length of display. Each message shall be displayed for a period of at least eight (8) seconds. The sign shall remain blank (no messages or display) for at least one (1) second between displays. The messages and displays shall not be animated, appear in incremental stages or move across the changeable copy sign face. The software manufacturer and the software installer shall certify to the city that the software for the computer which controls the sign has been designed to and can only operate the sign at the approved on and off intervals.



(2) Maximum size. The maximum size of the electronic message center portion of a regional market sign shall be ~~two hundred seventy (270)~~ six hundred (600) square feet. The Director of Community Development may approve an electronic message center up to 10 percent larger than the maximum size specified here, upon receipt of an application for an administrative adjustment.

(i) Illumination. The permanent copy maybe illuminated by internal illumination of each individual letter or by halo back-lighting of each letter. No cabinet signs with illuminated backgrounds are allowed. The changeable copy area shall only be illuminated by the internal electronically controlled lights of the message center component.

(j) Initiation of application. Each sign application for a regional market sign shall be forwarded to the city council for initiation. The city council shall make the following findings prior to initiating any request.

Initiation findings.

(1) The applicant(s) constitute(s) a regional market group as defined by section 33-1391(52-1) or an affiliated business organization consisting of members of a qualified regional market group.

(2) The regional market group has limited visibility from the Interstate 15 freeway.

(3) Due to interurban competition, the defined group of users is at risk of a reduction in their share of the regional market; or

The regional market sign will assist in the retention of the regional market group uses in Escondido.

Upon initiation by the city council, a sign(s) shall be posted in a conspicuous location(s) on the project site so as to be visible from each public street adjacent to the site. The sign(s) shall notify the public of the submittal of a regional market sign application and shall be consistent with the requirement of section 33-1300(c)(2) of this chapter as to content and size.

(k) Review of application. Upon initiation by the city council, the sign permit application and processing fee shall be submitted to the planning division and shall include a site-specific study prepared pursuant to subsection (n) of this section, as well as a list of property owners within five hundred (500) feet of the proposed sign location pursuant to subsection (I) below. If the proposed location for the regional market sign is zoned PD-C (planned development-commercial), no separate modification of the master sign program for the planned development is necessary. The sign application shall be reviewed by the planning division, whose recommendations shall be considered by the planning commission and the city council at separate public hearings. The city council shall make all the following findings prior to any approval or conditional approval of a regional market sign.

Approval findings.

(1) The proposed sign size and design are appropriate for the proposed location, type of regional market group, and surrounding development including the elevation of the adjacent freeway travel lane and mature height of landscaping, and conform to the sign standards of this section.

(2) The proposed sign is comprehensively designed to artistically integrate the various elements of the advertising and structure consistent with the sign design guidelines, which creates a high quality advertisement.

(3) The proposed sign will not be materially detrimental to the public health, safety or welfare or injurious to the property or improvements in the vicinity in which the property is located.

(4) The regional market group association has demonstrated the ability and intent to enter into an agreement with the city to provide continuing maintenance of the regional market sign in accordance with the sign standards and conditions of approval.

(l) Public hearing notice. Public notice of the public hearings before the planning commission and the city council shall be given pursuant to Division 6, section 33-1300 of this chapter. However, the five hundred (500) foot radius from the property line adjacent to the freeway shall be measured from the Caltrans right-of-way line on the opposite side of the freeway from the project site.

(m) Other permits. Any approval of a sign application submitted without a current sign permit from the California Department of Transportation (Caltrans) for the proposed location, shall be conditioned upon obtaining any applicable sign permit from Caltrans for the proposed location.

(n) Requirements of site-specific study. The applicant shall provide a visual study representing the sign at the proposed location which demonstrates the visibility of the proposed sign from northbound and southbound travel lanes of Interstate 15. The study may be photographs or video tape of sign mockups situated on the proposed site; photo simulations; computer simulations; or other appropriate representations to the satisfaction of the director.

(o) Maintenance agreement. A maintenance agreement between the regional market group and the city shall be executed prior to the issuance of building permits for the regional market sign. The agreement shall identify the party responsible for the maintenance and operation of the regional market sign and shall include the annual maintenance schedule, to the satisfaction of the city attorney. (Ord. No. 95-18, § 2, 9-13-95; Ord. No. 96-27, § 1, 8-28-96; Ord. No. 2008-22, § 7, 9-10-08; Ord. No. 2011-19R, § 5, 1-11-12)

## CITY COUNCIL

For City Clerk's Use:

☐

**APPROVED**

☐

**DENIED**

Reso No. \_\_\_\_\_

File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 21**

**Date: August 17, 2016**

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Christopher W. McKinney, Director of Utilities

**SUBJECT:** Approval of Change Orders, an Amendment, and a Budget Adjustment for the Cemetery Area Water Pipeline Replacement Project

### RECOMMENDATION:

It is requested that the City Council:

1. Adopt Resolution No. 2016-111R, authorizing change orders to the Public Improvement Agreement with MNR Construction, Inc., not to exceed \$1,279,025, resulting in a new contract amount of \$8,069,275.
2. Adopt Resolution No. 2016-112, authorizing a First Amendment to the Consulting Agreement with Michael Baker International, not to exceed \$111,258, resulting in a new contract amount of \$440,706.
3. Approve a budget adjustment in the amount of \$629,000 to Capital Improvement Project (CIP) No. 704911 (Cemetery Water Line) to cover the costs of change orders and an amendment required to complete construction of the Cemetery Area Water Pipeline Replacement Project ("Project").

### FISCAL ANALYSIS:

This project is funded from WL-Cemetery Area CIP No. 704911. Budget adjustments of \$480,135.00 from CIP No. 704003 (Water Line Replacement) and \$148,865.00 from CIP No. 704606 (Rincon Power Plant Modifications and Penstock Replacement) are required to complete the project.

### PREVIOUS ACTION:

On June 18, 2015, the City Council adopted Resolution No. 2015-120, awarding a Public Improvement Agreement to MNR Construction, Inc. in the amount of \$6,790,250 and a budget adjustment in the amount of \$2,550,000.

On September 23, 2015, the City Council adopted Resolution No. 2015-160, authorizing the Mayor and City Clerk to execute a Construction Management Services Consulting Agreement with Michael Baker International in the amount of \$329,448.

On June 15, 2016, the City Council approved a budget adjustment in the amount of \$980,000 to CIP No. 704911 to cover the costs for the permitted contingencies and potential changes in construction on the Cemetery Area Water Pipeline project.

## **BACKGROUND:**

The Project will replace approximately 3.5-miles of old water mains in areas located in and near the Oak Hill Cemetery. These water mains were installed in the 1950s and 1960s, and have had numerous leaks and need for repairs. The pipeline tightly traverses through the Oak Hill Cemetery and residential properties, thus leaving very little room to deviate from the proposed alignment. Approximately 2.5-miles of new potable water transmission and distribution piping will be installed, plus a small portion of recycled water pipeline.

The following examples describe the types of conflicts and unforeseen conditions that have been encountered so far during the construction of the project.

The following Items have already been covered under the existing construction contract:

### **Deficient As-built Records:**

The contractor potholed the proposed alignment and discovered that the existing water pipeline was mismarked per the as-built records. In other locations, the water pipeline traversed at different angles presumably, to avoid hard rock formations.

### **Alternate Pipeline Alignment:**

The contractor and construction management team identified potential risk for moving forward with the original proposed alignment in two separate locations, and then met with the design engineer to collectively mitigate the risk from each location with a better alternate route. This required extensive partnering and discussions with property owners to agree on this proposed route. It was a viable, practical, and safer alternative once construction started; especially for one resident. The original construction contract was extended by 56 days due to a time extension requested by the contractor to execute and complete the newly proposed route. This time extension also affected the construction management services contractual time.

### **Utility Conflicts:**

During their trench excavation work, the contractor discovered abandoned, unmarked utilities. In some locations, the contractor had to demolish and remove the utility or alter the pipe alignment. At other locations, the crew had to hand-dig underneath or around the utility.

### **Differing Site Conditions:**

The contractor encountered very hard rock formations along the pipe alignment and therefore could not use conventional excavation equipment. The contractor resorted to a non-explosive method of fracturing the rock by using a chemical rock breaker to clear the trench path for pipe installation.

### **Coordination Delay Efforts:**

The contractor had scheduled a proposed tie-in to the existing potable water pipeline at Moody Drive and Glenridge Road. Adequately draining the main line for safe disconnection and welding caused a delay for the contractor and resulted in overtime work in an effort to restore water service to the community.

#### DETAILS CONCERNING CHANGE ORDERS AND AMENDMENT

Construction is ongoing and should be completed by the end of November 2016. Progress payments to date total \$4,525,094.70, including \$438,000 (6.45 percent) in change orders with a construction time extension of 56 Days.

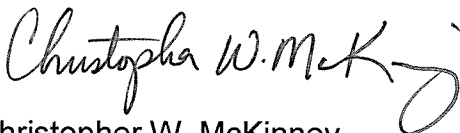
The overall project is approximately 68 percent completed. The construction management team and the contractor have successfully negotiated and agreed to fair and reasonable prices for the additional work required to complete the Cemetery Area Water Pipeline Replacement project.

The reason for this request is a concern from the construction management team and the contractor of encountering differing site conditions along the remaining pipeline installation.

The approved Change Orders for the Cemetery Area Water Pipeline Replacement project would mitigate any future change orders arising from unforeseen circumstances. Approval would also provide the necessary funds to pay for such unforeseen events in a timely manner and avoid the costly decision to stop the contractor's progress due to insufficient funds.

The amendment to the contract with Michael Baker International will provide the necessary funding to extend construction management services through the end of the construction period.

Respectfully submitted,

A handwritten signature in black ink, reading "Christopher W. McKinney". The signature is fluid and cursive, with a large, stylized "M" and "K".

Christopher W. McKinney  
Director of Utilities



CITY OF ESCONDIDO  
BUDGET ADJUSTMENT REQUEST

Date of Request: August 8, 2016  
Department: Utilities  
Division: Water  
Project/Budget Manager: Randy Manns 7031  
Name Extension  
Council Date (if applicable): August 17, 2016  
(attach copy of staff report)

For Finance Use Only	
Log #	_____
Fiscal Year	_____
_____	Budget Balances
_____	General Fund Accts
_____	Revenue
_____	Interfund Transfers
_____	Fund Balance

Project/Account Description	Account Number	Amount of Increase	Amount of Decrease
Cemetery Area Waterline	556-704911	\$629,000.00	
Water Pipeline Replacement	556-704003		\$480,135.00
Rincon PwrP Mods	556-704606		\$148,865.00

Explanation of Request:

To fund change orders for the Cemetery Area Water Pipeline Replacement Project

**APPROVALS**

Christopher W. McK...  
Department Head  
John Co...  
Finance  
Date 8/9/16  
Date

City Manager \_\_\_\_\_ Date  
City Clerk \_\_\_\_\_ Date

Distribution (after approval):

Original: Finance

RESOLUTION NO. 2016-111R

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AUTHORIZING THE DIRECTOR OF  
UTILITIES TO EXECUTE, ON BEHALF OF  
THE CITY, CHANGE ORDERS FOR THE  
CEMETERY AREA WATER PIPELINE  
REPLACEMENT PROJECT

WHEREAS, the Cemetery Area Water Pipeline Replacement Project ("Project") includes replacing the existing potable water pipeline; and

WHEREAS, on July 8, 2015, through Resolution No. 2015-120, the City Council authorized the award of a Public Improvement Agreement with MNR Construction, Inc. in the amount of \$6,790,250; and

WHEREAS, encountering unforeseen and differing site conditions, unmarked utilities, abandoned concrete encasements, deficient as-built records, and hard granite rock formations requiring chemical fracturing have resulted in additional project costs; and

WHEREAS, the City Council recognizes that approval of change orders for the Project is required to continue and complete construction; and

WHEREAS, the Utilities Director recommends authorization of change orders to the Public Improvement Agreement with MNR Construction, Inc. in the amount of \$1,279,025, bringing the total contract value to \$8,069,275 to complete the Project; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve said change orders.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the City Council accepts the recommendation of the Director of Utilities.
3. That the City Council hereby approves the execution of the change orders to contract with MNR Construction, Inc.



RESOLUTION NO. 2016-112

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AUTHORIZING THE MAYOR AND CITY CLERK  
TO EXECUTE ON BEHALF OF THE CITY, A  
FIRST AMEDEMMENT TO THE CONSULTING  
AGREEMENT WITH MICHAEL BAKER  
INTERNATIONAL, FOR CONSTRUCTION  
MANAGEMENT OF THE CEMETERY AREA  
WATER PIPELINE REPLACEMENT PROJECT

WHEREAS, on July 8, 2015, the City Council adopted Resolution No. 2014-120 authorizing execution of a Public Improvment Agreement for the construction of Cemetery Area Water Pipeline Replacement project ("Project") in the amount of \$6,790,250; and

WHEREAS, the Utilities Engineering and Construction Division is currently managing the design and construction for multiple large Capital Improvement Program ("CIP") projects; and

WHEREAS, on September 23, 2015, the City Council adopted Resolution No. 2015-160 authorizing execution of a Consulting Agreement for \$329,448 with Michael Baker International ("MBI") for construction management services for the Cemetery Area Water Pipeline Replacement project; and

WHEREAS, the Utilities Director recommends authorization of a First Amendment to the Consulting Agreement with MBI in the amount of \$111,258, bringing the total contract value to \$440,706 to complete the Project; and

WHEREAS, deeming it to be in the best public interest, the Director of Utilities requests the City Council approve a First Amendment to the Consulting Agreement to continue third-party construction management services.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the City Council accepts the recommendation of the Director of Utilities.
3. That the Mayor and City Clerk are authorized to execute, on behalf of the City, a First Amendment to the Consulting Agreement with Michael Baker International for construction management services on the Cemetery Area Water Pipeline Replacement project, in substantially similar form to that which is attached and incorporated to this Resolution as Exhibit "A," and subject to final approval as to form by the City Attorney.



CITY OF ESCONDIDO  
FIRST AMENDMENT TO CONSULTING AGREEMENT

This "Amendment" is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Between:           CITY OF ESCONDIDO  
                      a municipal corporation  
                      201 N. Broadway  
                      Escondido, California 92025  
                      ("CITY")

And:               Michael Baker International  
                      9755 Clairemont Mesa Blvd.  
                      San Diego, CA 92124  
                      Attn: Wayne Papac  
                      858-614-5000  
                      ("CONSULTANT")

Witness that whereas:

- A.     CITY and CONSULTANT entered into an agreement on OCTOBER 13, 2015 ("Agreement"), wherein CITY retained CONSULTANT to provide construction management and inspection services for the Cemetery Area Water Pipeline Replacement project; and
- B.     CITY and CONSULTANT desire to amend the Agreement to include additional work, which is defined in "Attachment A" to this Amendment, which is incorporated by reference;

NOW THEREFORE, it is mutually agreed by and between CITY and CONSULTANT as follows:

- 1.     The CONSULTANT will furnish the services described in "Attachment A" to this Amendment.
- 2.     CITY will compensate the CONSULTANT in an additional amount not to exceed \$111,258.00, pursuant to the conditions contained in "Attachment A" to this Amendment.

3. All additional terms under the Agreement between CITY and CONSULTANT still apply to the additional work to be performed by CONSULTANT under this Amendment. If any of the terms of this Amendment conflict with the Agreement, this Amendment must prevail.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

CITY OF ESCONDIDO

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

\_\_\_\_\_  
Sam Abed  
Mayor

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

\_\_\_\_\_  
Diane Halverson  
City Clerk

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

MICHAEL BAKER INTERNATIONAL

\_\_\_\_\_  
[Same Person from the Company Sign Here]

\_\_\_\_\_  
[Their Current Title]

*(The above signature should be notarized)*

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY  
JEFFREY R. EPP, City Attorney

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

*Innovation Done Right...We Make a Difference*

July 20, 2016

City of Escondido  
Attn: Randy Manns  
1521 South Hale Avenue  
Escondido, CA 92029

**RE: CM Amendment Request for Construction Management Services Cemetery  
Area Water Pipeline Replacement Project-REVISED**

Dear Mr. Manns,

Our current CM contract is timed and funded through August 2016, and due to Change Orders 1 and 2 to the Contractor the Project is now scheduled to complete on November 11, 2016. We respectfully request a contract amendment to add time and budget to allow for completion of the project. We have included our spreadsheet indicating estimated costs and levels of effort to perform the construction and contract management required to deliver this project. We are committed to moving the Project in a positive direction. We have revised our estimate to reflect your required changes, which added approximately \$15,000.00 to our original estimate. Our estimate of \$111,258.00 is based on your requested modifications.

Thank You for the opportunity to serve this challenging project.

Respectfully, Wayne

A handwritten signature in black ink, consisting of several vertical strokes followed by a horizontal line.

Michael Baker International  
Wayne Papac, CCM  
Vice President Construction Management

**City of Escondido**  
Cemetery Area Water Pipeline Replacement Project

Cemetery Area Water Pipeline Replacement Project

Resolution No. 2016-112  
EXHIBIT A  
Page 4 of 4

CITY OF ESCONDIDO									
CEMETERY AREA WATER PIPELINE REPLACEMENT PROJECT									
CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES									
MANPOWER, RESOURCE LOADING, AND COSTING									
Cemetery Area Water Pipeline Replacement Project; Manpower, Resource Loading, and Costing									
CCO Amendment									
2016									
Michael Baker International CM/JIS Team									

**Note:** This proposal complies with the State of California Department of Industrial Relations Prevailing Wage Requirements



**FUTURE CITY COUNCIL AGENDA ITEMS**  
**August 10, 2016**

*AGENDA ITEMS AND COUNCIL MEETING DATES ARE SUBJECT TO  
CHANGE. CHECK WITH THE CITY CLERK'S OFFICE AT 839-4617*

**August 24, 2016**  
**4:30 p.m.**

**CONSENT CALENDAR**

**Water Service Exchange Agreement with Rincon del Diablo Municipal Water District for 2005 Harmony Grove Road**  
(C. McKinney)

*Approval of the Water Exchange Agreement will allow Rincon del Diablo Municipal Water District to provide water to the parcel located at 2005 Harmony Grove Road, which is located within the City of Escondido's water service area but is not covered by the City's distribution facilities.*

**Mills Act and CEQA Exemption (HP 16-0003)**  
(B. Martin)

*Local register listed history property located in the Old Escondido Neighborhood Historic District. The two-story residence was built in 1895 and once owned by E.M. Churchill who served as Escondido's City Marshall until 1906.*

**PUBLIC HEARINGS**

**Local Register Historic Listing, Mills Act Agreement, and CEQA Exemption (HP 16-0002)**  
(B. Martin)

*To add an Old Escondido Neighborhood two-story Eastlake Victorian on East Fifth Avenue built in 1880 to the City's Local Register of Historic Places. The current owners of the property also wish to enter into a Mills Act agreement with the City.*

**CURRENT BUSINESS**

**Housing Related Parks Program Funds Budget**  
(L. McKinney/E. Domingue)

*Budget adjustments are necessary in order to continue with directed park improvement projects.*

**Future Agenda Items (D. Halverson)**

**August 31, 2016**  
**No Meeting (5<sup>th</sup> Wednesday)**



# City Manager's **WEEKLY UPDATE** to City Council

August 10, 2016

## ECONOMIC DEVELOPMENT

Mariscos Germán, a popular food truck in San Diego county, has also opened a small restaurant in Escondido at 251 W Washington Avenue.

## SPECIAL EVENTS

- No special events this week
- For information about other activities taking place in Escondido, please visit [www.visitescondido.com](http://www.visitescondido.com)

## UTILITY BILLING UPDATE

Finance/Utility Billing Division is excited to announce the completion of a major billing software upgrade. The new system will go live on Monday, August 15<sup>th</sup>. The upgrade will provide the City with efficiencies in billing and collections, as well as provide better tools for analyzing and processing water usage citywide. City of Escondido customers will notice enhancements to their bill, including a graph depicting the previous 12 months of water usage. The City's long-term goal is to expand the software capabilities and eventually offer an online tool for customer's to review their utility bill account details.

Additionally, last fall in order to improve security and comply with new banking requirements, the City of Escondido contracted with Bank of America's "Velocity" payment system for acceptance of utility bill payments. Based on staff and customer experiences and feedback, Finance staff will evaluate alternative web-pay options and companies early next year.

## COMMUNITY DEVELOPMENT

### Major Projects Update

### **Commercial / Office:**

1. Escondido Research and Technology Center – East (ERTC) (Developer: James McCann) –  
*No change from the following update reported last week:* This is a 72,000 square foot medical office building proposed on the east side of Citracado Parkway across from Palomar Medical Center located at 2130 Citracado Parkway. A grading permit has been issued by the Engineering Division. Building plans have been submitted for plan check. The applicant has recently requested to install a temporary paved parking lot in this area to serve the hospital. A grading plan for the temporary parking lot was approved June 13, 2016.
2. Escondido Research and Technology Center – West (ERTC) (Developer: James McCann) –  
*No change from the following update reported last week:* This is a 144,000 sq. ft.



# City Manager's **WEEKLY UPDATE** to City Council

development involving two medical office buildings proposed on the west side of Citracado Parkway across from Palomar Medical Center located at 2097 – 2175 Citracado Parkway. A grading permit has been issued by the Engineering Division. Esgil and the Planning Division have approved the building plans. A fee deferral agreement has been signed and the building permit was issued June 23, 2016. A tentative parcel map (TPM) for office condominiums was approved on July 12, 2016. Engineering is awaiting submittal of the (Final) Parcel Map from the applicant.

3. Centerpointe 78 Commercial (Developer: Lars Andersen, Pacific Development) – *No change from the following update reported last week:* This project is a 45,650 sq. ft. supermarket and restaurant located at 925 N. Broadway. The project was approved by the City Council on December 9, 2015. Demolition of the former auto dealership has been completed down to the foundation. Grading plans have been submitted to Engineering and Planning for review.
4. Westfield Theater (Developer: Kim Brewer, Westfield) – *No change from the following update reported last week:* This project is a 10-auditorium movie theater totaling 57,600 sq. ft. located on the north side of the Westfield Mall. The project was approved by the City Council on November 4, 2015.
5. Felicita Development, LLC (Developer: Katherine Park, Creative Design Associates) – *No change from the following update reported last week:* This project is a 140-unit hotel, and a gas station or office/residential care facility at the southeast corner of Felicita Rd. and Gamble Lane. The applicant and staff met with the architect to discuss building elevations, 5-story height limitations and site design issues given the existing wetland constraints on the property. Additional technical analysis and coordination is needed to address traffic, biology, water and sewer service, geotechnical and storm water concerns, along with a market study for the proposed uses. The applicant met with the wild life agencies and is responding to technical studies needed to complete the application. Tribal consultations are underway.
6. Springhill Suites (Developer: Raj Patel, San Bernardino Hospitality LLC) – *No change from the following update reported last week:* This project is a 4-story, 105-suite hotel totaling 73,300 sq. ft. located at 200 La Terraza Drive. The hotel includes a small conference room and an enlarged lobby for serving continental breakfast. A revised set of grading plans has been approved since February and grading for the hotel site has now started with the installation of BMP's by Lister Construction. Building plans have been approved by Esgil and Planning. The applicant is finalizing minor revisions for the improvement plans prior to issuance of the building permit.
7. Escondido Auto Park Association (Developer: Tim Brecht, Escondido Auto Park Association) – *No change from the following update reported last week:* The association is proposing to upgrade the existing electronic message sign along I-15. An application for a new regional market sign and an amendment to the Sign Ordinance to increase the allowable display area for a regional market sign was submitted to the Planning Division on May 6, 2016. The

# City Manager's **WEEKLY UPDATE** to City Council

proposed sign would be located in the same location as the existing sign at a slightly lower height (73.5 feet) with approximately the same overall dimensions. The Planning Commission recommended approval of the new regional market sign and amendment to the Sign Ordinance on July 12, 2016. A City Council hearing has been scheduled for August 17.

8. Ford-Hyundai Dealership Expansion (Developer: Neil E. Sander, Dynamic Engineering) – *No change from the following update reported last week:* An expansion involving approximately 13,000 sq. ft. of showroom buildings and 6,700 sq. ft. wash/detail building at 1717-1919 Auto Park Way was approved by the Planning Commission on June 23, 2015. Grading has commenced and the building permit for the Ford dealership has been issued.
10. Trafalgar Square – Aldi Market (Developer: Charlie Mallon) – *No change from the following update reported last week:* This renovation of the Trafalgar Square shopping center includes demolition of the northern shop building and the northern portion of the western building to prepare a site for the construction of an 18,088 square foot, freestanding building for Aldi Market (1330 East Valley Parkway). The plot plan was approved by the Planning Division in June of 2015. Grading and landscape plans have also been approved and grading has commenced on the site. Issuance of the building permit has been withheld pending FEMA approval of a conditional letter of map revision (CLOMR) for the grading design that elevates the building above the flood limits for the adjacent Escondido Creek. FEMA approval was received on May 4, 2016, and all city departments have now authorized issuance of the building permit. A Building permit was issued on June 22, 2016.

## **Industrial**

1. Escondido Disposal Inc. (Developer: Steve South, EDI) – The CUP modification to expand the existing facility was approved by the Planning Commission on August 25, 2015. Esgil has approved the building plans and final details are being worked out with the project architect in response to earlier Fire and Planning comments. Revisions to the grading plan have been approved by Engineering.
2. StorQuest (Developer: The William Warren Group, Inc.) – This proposed project at 220 W. Mission Avenue involves a 102,500 sq. ft., four-story self-storage facility development with three in-line shops and a small office. The Planning Commission voted to recommend approval of the proposed General Plan Amendment, Planned Development and Zone Change on August 9, 2016. A City Council hearing tentatively has been scheduled for September 14, 2016.
3. Victory Industrial Development (Developer: Scott Merry, Badiie Development) – This project involves two industrial buildings totaling 91,000 sq. ft. (one building 55,500 sq. ft., second building 35,500 sq. ft.) located at 2005 Harmony Grove Road and a zone change from residential to Planned Industrial consistent with the updated General Plan. The Planning Commission voted to recommend approval of the proposed General Plan Amendment,

# City Manager's **WEEKLY UPDATE** to City Council

Planned Development and Zone Change on August 9, 2016. A City Council hearing tentatively has been scheduled for September 14, 2016.

4. Micro-Filtration Reverse Osmosis (Developer: City of Escondido Utilities Department) – *No change from the following update reported last week:* The proposed project involves a Conditional Use Permit (CUP) for the development of a new city facility to provide advanced treatment for recycled water produced at the City of Escondido's Hale Avenue Resource Recovery Facility (HARRF) for agricultural uses with the capacity for future treatment for indirect potable reuse. The facility would be sized for a total production capacity of 2.0 million gallons per day (mgd). A previous proposal for development of the facility at 2512 East Washington Avenue has now been shelved while staff pursues development of the facility on an alternative site located on the southeastern corner of Washington Avenue and Ash Street. On July 20, 2016, the City Council approved a first-phase design contract with Black and Veatch for the design effort need to bring the new site design to the Planning Commission for CUP consideration. If the Planning Commission approves the CUP, a contract for the remaining design work will be brought forward to the City Council.
5. Wastewater Collections Yard Expansion (Developer: City of Escondido Utilities Department) – *No change from the following update reported last week:* The project involves development of 1.8 acres of a larger, approximately 15.4-acre site for the construction of a new wastewater collections yard and maintenance facility for the City's Hale Avenue Resource Recovery Facility (HARRF) at 1521 S. Hale Avenue. The proposed facilities will consist of three separate pre-fabricated metal buildings 3,735 sq. ft. - 5,670 sq. ft. for collections; work bays and workshops for regular maintenance of vehicles and equipment. The project would require the processing of a Conditional Use Permit (CUP) and rezone. The Planning Commission held a public hearing and recommended approval on May 10, 2016. It was approved by the City Council on June 15, 2016.
6. Escondido Self-Storage Facility (Developer: Anna-Lisa Armanino, Brandywine Homes, Inc.) – *No change from the following update reported last week:* A modification to a Master and Precise Development Plan for revisions to the design of a previously approved, but not yet constructed, self-storage facility with direct access to Brotherton Road near the intersection with Cranston Drive. The proposed project was submitted on May 11, 2016, and is currently being reviewed by Planning, Engineering, Fire and Utilities staff. The project proposes approximately 77,500 SF of storage area in two buildings. The larger building is two stories over a basement with all interior loading. The smaller building is one-story with some exterior roll-up doors. The project site is also part of a five-lot Tentative Map for four residential lots and one commercial lot (Tract 900) that is concurrently being processed for an extension of time. Planning staff approved the environmental technical studies needed for the update of the previous environmental review on July 12. Architecture was approved by staff Design Review on July 14 and preparation of an addendum to the previous MND is underway. A Planning Commission hearing tentatively has been scheduled for September 13, 2016.

# City Manager's WEEKLY UPDATE to City Council

## Institutional

1. John Paul the Great Catholic University (Developer: Kevin Meziere, John Paul the Great Catholic University) – *No change from the following update reported last week:* A Conditional Use Permit to expand the campus and student enrollment at 155 W. Grand Avenue was approved by the Planning Commission on December 8, 2015. The proposal includes improvements to the former H. Johnson site at 131 S. Broadway for studio and classroom space, and the former bank at 200 W. Grand Avenue for administrative offices and a student resource center. The proposed expansion would also increase the student enrollment from 300 to 1,200 students over the next several years.
2. Escondido United Reformed Church (Developer: Brent Cooper) – The project is an expansion for a phased, multi-year, master construction/development plan for a new 12,250 SF two-story sanctuary, conversion of existing buildings to a social hall, demolition of an existing social hall/classroom building (approx. 4,620 SF) and construction of approximately 5,250 SF for a nursery, multi-purpose room, classrooms for Sunday school at 1864 N. Broadway. Revised architectural plans were unanimously approved by the Planning Commission on June 14, 2016. The grading plans are now in plan check.

## Residential

1. Oak Creek (Developer: Jason Han, New Urban West) – *No change from the following update reported last week:* This project is a 65-unit single family development located at the southeastern corner of Felicita Road and Hamilton Lane approved by the City Council in 2015. The LAFCO Board unanimously approved the annexation on October 5, 2015, and the annexation has been recorded. No grading or improvement plans have been submitted by the developer at this time.
2. Amanda Estates (Developer: Jason Han, New Urban West) – *No change from the following update reported last week:* This project is a 22-unit single family development on Amanda Lane approved by the City Council in 2015. The LAFCO Board approved the reorganization (annexation) at their meeting on August 3, 2015, and the annexation has been recorded. No grading or improvement plans have been submitted by the developer at this time.
3. Pradera (Developer: Moses Kim, Lennar Homes) – *No change from the following update reported last week:* This project consists of a 70-unit single family development located at the northeastern corner of Ash Street and Lehner Avenue. The developer has obtained building permits for four phases involving 36 homes and those phases are under construction. Homebuyer interest in the product remains high and sales are progressing. The last two final maps for the project (Streets A and B) were approved by the City Council on June 15, 2016. Final map for Street A was recorded July 18, 2016; Final map for Street B has been routed for signatures. Precise grading plans for Streets A and B can be approved once map for Street B is recorded. Precise grading plans for Street E submitted week of July 11, 2016. Building permits for Phase 5 (8 homes) are anticipated to be issued soon.



# City Manager's **WEEKLY UPDATE** to City Council

4. Lexington (Zenner) (Developer: Eric Johnston, KB Homes) - – *No change from the following update reported last week:* The project is a 40-unit, single-family development at the northeastern corner of Lehner Avenue and Vista Avenue. The applicant has submitted the final map, improvement plans and grading plans for staff review and approval. The three model homes on the eastern side of Ash Street are nearing completion of construction. Rough grading for the subdivision has been submitted and is under review by Engineering and Planning staff. A rough grading permit is expected to be issued soon.
5. Stella Park Condominiums (Developer: Edward Kaen, ETP, LLC) – *No change from the following update reported last week:* This project is a 65-unit, three-story townhome Planned Development located at 2516 S. Escondido Blvd. The project includes three separate recreation areas for residents. The City Council approved the project on April 27, 2016. No grading or improvement plans have been submitted by the developer at this time.
6. Wohlford (Developer: Jack Henthorne) – *No change from the following update reported last week:* This project is a 55-unit single family development located on Bear Valley Parkway east of Encino Drive. A Specific Alignment Plan for Bear Valley Parkway detailing the proposed roadway design is under review. The EIR consultant and staff have reviewed the applicant's technical reports and provided comments for revisions. Bi-weekly status meetings have commenced as the Draft EIR gets underway.
7. Latitude II (Developer: Peter Zak, Lyon/NCA) – *No change from the following update reported last week:* This project is a 112-unit multi-family development, located at the northeastern corner of Centre City Parkway and Washington Avenue, and approved by the City Council on August 19, 2015. A Final Subdivision Map has been submitted for review. The applicant has submitted a boundary adjustment for a property exchange with the adjacent motel owner. Grading and building plans are nearing approval.
8. Canyon Grove Estates Tract 932 (Developer: John Vance, Shea Homes) - – *No change from the following update reported last week:* This project is a 179-lot single family residential development on the north side of Vista Avenue east of Conway Drive. The final architectural design and landscaping plans for the Precise Plan application were approved by the Planning Commission on June 14, 2016. A rough grading permit has been issued and grading is underway. Building plans for the construction of eight model homes were submitted on May 18, 2016 and are being reviewed by staff. Precise grading plans for the model complex and a model home permit are under review. The applicant is coordinating the plan review for off-site street improvements on Ash Street with the County's Department of Public Works.
9. Safari Highlands Ranch (SHR) (Developer: Jeb Hall, Concordia Homes) – – *No change from the following update reported last week:* This project is a 550-unit single family development located east of the Rancho San Pasqual community and north of the San Diego Safari Park. The project involves 1,100 acres including annexation and a Sphere of Influence update for a

## City Manager's **WEEKLY UPDATE** to City Council

master planned community with parks, trails, recreation center, fire station and open space. Planning and Engineering extensions of staff have been funded by the applicant and retained to assist the city in processing the project. The City Council approved the consultant contract for preparing the EIR on March 23, 2016. The contract planner has been meeting with the consultant, Michael Baker International (MBI), and has started review of first draft sections of the EIR.

10. High Pointe Tract 693-J (Developer: Russell Schaeffer, True Life Communities) – *No change from the following update reported last week:* This project is a custom-home development with 39 estate lots accessed from Mesa Rock Road. Staff has prepared a bond and fee letter based on the proposed grading and landscape plans, and has sent it to the applicant.
11. Del Prado (Developer: Kerry Garza, Touchstone Communities) – *No change from the following update reported last week:* This project is a 113-unit townhome-style Planned Development located at the southwestern corner of Brotherton Road and the Centre City Parkway frontage road. The project includes a recreational facility, pool, and open space areas. Staff worked through various site design and utility issues with the applicant prior to scheduling the project for a public hearing. The City Council approved the project on May 11, 2016. No grading or improvement plans have been submitted by the developer at this time.
12. Solutions for Change (Developer: Solutions for Change) – *No change from the following update reported last week:* This project is a Planned Development application for 33 multi-family units of affordable housing. It was approved by the City Council on November 18, 2015. Building plans have been approved and the building permit has been issued. A Groundbreaking event was held June 28, 2016.
13. 701 San Pasqual Valley Rd (Developer: Bob Stewart) – *No change from the following update reported last week:* This project is a 19-unit single family development located at 701 San Pasqual Rd/1201 E. 5<sup>th</sup> Avenue (formerly Tract 898) on 7.2 acres. The application is under review and a letter detailing additional comments and submittal requirements was forwarded to the applicant. Additional information and revised plans were submitted to the Planning Division on June 13, 2016. Planning Division has reviewed the submittal and informed the applicant that it is still incomplete.
14. Veterans Village (Developer: Veterans Village of San Diego) – *No change from the following update reported last week:* This project is a mixed-use development involving a 54-unit affordable multi-family residential apartment project for military veterans and their families. It includes on-site administration office, business center, club house and other support spaces for the residents; and a small commercial component to support training opportunities offered at the facility at 1556 S. Escondido Boulevard. Building plans have been submitted for review and comment; the grading plans and landscaping plans have been approved. Demolition permits are still needed for the historic structures on-site prior to issuance of grading permits.

## City Manager's **WEEKLY UPDATE** to City Council

15. Escondido Gateway (Developer: Greg Waite, Integral Communities) – *No change from the following update reported last week:* This project is a mixed-use development involving 126 residential units within three, 4-5 story buildings with indoor and outdoor recreational areas and an opportunity for a small (1,000 sq. ft.) commercial/flex space on 2.6 acres (48 dwelling units/acre) located at 700 W. Grand Avenue (former Police Station) across the street from the Escondido Transit Center. Plans were submitted for the project involving a Specific Plan Amendment, Tentative Map, Planned Development and Development Agreement. The Draft Mitigated Negative Declaration has been issued and a 20-day public review period ended on July 12, 2016. Final terms and language for the Development Agreement are now being reviewed with the applicant for concurrence prior to scheduling the project for a Planning Commission hearing.
17. City Plaza (Developer: Charlie Zhang, Zion Enterprises) – *No change from the following update reported last week:* This long-dormant, partially constructed mixed-use development at the southeastern corner of South Escondido Boulevard and Third Avenue now has new ownership. The new owners have met with city staff and indicated they quickly plan to start constructing the 65-unit apartment project as originally approved. The project consists of a three-story building with 51,200 SF of residential area and 4,100 SF of commercial area and two levels of parking. The building permits will need to be reissued and the applicant is coordinating that process with the Building Official. Structural engineering information was submitted to the Building Division on May 8. On July 27, the Building Department reported that permits now have been issued to continue construction. Traffic control plans are being implemented for the adjacent streets.

### **Building Division:**

1. The Building Division issued 47 permits with a total valuation of \$431,346.
2. 13 photovoltaic permits were issued for the week. Building has issued 767 solar permits this year compared to 721 issued for the same time last year. Total permits issued so far this year is 2155, compared to 1,981 last year.
3. Building inspectors averaged 33 inspections per day with 28 inspections on Friday, totaling 163 inspections for the week. Counter staff averaged 31 counter sign ins per day and 34 on Friday, totaling 155 for the week. The plan check load is steady, with 23 projects awaiting plan review. This includes re-checks.
4. Plans for Veteran's Village, a mixed use development were submitted on Friday.

# City Manager's **WEEKLY UPDATE** to City Council

## **Code Enforcement:**

1. As of August 8, 2016, the total number of open code enforcement cases is 352 cases. During the prior week, 3 new cases were opened, and 42 cases were closed, with a backlog of an additional 71 cases not yet opened for assignment and investigation.
2. There were 168 illegal signs confiscated during the weekend.
3. Last week, the Business License Division issued 51 new licenses and received 30 new applications, in addition to 127 renewals.

## **CAPITAL IMPROVEMENTS**

### **Grape Day Park Playground:**

The new playground equipment has been assembled with the topping of the structure with its new roof with cedar shingles. Installation of the remaining concrete sidewalk was completed this past week. The installation of the *fibar* wood chip for the playground area has been rescheduled for Monday, August 15.

### **2015/2016 Street Rehabilitation and Maintenance Project:**

*No changes from the following update reported last week:* The contractor is replacing existing concrete sidewalk, curbs and pedestrian ramps in the historical neighborhood bordering Maple Street from 5<sup>th</sup> Avenue to 11<sup>th</sup> Avenue this week. The patching of the alleyways between Escondido Boulevard and Broadway to 5<sup>th</sup> Avenue and 11<sup>th</sup> Avenue was completed this past week in preparation for the application of the Aram surface treatment. Maple Street between 8<sup>th</sup> Avenue and 13<sup>th</sup> Avenue had portions of the existing asphalt surface removed and replaced with new asphalt material.

## **Private Development**

### **Bear Valley Parkway between Boyle Avenue and San Pasqual Valley Road (County Project):**

The final paving for the roadway was started on Monday, August 8 with the placement of 1,855 tons of asphalt on Monday. The traffic signal for the Boyle Avenue / Bear Valley Parkway intersection will be activated on Thursday, August 11. All new striping, signage and roadway markings will be installed by Tuesday, August 16, at which time all constructing traffic control devices will be removed for the final time.

### **2412 South Escondido Boulevard:**

*No changes from the following update reported last week:* The final project walk was completed this week to determine if all development improvements have been completed per the approved design drawings. Three items were found to be missing and will be addressed.



## City Manager's **WEEKLY UPDATE** to City Council

The project will be placed on a September council meeting for acceptance of the public improvements so the release of the securities can begin.

### **Pradera - Lennar Communities:**

E Street - Completing model on lot 3

D Street - Phase one and two has new property owner moving in

C Street - Phase 3 plaster and drywall homes, phase 4 framing this week

B Street - Surface improvement (curb and gutter) starting to be installed

A Street - Surface improvements (curb and gutter) starting this week

### **Lexington Model Homes - KB Homes:**

The Grand Opening for the models was a big success this past weekend. Offsite roadway improvements which include storm drain installation at the Ash/Lehner intersection are continuing with the construction of a storm drain structure. The plan is to be completed prior to the restart of school on August 24.

### **City Plaza: Escondido Boulevard @ 3<sup>rd</sup> Avenue**

*No changes from the following update reported last week:* The project is moving forward this week with the closure of the #2 lane of north bound Escondido Boulevard between 3<sup>rd</sup> and 4<sup>th</sup> Avenues. The contractor is placing permanent glue down delineation along with post mounted signage for the 9 month duration. The developer is required to construct a pedestrian passage along the Escondido Boulevard frontage to maintain pedestrian access at all times.

### **Rincon del Diablo 8" & 12" Water Main Construction:**

*No changes from the following update reported last week:* The section of new water main in the City's jurisdiction has been accepted and three services are planned for installation. A preconstruction meeting was held this past week with City staff and Rincon Water representatives present.

### **Tract 932 - Canyon Grove Shea Homes Community:**

The contractor is continuing the mass grading for the pads. Water main construction is continuing this week along the extension of Vista Avenue. The Ash Street/Vista Avenue intersection construction is moving forward with the placement of the base course of asphalt paving on Tuesday of this week. The north bound lane of Ash Street between Vista Avenue and Lehner Avenue is closed until August 11 for the construction of surface improvements.

### **Solutions Housing Project 1560 S. Escondido Boulevard:**

The offsite construction of the utilities is ongoing with the installation of the storm drain line this week. The onsite construction of the building pad is proceeding.

# City Manager's **WEEKLY UPDATE** to City Council

## GRAFFITI REPORT FOR JULY

Graffiti Cases Opened - 427  
Graffiti Cases Closed - 788  
Graffiti Eradication Team (GET) Reported - 194  
City Employee other than GET - 24  
Resident Reported - 209  
Still Open - 48  
CDBG - 89

## PUBLIC SAFETY

### Police

#### Incidents

- On 07-31-16 at about 12:19 p.m., officers were dispatched to 1943 E. Valley Pkwy. (Palomar College) regarding a vehicle colliding into a building. Officers arrived and determined a single vehicle had collided into the north side of the building. The vehicle was occupied by an elderly driver who appeared to be having a heart attack. Officers immediately removed the driver from the vehicle and began Cardio Pulmonary Resuscitation (CPR). Escondido Fire Department paramedics responded, continued CPR, and transport the driver to the hospital. The driver is in stable condition at this time. The driver suffered a minor injury to his wrist as a result of the collision.
- On 7-31-16 at about 8:32 p.m., officers were dispatched to the North County Transit Center, at 700 W. Valley Pkwy, to attempt to locate a strong-armed robbery suspect out of Oceanside. The suspect had stolen a cell phone from a victim in Oceanside and rode the Sprinter train to Escondido. Officers determined the suspect boarded a bus headed to San Diego just prior to their arrival. The bus driver was contacted by radio and instructed to stop at the Del Lago Station and wait for police. Officers met the bus at the Del Lago Station and detained the suspect without incident. Oceanside PD responded with the victim who positively identified the suspect. The victim's cell phone was recovered from the suspect. Oceanside PD arrested the suspect for robbery and later booked him at the Vista Detention Facility.
- On 8-1-16 at about 1:50 p.m., an officer observed a suspect known to have a felony warrant for his arrest near the intersection of Valley Pkwy and Rose St. With the assistance of additional officers, the suspect was contacted and attempted to flee. officers detained the suspect who violently resists the officers. After a short struggle, officers are able to arrest the suspect for the warrant. Both the suspect and officers sustained minor injuries during the struggle. The suspect was booked at the Vista Detention Facility for the warrant and assaulting a Peace Officer.
- On 8-2-16 at about 7:40 p.m., dispatch received a call of a stabbing at Motel 6, 900 N. Quince St. Officers responded and located a male victim with a single stab wound to his left side. A suspect description was broadcasted and officers located and detained a

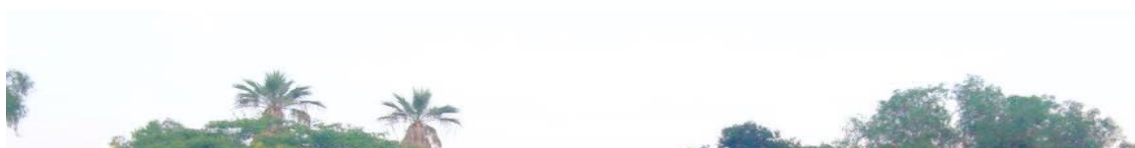
# City Manager's **WEEKLY UPDATE** to City Council

suspect matching the description on Quince St. south of Mission Ave. A witness to the stabbing identified the suspect officers had detained. A small pocket knife believed to have been used in the stabbing was recovered from the suspect. The victim was taken to Palomar Medical Center where he underwent surgery. His injuries were deemed to be non-life threatening. The suspect was arrested and booked at the Vista Detention Facility.

- On 08-03-16 at about 3:05 p.m., dispatch received a call from a 13-year-old female who reported her father had assaulted her during an argument. Two other minor-age siblings were also at the home, and the mother was not present. While the victim was on the phone with dispatch, the father broke the telephone line disconnecting the call. Officers arrived and attempted to detain the father who was in the rear yard of the residence. The suspect attempted to run back inside the house where the children were, but was stopped by officers. The suspect violently resisted the officers who overcame his resistance and successfully detained him. Further investigation revealed the suspect choked the victim, broke the phone line, and assaulted the family dog. Officers also determined the mother had obtained a Temporary Restraining Order against the suspect that had not been served. Officers arrested the suspect on a host of charges and served him with the restraining order. The suspect was booked at the Vista Detention Facility.
- On 8-3-16 at about 5:25 p.m., officers were dispatched to the area of Rincon Ave and Broadway to investigate reports of a male hitting a female with a tire iron. Officers located the incident at Rincon Ave near Ash St. with several citizens holding the suspect on the ground. The female victim was bleeding profusely from her head and face. The suspect was taken into custody without incident. Witnesses reported seeing the suspect exit his vehicle and approach the victim's vehicle where he began assaulting her with a tire iron. The suspect then pulled the victim from her vehicle and continued to assault her with the tire iron. Several witnesses rushed and tackled the suspect in order to stop the attack. The victim was taken to Palomar Medical Center for treatment of her injuries. The suspect was arrested and booked into the Vista Detention Facility for domestic violence and attempted murder.

## Events

- On Tuesday, August 2<sup>nd</sup>, the Escondido Police Department celebrated the 33rd Annual Night Out Against Crime at Grape Day Park from 5:00 to 8:00 PM. National Night Out is an opportunity for citizens across America to send a powerful message about neighborhood unity, awareness, safety, and police-community partnerships. The event saw a large community turn out for an evening of fun, food, music and entertainment. Community resource organizations provided information relating to crime prevention, drug and violence prevention, education, health and safety. Law Enforcement vehicles were on display and free opportunity drawings were held throughout the evening. Children's activities included fingerprinting, face painting, balloons and tattoos, a rope bridge, jump house, bike rodeo, and interactive displays at the various booths. Batman also made a special appearance, which made the evening extra special for the kids.





# City Manager's WEEKLY UPDATE to City Council



- On August 5, officers from EPD traveled to San Diego to attend San Diego PD Officer "JD" DeGuzman's Memorial Service. Officer DeGuzman was shot and killed in the line of duty on July 28<sup>th</sup> while attempting to detain a lone suspect. His partner, Officer Irwin was also shot during the incident and is expected to survive. The suspect is in custody and charged with the murder of Officer DeGuzman and the attempted murder of Officer Irwin. Our thoughts and prayers go out to the families of Officer DeGuzman and Officer Irwin and the entire San Diego Police Department. We stand united with you in honor of our fallen brother. To show our support, Escondido PD sent three Officers and one Sergeant to work at San Diego PD's Eastern and Western Divisions, as well as, sent one current and two former Escondido PD Dispatchers to work in their Communications Center, so all SDPD employees could attend the memorial service for Officer DeGuzman.



## City Manager's **WEEKLY UPDATE** to City Council

- The Escondido Police Department achieved yet another social media milestone when their Facebook page surpassed 7,000 likes. The Police Department's Facebook page is part of EPD's ongoing commitment to connect with the community by sharing valuable news and information. The public can also follow EPD by viewing the department's website at <http://police.escondido.org>, on Twitter at <http://www.twitter.com/EscondidoPolice> and Nixle at <http://nixle.com/escondido-police-department>.

### **Fire:**

The Escondido Fire Department has crews working on three different fires throughout the state. E1317 and Battalion Chief 1305 are assigned to the Gopher Fire at I15 and Laurence Welk Drive. The fire is currently at 25 acres and 25% contained. The forward spread has been stopped and the structure threat has been mitigated. We also have Brush Engines 1363 and 1365 assigned to the Pilot Fire in San Bernardino. The fire is approximately 7,000 acres with only 6 % containment. Deer Lodge Park is evacuated and there are multiple evacuations in the City of Hesperia. Lastly, we have Battalion Chief Mike Bertrand and Firefighter/Paramedic Dominic Polito assigned to the Sobraines Fire in Monterey filling overhead positions. Mike is acting as the Base Camp Manager and Dominic is one of several Public Information Officers.

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