



Council Meeting Agenda

January 11, 2012

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	Marie Waldron
COUNCIL MEMBERS	Olga Diaz Ed Gallo Michael Morasco
CITY MANAGER	Clay Phillips
CITY CLERK	Diane Halverson
CITY ATTORNEY	Jeffrey Epp
DIRECTOR OF COMMUNITY DEVELOPMENT	Barbara Redlitz
DIRECTOR OF ENGINEERING SERVICES	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

January 11, 2012
3:30 p.m. Meeting

Escondido City Council Community Development Commission

CALL TO ORDER

ROLL CALL: Diaz, Gallo, Morasco, Waldron, Abed

ORAL COMMUNICATIONS

At this time the public may comment on items not appearing on the agenda. 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.)

CLOSED SESSION: (COUNCIL/CDC/RRB)

- I. CONFERENCE WITH LABOR NEGOTIATOR (Government Code §54957.6)**
 - a. Agency negotiator: Sheryl Bennett, Clay Phillips
Employee organization: Police Officers' Association
 - b. Agency negotiator: Sheryl Bennett, Clay Phillips
Employee organization: Escondido Firefighters' Association

CLOSED SESSION: Continued

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

- a. Property: 700 West Grand Avenue (Police Station) - APN 232-100-16
City Negotiator: Clay Phillips
Negotiating parties: City of Escondido
Under negotiation: Price and Terms of Payment

- b. Property: 235 East Grand Ave (Police Storefront)
Agency Negotiators: Clay Phillips
Negotiating parties: City of Escondido
Under negotiation: Price and Terms of Payment

- c. Property: 2245 East Valley Parkway
Agency Negotiators: Jerry Van Leeuwen
Negotiating parties: City of Escondido and North County Life Line/Escondido
Education COMPACT
Under Negotiation: Price and Terms of Payment

III. CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION (Government Code §54956.9(a))

Name of case: James Redmond v City of Escondido, WCAB ADJ7341902

ADJOURNMENT



Council Meeting Agenda

January 11, 2012
4:30 p.m. Meeting

Escondido City Council
Community Development Commission
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, Morasco, Waldron, Abed

ORAL COMMUNICATIONS

At this time the public may comment on items not appearing on the agenda. 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 30 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/CDC/RRB)**
2. **APPROVAL OF WARRANT REGISTER (Council/CDC)**
3. **APPROVAL OF MINUTES: Regular Meeting Of December 7, 2011**

4. **NOTICE OF COMPLETION FOR PHASE 3 OF THE TULIP STREET IMPROVEMENT PROJECT** – Request Council authorize staff to file a notice of Completion for the project located on Tulip Street between 5th Avenue and 2nd Avenue, including 3rd Avenue between Tulip and Spruce Streets.

Staff Recommendation: Approval **(Neighborhood Services: Rich Buquet)**

5. **NOTICE OF COMPLETION FOR MERCADO AND GRAND AVENUE LIGHTING PROJECT** – Request Council authorize staff to file a Notice of Completion for the Mercado and Grand Avenue Lighting Project.

Staff Recommendation: Approval **(Engineering Services: Ed Domingue)**

6. **BUDGET ADJUSTMENT FOR UTILITIES DEPARTMENT POSITION RECLASSIFICATION** – Request Council approve a Water Division budget adjustment in the amount of \$13,600 to fund reclassification of a position from part-time Department Specialist to full-time Department Assistant.

Staff Recommendation: Approval **(Utilities Department: Chris McKinney)**

7. **WATER DIVISION BUDGET ADJUSTMENT - LINDLEY RESERVOIR CIP AND RECYCLED WATER EASTERLY MAIN EXTENSION** – Request Council approve budget adjustments totaling \$500,000 within the Utilities Capital Improvement Program budget.

Staff Recommendation: Approval **(Utilities Department: Chris McKinney)**

8. **FIRST AMENDMENT TO LEASE AGREEMENT WITH THE ESCONDIDO FISH AND GAME ASSOCIATION** – Request Council authorize the Real Property Manager and City Clerk to execute an amendment to the Lease Agreement with the Escondido Fish and Game Association.

Staff Recommendation: Approval **(Engineering Services: John Crayton)**

RESOLUTION NO. 2012-03

CONSENT - RESOLUTIONS AND ORDINANCES (COUNCIL/CDC/RRB)

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

9. **CODE AMENDMENT AZ 11-0002** – Approved on December 14, 2011 with a vote of 4/0/1, Diaz voting no.

ORDINANCE NO. 2011-19 Second Reading and Adoption

PUBLIC HEARINGS

10. **MASTER DEVELOPMENT PLAN MODIFICATION TO AMEND THE LIST OF PERMITTED USES FOR THE CENTRE CITY VILLAGE/URBANA MIXED-USE DEVELOPMENT (PHG 11-0037)** – Request Council amend the Master Development Plan for the commercial component of the mixed-use development located on the southeastern corner of Escondido Boulevard and Citracado Parkway, addressed as 2500 South Escondido Boulevard.

Staff Recommendation: Approval **(Community Development/Planning: Barbara Redlitz)**

ORDINANCE NO. 2012-01 Introduction and First Reading

11. **EXTENSION OF WESTFIELD SHOPPING CENTER GROUND LEASE** – Request Council authorize the Mayor and City Clerk to execute a Lease Amendment and related documents to provide an option to extend the ground lease for the Westfield Shopping Center for an additional fifteen (15) years.

Staff Recommendation: Approval **(City Attorney's Office: Jeffrey Epp)**

ORDINANCE 2012-02 Introduction and First Reading

12. **PONDEROSA MOBILEHOME PARK SHORT FORM RENT INCREASE APPLICATION** – Request Council grant an increase of 75% of the change in the Consumer Price Index for the period of June 30, 2009 to June 30, 2011 for an average of approximately \$20.32 per space per month. **CONTINUED FROM DECEMBER 7, 2011.**

Staff Recommendation: Approval **(Community Services: Jerry VanLeeuwen)**

RESOLUTION NO. RRB 2012-01

CURRENT BUSINESS

13. **FACILITY USE POLICY AND FEE SCHEDULE** – Request Council adopt fees for use of public facilities.

Staff Recommendation: Approval (**Community Services Department: Jerry Van Leeuwen and Police Department: Susan Cervenka**)

14. **INCREASE FIRE STATION NO. 4 RECONSTRUCTION BUDGET AND THE “DESIGN-BUILD” CONTRACT WITH ERICKSON-HALL CONSTRUCTION FOR THE REMODEL OF FIRE STATION NO. 4** – Request Council authorize an increase to the Project budget funded by an inter-fund loan from the Public Facilities Fund to the General Capital Project Fund in the amount of \$550,000; and authorize an increase to the Agreement’s project cost by \$465,000.

Staff Recommendation: Approval (**Fire Department: Mike Lowry**)

RESOLUTION NO. 2012-07

FUTURE AGENDA

15. **FUTURE AGENDA ITEMS** - 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**)

ORAL COMMUNICATIONS

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COUNCIL MEMBERS’ COMMITTEE REPORTS/COMMENTS/BRIEFING

ADJOURNMENT

UPCOMING MEETING SCHEDULE				
Date	Day	Time	Meeting Type	Location
January 18	No Meeting	-	-	-
January 25	Wednesday	3:30 & 4:30 p.m.	Council Meeting	Council Chambers
February 1	Wednesday	3:30 & 4:30 p.m.	Council Meeting	Council Chambers
February 8	Wednesday	8:30 a.m.	State of the City	California Center for the Arts, Escondido-

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. 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.

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.ci.escondido.ca.us/government/agendas/PublishedMeetings.htm>
- 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, and selecting: City Council/broadcasts of City Council Meetings/live video streaming.

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)

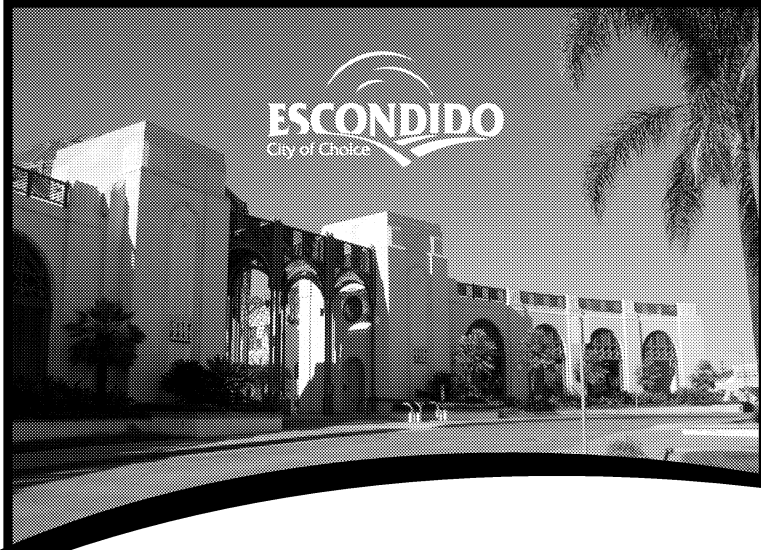
Members of the Council also sit as the Community Development Commission and the Mobilehome Rent Review Board.

**CITY HALL HOURS OF OPERATION
Monday-Thursday 7:30 a.m. to 5:30 p.m.**



If you need special assistance to participate in this meeting, please contact our ADA Coordinator at 839-4641. 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.



Item #3

CITY OF ESCONDIDO
December 7, 2011
3:30 p.m. Meeting Minutes

Escondido City Council
Community Development Commission

CALL TO ORDER

The Regular Meeting of the Escondido City Council and Community Development Commission was called to order at 3:30 p.m. on Wednesday, December 7, 2011 in the Council Chambers at City Hall with Mayor Abed presiding.

ATTENDANCE

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

ORAL COMMUNICATIONS

CLOSED SESSION: (COUNCIL/CDC/RRB)

MOTION: Moved by Councilmember Gallo and seconded by Councilmember Waldron to recess to Closed Session. Ayes: Abed, Diaz, Gallo and Waldron. Noes: None. Absent: Morasco. Motion carried.

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

- a. Agency negotiator: Sheryl Bennett, Clay Phillips
Employee organization: Police Officers' Association
- b. Agency negotiator: Sheryl Bennett, Clay Phillips
Employee organization: Escondido Firefighters' Association

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

- a. Property: 272 Via Rancho Parkway, Escondido
Agency Negotiators: Clay Phillips
Negotiating parties: City and Westfield Shopping Town, Inc.
Under negotiation: Price and terms of payment

ADJOURNMENT

Mayor Abed adjourned the meeting at 4:43 p.m.

MAYOR

DEPUTY CITY CLERK

MINUTES CLERK

CITY OF ESCONDIDO
December 7, 2011
4:30 p.m. Meeting Minutes

Escondido City Council
Escondido Joint Powers Financing Authority
Community Development Commission
Mobilehome Rent Review Board

CALL TO ORDER

The Regular Meeting of the Escondido City Council, Community Development Commission, Escondido Joint Powers financing Authority and Mobilehome Rent Review Board was called to order at 4:44 p.m. on Wednesday, December 7, 2011 in the Council Chambers at City Hall with Mayor Abed presiding.

MOMENT OF REFLECTION

FLAG SALUTE

Mayor Abed led the flag salute.

ATTENDANCE

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

Also present were: Clay Phillips, City Manager; Jeffrey Epp, City Attorney; Barbara Redlitz, Community Development Director; Ed Domingue, Engineering Services Director; Diane Halverson, Deputy City Clerk; and Liane Uhl, Minutes Clerk.

ORAL COMMUNICATIONS

Demetrio Gomez, Escondido, voiced concern with the representation of Latinos on the Council and asked that there be voting districts.

Delores McQuiston, Escondido, asked if the City intended to keep the library open.

Scott Davis, Escondido, indicated he was going to start a petition to get the red light camera measure on the ballot.

Alejandro Sanchez, Vista, voiced concern with landlord/tenant issues.

Gabriela Velasquez, Escondido, expressed concern with her landlord and living conditions at her apartment.

CONSENT CALENDAR

Councilmember Diaz removed items 9, 10 and 11 and Councilmember Gallo removed items 3 and 12 from the Consent Calendar for discussion.

MOTION: Moved by Councilmember Waldron and seconded by Councilmember Diaz that the following Consent Calendar items be approved with the exception of items 3, 9, 10, 11 and 12. Ayes: Abed, Diaz, Gallo and Waldron. Noes: None. Absent: Morasco. Motion carried.

1. **AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/CDC/RRB)**
2. **APPROVAL OF WARRANT REGISTER (Council/CDC)**
3. **APPROVAL OF MINUTES: Regular Meeting of November 2, 2011
Regular Meeting of November 9, 2011
Regular Meeting of November 16, 2011**

Councilmember Gallo noted a correction to the November 16, 2011 Minutes.

MOTION: Moved by Councilmember Gallo and seconded by Councilmember Diaz to approve the Minutes of November 2, 2011, November 9, 2011, and November 16, 2011 with the noted correction. Ayes: Abed, Diaz, Gallo and Waldron. Noes: None. Absent: Morasco. Motion carried.

4. **NOTICE OF COMPLETION FOR ESCONDIDO SPORTS CENTER OFFICE EXPANSION –** Request Council authorize staff to file a Notice of Completion for the Escondido Sports Center Office Expansion Project. (File No. 0600-10 [A-3013])

Staff Recommendation: Approval (**Engineering Services: Ed Domingue**)

5. **NOTICE OF COMPLETION FOR REPLACEMENT OF LIFT STATION NO. 4 –** Request Council authorize the Director of Utilities to file a Notice of Completion for this project. (File No. 0600-10 [A-2966])

Staff Recommendation: Approval (**Utilities Department: Chris McKinney**)

RESOLUTION NO. 2011-121

6. **NOTICE OF COMPLETION FOR MONTVIEW DRIVE WATERLINE BETWEEN DARBY STREET AND ALEXANDER DRIVE –** Request Council authorize the Director of Utilities to file a Notice of Completion for this project. (File No. 0600-10 [A-3012])

Staff Recommendation: Approval (**Utilities Department: Chris McKinney**)

7. **BID AWARD FOR THE 2011 MISCELLANEOUS WATER MAIN REPLACEMENT PROJECT PHASE I –** Request Council authorize the Mayor and City Clerk to execute a Public Improvement Agreement with Shaw Equipment Rentals, Inc. in the amount of \$1,782,000. (File No. 0600-10 [A-3031])

Staff Recommendation: Approval (**Utilities Department: Chris McKinney**)

RESOLUTION NO. 2011-150

8. **AERATION PANEL REPLACEMENT AND UPGRADE** – Request Council authorize the sole source purchase of 360 HIOX@ULTRAFLEX Aeration panels from Parkson Corp. in the amount of \$108,750. (File No. 0470-35)

Staff Recommendation: Approval (**Utilities Department: Chris McKinney**)

RESOLUTION NO. 2011-153

9. **AWARD PURCHASE OF FUEL CONTRACT** – Request Council approve the purchase of unleaded fuel from the SOCO Group, Inc. in the amount of \$270,000 for the City's Fleet through a cooperative purchase agreement with the City of San Diego. (File No. 0470-35)

Staff Recommendation: Approval (**Community Services Department: Jerry VanLeeuwen**)

Councilmember Diaz asked if the City was meeting the budget goal for fuel use.

Rich O'Donnell, Deputy Director of Maintenance and Operations, answered that the City was using less fuel than in the past.

MOTION: Moved by Councilmember Diaz and seconded by Councilmember Gallo to approve the purchase of unleaded fuel from the SOCO Group, Inc. in the amount of \$270,000 for the City's Fleet through a cooperative purchase agreement with the City of San Diego. Ayes: Abed, Diaz, Gallo and Waldron. Noes: None. Absent: Morasco. Motion carried.

10. **ANNUAL FINANCIAL REPORT ON CAPITAL FUNDS FUNDED BY DEVELOPER FEES PER GOVERNMENT CODE SECTION 66006** – Request Council receive the annual report. (File No. 0400-93)

Staff Recommendation: Receive and file (**Finance Department: Gil Rojas**)

Councilmember Diaz asked when the Council should make suggestions on how to spend the developer fees.

Gil Rojas, Finance Director, noted that the CIP budget discussion was a good time for Council suggestions on how to spend the fees.

MOTION: Moved by Councilmember Diaz and seconded by Councilmember Waldron to receive the annual report. Ayes: Abed, Diaz, Gallo and Waldron. Noes: None. Absent: Morasco. Motion carried.

11. **SUBMISSION OF COMMUNITY DEVELOPMENT COMMISSION ANNUAL REPORTS AS OF JUNE 30, 2011** – Request Council accept the submission of the Community Development Commission Reports as of June 30, 2011. (File No. 0410-20)

Staff Recommendation: Receive and file (**Finance Department: Gil Rojas**)

Councilmember Diaz asked who the CDC employees were.

Gil Rojas, Finance Director, indicated the CDC employees were the Council members and the Housing employees.

MOTION: Moved by Councilmember Gallo and seconded by Councilmember Waldron to accept the submission of the Community Development Commission Reports as of June 30, 2011. Ayes: Abed, Diaz, Gallo and Waldron. Noes: None. Absent: Morasco. Motion carried.

- 12. REVISED CITY'S LOCAL LIMITS AND MUNICIPAL CODE CHAPTER 22, ARTICLE 1 AND 3 THROUGH 9** – Request Council approve the adoption of revised local limits for certain wastewater constituents; approve the adoption of a new article pertaining to the collection of brine; and approve certain other updates and clean-up measures to Escondido Municipal Code Chapter 22 to comply with State and Federal regulations governing wastewater operations. (File No. 0680-10)

Staff Recommendation: Approval (**Utilities Department: Chris McKinney**)

ORDINANCE NO. 2011-18 – Introduction and First Reading

Councilmember Gallo asked for clarification on the increase in fluoride.

Vasana Vipatapat, Water Quality Laboratory Superintendent, responded that the fluoride number represented how much the facility could take in and treat.

MOTION: Moved by Councilmember Diaz and seconded by Councilmember Gallo to approve the adoption of revised local limits for certain wastewater constituents; approve the adoption of a new article pertaining to the collection of brine; and approve certain other updates and clean-up measures to Escondido Municipal Code Chapter 22 to comply with State and Federal regulations governing wastewater operations and introduce Ordinance No. 2011-19. Ayes: Abed, Diaz, Gallo and Waldron. Noes: None. Absent: Morasco. Motion carried.

- 13. ESTABLISHMENT OF REGULAR MEETINGS FOR THE ESCONDIDO JOINT POWERS FINANCING AUTHORITY** – Request Council, acting as the Escondido Joint Powers Financing Authority, establish regular meeting dates. (File No. 0635-00)

Staff Recommendation: Approval (**City Attorney's Office: Jeffrey Epp**)

RESOLUTION NO. EJPFA 2011-01

- 14. PURCHASE OF EQUIPMENT AND INSTALLATION FOR THIRTEEN (13) POLICE INTERCEPTORS** – Request Council approve the purchase and installation of the safety equipment for thirteen (13) Crown Victoria Patrol cars from American Emergency Products (A.E.P.), formerly Thunder Works of San Diego, as a sole source. (File No. 0470-35)

Staff Recommendation: Approval: (**Fleet Services: Rich O'Donnell**)

CONSENT - RESOLUTIONS AND ORDINANCES (COUNCIL/CDC/RRB)

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

- 15. MESSAGE ORDINANCE AMENDMENT** – Approved on November 16, 2011 with a vote of 5/0. (File No. 0680-10)

ORDINANCE NO. 2011-17 Second Reading and Adoption

PUBLIC HEARINGS

- 16. PONDEROSA MOBILEHOME PARK SHORT FORM RENT INCREASE APPLICATION –** Request Council grant an increase of 75% of the change in the Consumer Price Index for the period of June 30, 2009 to June 30, 2011 for an average of approximately \$20.32 per space per month. (File No. 0697-20-9818)

Staff Recommendation: Approval (**Community Services: Jerry VanLeeuwen**)

RESOLUTION NO. RRB 2011-09

ITEM 16 IS CONTINUED TO THE JANUARY 11, 2012 MEETING

- 17. BID AWARD, BUDGET ADJUSTMENT AND AMENDMENT TO FISCAL YEAR 2012-2016 TRANSNET PROGRAM OF PROJECTS FOR MAPLE STREET PEDESTRIAN PLAZA -** Request Council authorize the Mayor and City Clerk to execute an agreement with LB Civil Construction, Inc. in the amount of \$2,369,812 for the Maple Street Pedestrian Plaza project; and approve a budget adjustment in the amount of \$1,637,000 to fund the contract award and construction support costs; and amend the City's Fiscal Year 2012-2016 Local Streets and Roads Program of Projects adding \$813,970 of Local Transnet funding to the Maple Pedestrian Plaza project (ESC27). (File No. 0600-10 [A-3030])

Staff Recommendation: Approval (**Engineering Services: Robert Zaino**)

- a. RESOLUTION NO. 2011-142
- b. RESOLUTION NO. 2011-149

ITEM 17 IS CONTINUED TO THE DECEMBER 14, 2011 MEETING.

- 18. STREET VACATION – PORTIONS OF NORTH BROADWAY –** Request Council approve vacating portions of North Broadway. (File No. 0690-40)

Staff Recommendation: Approval (**Engineering Services: Debra Lundy**)

RESOLUTION NO. 2011-148

Homi Namdari, Engineering Department, gave the staff report.

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 vacating portions of North Broadway and adopt Resolution No. 2011-148. Ayes: Abed, Diaz, Gallo and Waldron. Noes: None. Absent: Morasco. Motion carried.

CURRENT BUSINESS

- 19. REPORT ON OUTSOURCING OPPORTUNITIES: CONSIDERATION OF STUDIES ON FUELING SERVICES, STREET SWEEPING AND STREET STRIPING** – Request Council direct staff to issue Request for Proposals for Fueling, Street Sweeping and Street Striping Services. **CONTINUED FROM NOVEMBER 16, 2011** (File No. 0110-20)

Staff Recommendation: Provide direction to staff (**Community Services: Jerry VanLeeuwen**)

Jerry Van Leeuwen, Community Services Director, Jeff Weiner, Public Works, gave the staff report and presented a series of slides.

MOTION: Moved by Councilmember Gallo and seconded by Councilmember Waldron to direct staff to issue Request for Proposals for Fueling, Street Sweeping and Street Striping Services. Ayes: Abed, Diaz, Gallo and Waldron. Noes: None. Absent: Morasco. Motion carried.

- 20. INDIRECT/DIRECT POTABLE REUSE PROGRAM IMPLEMENTATION STUDY PROGRAM MANAGER** – Request Council authorize the Utilities Department staff to issue a Request for Proposal from consultants for a Program Manager consultant for the Indirect/Direct Potable Reuse Program Implementation Study. (File No. 1340-70)

Staff Recommendation: Approval (**Utilities Department: Chris McKinney**)

RESOLUTION NO. 2011-152

Chris McKinney, Utilities Director, and Craig Whittemore, Utilities Department, gave the staff report.

MOTION: Moved by Councilmember Gallo and seconded by Councilmember Diaz to authorize the Utilities Department staff to issue a Request for Proposal from consultants for a Program Manager consultant for the Indirect/Direct Potable Reuse Program Implementation Study and adopt Resolution No. 2011-152. Ayes: Abed, Diaz, Gallo and Waldron. Noes: None. Absent: Morasco. Motion carried.

FUTURE AGENDA

- 21. FUTURE AGENDA ITEMS** - 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: Marsha Whalen**)

ORAL COMMUNICATIONS

Rick Paul, Escondido, presented a video of a gray wolf on Daley Ranch and indicated that area was not suitable for development.

COUNCIL MEMBERS' COMMITTEE REPORTS/COMMENTS/BRIEFING

Councilmember Gallo stated the SANDAG Borders Committee discussed cross border travel and sand replenishment on the beaches. Also, the Escondido Mounted Posse would be in the Rose Parade in Pasadena and were looking for donations. He also thanked Veterans from WWII and all the people who worked on the war effort in the 1940's.

Councilmember Diaz indicated that at the San Dieguito River Park Budget Subcommittee meeting the current assessment of JPA fees was reviewed and at the Escondido Creek Water Shed Alliance annual strategic planning session they had added some new agencies.

Councilmember Waldron stated the Rincon Tribal annual meeting gave highlights on their success with their lawsuit.

Councilmember Abed indicated the SANDAG Regional Planning Committee discussed the Regional Comprehensive Plan and wished the community, his colleagues, City employees and volunteers a Merry Christmas and Happy Holidays.

ADJOURNMENT

Mayor Abed adjourned the meeting at 7:12 p.m.

MAYOR

DEPUTY CITY CLERK

MINUTES CLERK

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 4
Date: January 11, 2012

TO: Honorable Mayor and Members of the City Council
FROM: Rich Buquet, Neighborhood Services Manager
SUBJECT: Notice of Completion for Phase 3 of the Tulip Street Improvement Project

RECOMMENDATION:

It is requested that Council approve and accept the Tulip Street Improvement Project Phase 3 associated public improvements, and authorize staff to file a Notice of Completion for the project located on Tulip Street between 5th Avenue and 2nd Avenue, including 3rd Avenue between Tulip and Spruce Streets.

FISCAL ANALYSIS:

The City of Escondido receives annual formula allocations of CDBG funding from the U.S. Department of Housing and Urban Development (HUD). All expenses outlined in this report were paid for with grant funds as well as Utilities Department water funds and did not impact the City's general fund.

CORRELATION TO THE CITY COUNCIL ACTION PLAN:

The Tulip Street Improvement Project is consistent with the City Council Action Plan's Image and Appearance priority.

PREVIOUS ACTION:

On November 10, 2010, Council approved Resolution No. 2010-150 authorizing the Mayor and the City Clerk to execute an agreement with Southland Paving, Inc. in the amount of \$1,698,913.50 for the Tulip Street Improvement Project.

On June 8, 2011, City Council approved an increase in spending authority in the amount of \$25,000 for phase 3 of the Tulip Street Improvement project and a budget adjustment to utilize \$225,000 in Utilities Department water funds.

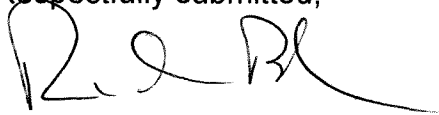
On October 12, 2011, City Council approved an increase in spending authority in the amount of \$350,000 for the contract with Southland Paving for unanticipated expenses including unsuitable soil conditions, additional walls and miscellaneous field condition changes.

Notice of Completion for Phase 3 of the Tulip Street Improvement Project
January 11, 2012
Page 2

BACKGROUND:

This phase of the Tulip Street Improvement Project consists of comprehensive street improvements on Tulip Street from 5th Avenue to 2nd Avenue including 3rd Avenue between Tulip and Spruce Streets. Improvements include new curbs, gutters, retaining walls, sidewalks, street lights, new street surfaces and new median. Utilities Department funds provided for upgrades to outdated water lines. The project was finalized by the Field Engineering Department on December 23, 2011 with a final construction cost of \$2,180,779.61.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'R. Buquet', with a long horizontal flourish extending to the right.

Rich Buquet
Neighborhood Services Manager

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 5
Date: January 11, 2012

TO: Honorable Mayor and Members of the City Council
FROM: Edward N. Domingue, Director of Engineering Services
Dan Higbee, Acting Construction Project Manager
SUBJECT: Notice of Completion for Mercado and Grand Avenue Lighting Project

RECOMMENDATION:

It is requested that Council approve and accept the public improvements and authorize staff to file a Notice of Completion for the Mercado and Grand Avenue Lighting Project.

FISCAL ANALYSIS:

The contract was awarded to Dick Miller, Inc. The total cost of the project was \$2.25 million.

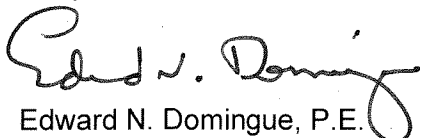
PREVIOUS ACTION:

Council awarded the contract to Dick Miller, Inc. on July 21, 2010.

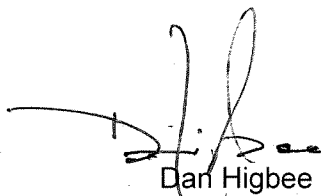
BACKGROUND:

The Grand Avenue/Mercado Project consists of improvements both within the block between Quince Street and Pine Street as well as pedestrian lighting and street trees in the downtown area from Centre City Parkway to Maple Street and from Juniper Street to Valley Boulevard. The improvements on Grand Avenue between Quince Street and Pine Street include new paving, curb, gutter, storm drain system, sidewalk, new traffic signal at Grand Avenue and Quince Street, street trees with grates, pedestrian lights, string lights, colored concrete, paver stones, irrigation, landscaping with lighting, seating areas with benches and urn fountains.

Respectfully submitted,



Edward N. Domingue, P.E.
Director of Engineering Services

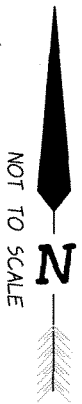


Dan Higbee
Acting Construction Project Manager

MERCADO and GRAND AVENUE LIGHTING PROJECT



NOTICE OF COMPLETION
CITY COUNCIL MEETING 01-11-2012



CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 6
Date: January 11, 2012

TO: Honorable Mayor and Members of the City Council
FROM: Christopher W. McKinney, Director of Utilities
SUBJECT: Budget Adjustment for Utilities Department Position Reclassification

RECOMMENDATION:

The Utilities Department requests Council approval of a Water-Division budget adjustment of \$13,600 to fund reclassification of a position from part-time Department Specialist to full-time Department Assistant.

FISCAL ANALYSIS:

The Finance Department estimated the additional cost for this position would be \$27,027 annually. The FY 2011-2012 budget adjustment figure requested is prorated for 5.5 months, assuming approval of the request and an effective date for the reclassification in mid-January.

BACKGROUND:

The Water Division has one, 1,500-hour Department Specialist for clerical support at the Escondido – Vista Water Treatment Plant. This position supports the plant staff, Canal Division personnel, and the Water Division Deputy Director. Duties of the position include, but are not limited to:

- Serving as liaison with other City staff, the general public, and outside agencies
- Completing employment notices and payroll information
- Coordinating and monitoring staff training, including maintenance of the staff credential list
- Initiating and monitoring service agreements, including processing invoices for payment
- Providing accurate accounting of chemical purchases and deliveries
- Entering data for daily, monthly, and annual reports, including regulatory reports

The duties of the Department Specialist position exceed the 1,500-hour annual allotment. Additionally, the position performs essentially the same duties as Department Assistant positions at

January 11,2012
Budget Adjustment for Utilities Department Position Reclass
Page 2

the Hale Avenue Resource Recovery Facility, the Lakes Division, and the Utilities Administration Office.

Respectfully submitted,

A handwritten signature in black ink that reads "Christopher W. McKinney". The signature is written in a cursive style with a large, sweeping flourish at the end.

Christopher W. McKinney
Director of Utilities

Attachments: 1. Estimated Reclassification Cost of PT Dept. Specialist to FT Dept. Assistant

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 7
Date: January 11, 2012

TO: Honorable Mayor and Members of the City Council
FROM: Christopher McKinney, Director of Utilities
SUBJECT: Water Division Budget Adjustment - Lindley Reservoir CIP and Recycled Water Easterly Main Extension

RECOMMENDATION:

The Utilities Department requests Council approval of budget adjustments totaling \$500,000 within the Utilities Capital Improvement Program budget.

FISCAL ANALYSIS:

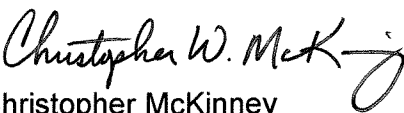
Two budget adjustments are needed to fund initial design for two new projects. One adjustment will move \$250,000 from CIP 704003-Water Pipeline Replacement to (NEW CIP) Lindley Reservoir Replacement. Another adjustment will move \$250,000 from CIP 800259-Reclamation Irrigation Retrofit to (NEW CIP) Recycled Water Easterly Main Extension.

BACKGROUND:

The Lindley Reservoir has been identified for replacement to further the Department's commitment to provide its customers a safe and reliable water supply. The existing 2-MG steel reservoir constructed in 1950 has reached the end of its serviceable life and will be replaced with two new concrete tanks adequately sized to meet future needs.

Efforts to expand use of recycled water will continue to reduce the demand for potable water while also reducing the amount of treated wastewater discharged through the City's outfall. The Recycled Water Easterly Main Extension will extend the existing recycled water system to the east from the Grape Day Park area, along Escondido Creek to the La Honda area, and to the agricultural areas of Cloverdale and Mountain View. The pipeline will be available to provide irrigation to parks and schools near its alignment,

Respectfully submitted,


Christopher McKinney
Director of Utilities

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 8
Date: January 11, 2012

TO: Honorable Mayor and Members of the City Council
FROM: Edward N. Domingue, Director of Engineering Services
SUBJECT: First Amendment to Lease Agreement with the Escondido Fish and Game Association

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2012-03 authorizing execution of the First Amendment to the Lease Agreement with the Escondido Fish and Game Association.

PREVIOUS ACTION:

A lease extension was approved by City Council on January 24, 2007, for an additional 30 years, taking the lease term through February 1, 2037.

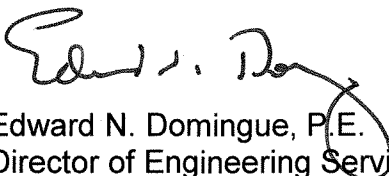
BACKGROUND:

The Escondido Fish and Game Association has leased City land at this location since 1993. The current lease term expires in 2037 and covers 12.23 acres. Located at the east end of Lake Wohlford, with frontage on Guejito Road, the property is improved with various improvements required for a pistol and rifle shooting range. This facility services the Association membership and provides civic services such as Hunter Safety Classes and Rifle Safety Classes.

Section 14 of the existing Lease includes certain improvements that the Lessee is to substantially complete by February 1, 2012. Lessee has completed all of these improvements, with the exception of item 14(a), which involves demolition and rebuilding of the Trap Ramada. Lessee is requesting a Lease Amendment to remove item 14(a). Rather than demolish and rebuild the Trap Ramada, Lessee wants to keep the existing structure and make certain upgrades. All upgrades will be in conformance with current codes. Lessee is also requesting that a surveyed drawing completed by Melchior Land Surveying, Inc. be included as Exhibit "A", identifying the boundaries of its leased area.

Staff inspected the property on September 15, 2011, and confirmed the completion of the improvements other than item 14(a), and is comfortable eliminating 14(a) from the agreement since this item was originally initiated by Lessee and since the existing structure poses no health or safety issues to its members.

Respectfully submitted,



Edward N. Domingue, P.E.
Director of Engineering Services

**Agenda Item No. 8
January 11, 2012**

RESOLUTION NO. 2012-03

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 THE LEASE AGREEMENT WITH THE ESCONDIDO FISH AND GAME ASSOCIATION

WHEREAS, the City of Escondido owns certain real property located along Guejito Road and identified as Assessor Parcel No. 760-182-04; and

WHEREAS, the City has leased a portion of real property located along Guejito Road for \$1.00 per year to the Escondido Fish and Game Association since 1993 pursuant to a lease agreement (the "Lease"); and

WHEREAS, City Council approved a thirty (30) year extension to the Lease on January 24, 2007, which expires on February 1, 2037, for 12.23 +/- acres along Gujito Road and includes requirements that certain improvements to the property be substantially completed by February 1, 2012 (the "Extension"); and

WHEREAS, the Escondido Fish and Game Association has completed all of the improvements with the exception of the demolition and rebuilding of the Trap Ramada (Section 14(a) of the Extension), and now desires to execute a First Amendment to the Lease Agreement (the "First Amendment") to remove the demolition and rebuilding of the Trap Ramada (Section 14(a) of the Extension) from the Lease and attach Exhibit "A", a surveyed drawing of its leased area, to the Lease; and

WHEREAS, the Escondido Fish and Game desires instead to keep the existing Trap Ramada and make certain upgrades to the existing structure, which upgrades shall comply with current code; and

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

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 the Lease Agreement, which is attached hereto as Exhibit "1" and incorporated by this reference, with the Escondido Fish and Game Association.

FIRST AMENDMENT TO LEASE AGREEMENT

(Guejito Road, APN 760-182-04)

This FIRST AMENDMENT TO LEASE AGREEMENT is made as of this _____ day of _____, 2012.

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

And: Escondido Fish & Game Association, Inc.
P.O. Box 460506
Escondido, California 92046
("Lessee")

WITNESSES THAT WHEREAS:

- A. City and Lessee entered into a Lease Agreement dated January 24, 2007, ("ORIGINAL AGREEMENT") for the lease of real property for the purpose of operating and maintaining rifle, pistol, archery and trap shooting ranges and associated club activities, at Guejito Road, Escondido, California, on property more specifically identified as Assessor's Parcel Number 760-182-04; and
- B. The ORIGINAL AGREEMENT includes certain improvements to be undertaken by the Lessee, identified in Section 14(a) through 14(m), which are to be substantially completed no later than February 1, 2012 and Exhibit "A" (Leased Area) of the ORIGINAL AGREEMENT is a blank page; and
- C. Lessee has completed all of the improvements with the exception of Section 14(a): "[d]emolish Wood Framed corrugated metal building. Rebuild with wood framed building wrapped with stucco to match existing structures;" Lessee has also provided a Surveyed Drawing of its lease area; and
- D. Lessee has requested the removal of Section 14(a) from the ORIGINAL AGREEMENT with the intention of keeping the existing Trap Ramada and performing any upgrades that may be necessary to continue utilizing it in full compliance with code requirements and also requested the addition of the above referenced Surveyed Drawing delineating its lease area as Exhibit "A"; and
- E. City is agreeable to removing Section 14(a) from the list of improvements required under the ORIGINAL AGREEMENT and including the above

referenced Surveyed Drawing as Exhibit "A". The existing Trap Ramada shall be at all times maintained in full compliance with code requirements.

- F. City and Lessee desire to amend the ORIGINAL AGREEMENT to accommodate the changes and to recognize the Lessee's continued obligations to the City under the ORIGINAL AGREEMENT.

NOW THEREFORE, it is mutually agreed by and between City and Lessee as follows:

1. Section 14(a) of the ORIGINAL AGREEMENT which reads: "[d]emolish Wood Framed corrugated metal building. Rebuild with wood framed building wrapped with stucco to match existing structures."

SHALL be deleted in its entirety and replaced with:

"The existing Trap Ramada shall at all times be maintained in full compliance with code requirements. Any upgrades that are undertaken by Lessee shall be completed according to the current codes."

2. The Exhibit "A" (Leased Area) in the ORIGINAL AGREEMENT be replaced by the attached Exhibit "A" (Leased Area).
3. All other terms and conditions of Section 14 and the ORIGINAL AGREEMENT shall remain in full force and effect.
4. This FIRST AMENDMENT and the ORIGINAL AGREEMENT, 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: _____

Debra Lundy
Real Property Manager

Date: _____

Diane Halverson
City Clerk

ESCONDIDO FISH & GAME

Date: _____

Kurt Nelson, President

Date: _____

Neil Pisk, Vice President

Date: _____

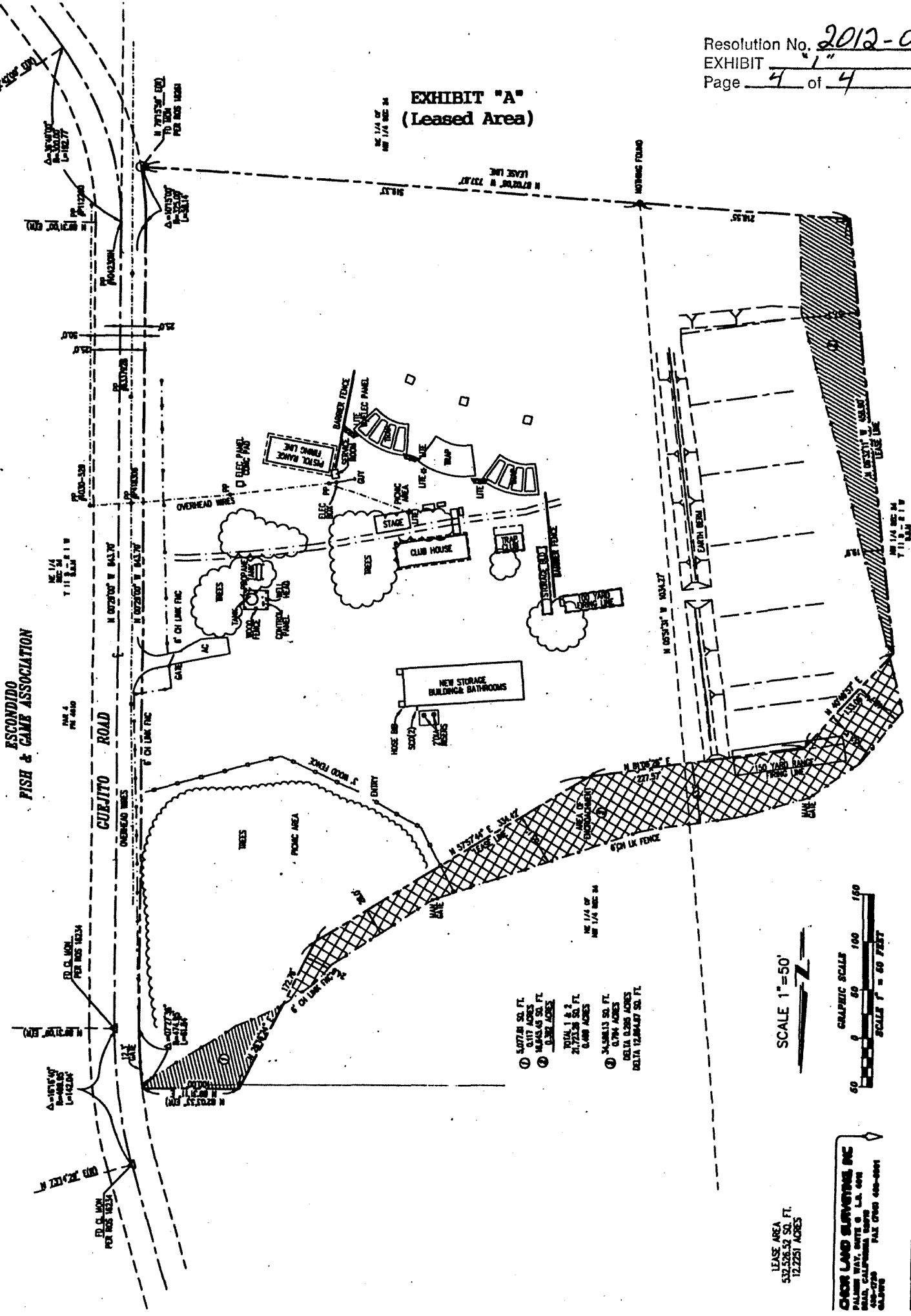
Geoff Orchin, Secretary

Approved as to Form:

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

By: _____
Deputy City Attorney

EXHIBIT "A"
(Leased Area)

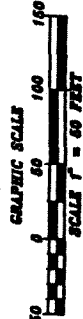


ESCONDIDO
 FISH & GAME ASSOCIATION

CURJITO ROAD

- ① 5,072.8 SQ. FT.
0.117 ACRES
- ② 14,145.5 SQ. FT.
0.324 ACRES
- ③ 21,725.1 SQ. FT.
0.498 ACRES
- ④ 34,881.3 SQ. FT.
0.794 ACRES
- ⑤ 12,145.5 SQ. FT.
0.278 ACRES

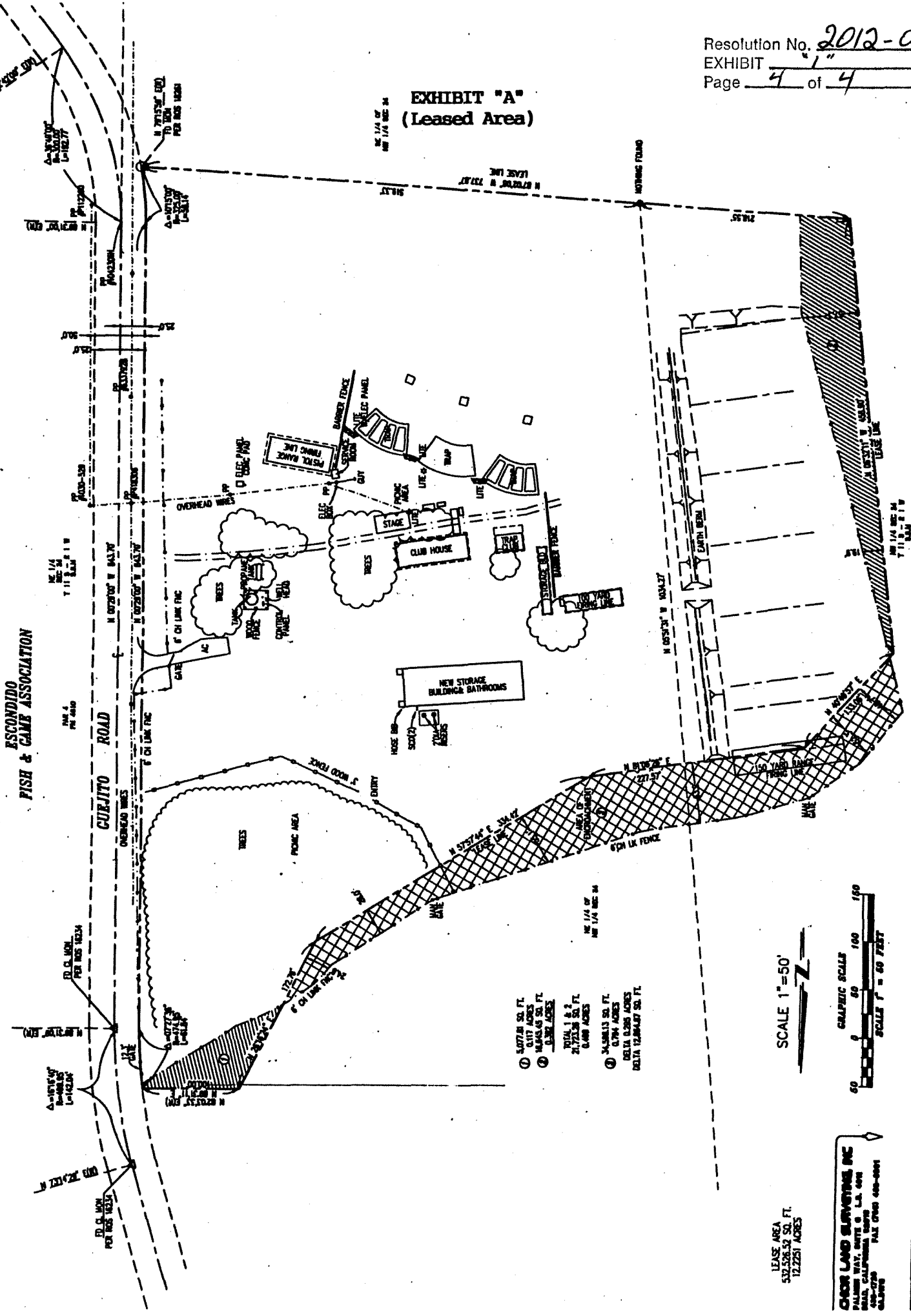
SCALE 1" = 50'



LEASE AREA
 532,526.52 SQ. FT.
 12,2251 ACRES

CHICK LAND SURVING, INC.
 PALMDALE WAY, SUITE 6, L.A. 041
 BEAD, CALIFORNIA 90970
 405-0720 FAX 0765 405-0001
 CLS098

EXHIBIT "A"
(Leased Area)

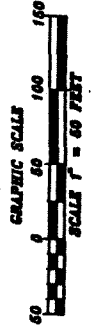


**ESCONDIDO
 FISH & GAME ASSOCIATION**

CURJITO ROAD

- ① 5,072.8 SQ. FT.
0.117 ACRES
- ② 14,645.5 SQ. FT.
0.333 ACRES
- ③ 21,725.1 SQ. FT.
0.498 ACRES
- ④ 34,981.5 SQ. FT.
0.794 ACRES
- ⑤ 12,145.5 SQ. FT.
0.278 ACRES
- ⑥ 12,225.1 SQ. FT.
0.280 ACRES

SCALE 1" = 50'



LEASE AREA
 532,526.52 SQ. FT.
 12,225.1 ACRES

CHICK LAND SURVING, INC.
 PALLADIUM WAY, SUITE 6, L.A. 081
 BEAULIEU, CALIFORNIA 90705
 408-0798 FAX 408-488-8881
 CLS096

ORDINANCE NO. 2011-19

AN ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AMENDING CHAPTER 20 OF THE
ESCONDIDO MUNICIPAL CODE
REGARDING THE COMPOSITION OF THE
PLANNING COMMISSION AND AMENDING
THE ESCONDIDO ZONING CODE ARTICLES
3, 12, 13, 14, 16, 19, 34, 40, 49, 57, 61, 64, 65,
66, 67, 69, 70, AND 73, TO CONSOLIDATE
THE DESIGN REVIEW BOARD WITH THE
PLANNING COMMISSION

Case No.: AZ 11-0002
Applicant: City of Escondido

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
public hearings have been held before the Planning Commission and City Council on
this issue.

SECTION 2. That the City Council has reviewed and considered the Notice of
Exemption prepared on November 15, 2011, for this project in conformance with CEQA
Section 15061(b)(3), "General Rule" and has determined that all environmental issues
have been addressed and no significant environmental impacts 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 hearings

*A Complete Copy of the Ordinance
is on File in the Office of the
City Clerk for Your Review.*

CITY COUNCIL

For City Clerk's Use:

APPROVED DENIED

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 10

Date: January 11, 2012

TO: Honorable Mayor and Members of the City Council
FROM: Barbara Redlitz, Director of Community Development
SUBJECT: Master Development Plan Modification to amend the List of Permitted Uses for the Centre City Village/Urbana Mixed-Use Development (PHG 11-0037)

ECONOMIC DEVELOPMENT SUBCOMMITTEE RECOMMENDATION:

The Economic Development Subcommittee approved a request for expedited processing of the proposed amendment to the Master Development Plan on November 29, 2011. In conformance with Article 69 of the Escondido Zoning Code (Business Enhancement Zone) incentives, Planning Commission consideration is not required when the subcommittee approves a BEZ incentive that authorizes a project to be exempt from review by the Planning Commission.

STAFF RECOMMENDATION:

It is requested that Council adopt Ordinance No. 2012-01 to amend the Master Development Plan for the commercial component of the mixed-used development.

LOCATION:

The subject site is located on the southeastern corner of Escondido Boulevard and Citracado Parkway, addressed as 2500 South Escondido Boulevard (APN 238-152-21).

FISCAL ANALYSIS:

None.

PROJECT DESCRIPTION:

A modification to the Master Development Plan for the Centre City Village/Urbana mixed-use development to amend the list of permitted uses for the commercial component of the project to allow a health club-gymnasium and other appropriate uses otherwise permitted in the South Escondido Boulevard Neighborhood Plan to be located within the existing commercial buildings. The project includes a request to use the two commercial buildings (approximately 9,838 SF) on the site for a fitness-health club. As part of the original approval of the Master and Precise Development Plan, a list of permitted and conditionally permitted uses was adopted for the commercial component of the project, which includes a variety of commercial, retail, office and restaurant type uses. However, a health club-fitness type facility is not included on the list of allowable uses, but is a permitted use

elsewhere within the South Escondido Boulevard Commercial Corridor. Therefore, in order to accommodate the proposed use, a modification to the Master Plan is necessary to amend the list of allowable uses. The proposed amendment also includes additional language that would allow the Director of Community Development to approved uses not specifically allowed on the approved list of uses for the commercial buildings provided they are consistent with the goals and policies of the South Escondido Boulevard Neighborhood Plan, are compatible with the adjacent residential mixed-use development and can provide sufficient parking.

BACKGROUND:

A Zone Change, Planned Development, Tentative Subdivision Map and Business Enhancement Zone Incentives originally were approved by the City Council in 2004, and amended in 2005 for the development of the mixed-use development. The project consists of 62 multi-story townhome units and 10,000 SF of commercial space. A BEZ request also was approved to allow up to 22 on-street parking spaces to count towards the required parking for the commercial space, along with a 15% reduction of the required parking spaces for the commercial uses. Specific development fee and other financial incentives also were approved. The entire project has been constructed and all of the residential units occupied. However, the commercial buildings are vacant and never have been occupied.

GENERAL PLAN ANALYSIS:

The site is located within the General Commercial designation of the General Plan, which permits a wide variety of commercial, retail and service uses. The site also is located within the South Escondido Boulevard (SEB) corridor. The Area Plan for the SEB corridor allows mixed-use commercial and residential projects within a planned development. The proposed amendment to the Master Development Plan is consistent with the General Plan designation and policies because a fitness facility is an allowed use within the SEB Area Plan.

ENVIRONMENTAL REVIEW:

A Mitigated Negative Declaration was adopted for the approved project (City Log No. ER 2004-06) in conformance with the California Environmental Quality Act (CEQA). The proposed amendment to the Master Development Plan is exempt from additional environmental review in conformance with CEQA Section 15301, Class 1, "Existing Facilities." The proposed amendment to the list of approved uses would not result in any potential impacts to the environment.

PUBLIC COMMENT:

Staff has not received any comments from the public expressing concerns regarding the proposed modification to the Master Development Plan.

DISCUSSION:

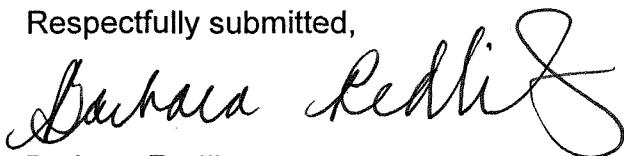
The project owner has submitted a request to modify the Master Development Plan for the project to accommodate a tenant that would utilize two of the vacant commercial buildings on the site as a fitness club-gymnasium. No exterior modifications to the buildings are proposed, except for allowed wall signage. The buildings originally were intended to be used for a variety of commercial, office and retail type uses, including a restaurant with outdoor seating within the smaller, single-story building.

However, the commercial buildings have not had a tenant since construction of the project. The larger, two-story building (approx. 8,426 SF) would include exercise areas, reception and office space, bathrooms and locker rooms. The smaller single-story building (approx. 1,374 SF) would be used as a separate exercise room. Staff feels adding a fitness facility to the list of permitted uses for the site is appropriate since the building can reasonably accommodate the proposed use; a fitness facility is an allowed use within the South Escondido Boulevard Corridor; a fitness facility would not be out of character with the currently allowed uses of the building; and the operation would not result in any potential noise or compatibility issues with the adjacent residential uses. Appropriate on-site parking also would be provided. The hours of operation of the facility would be subject to the limitations placed on the other allowed commercial uses of the site (7:00 a.m. to 10:00 p.m., on weekdays and 7:00 a.m. to 11:00 p.m. on weekends).

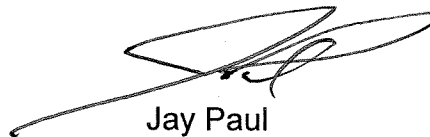
A list of allowed and conditionally allowed uses were adopted for the commercial component of the project; this list is similar, but more restrictive than the list of allowed and conditionally allowed uses of the South Escondido Boulevard Neighborhood Plan in order to ensure compatibility with the adjacent residential component of the project and appropriate parking. Uses otherwise allowed in the South Escondido Boulevard Neighborhood Plan, but not listed as allowed uses on the subject site include; automotive and equipment trade, repair, rental and services; thrift shops; employment and government services; laundries; and charitable, social and fraternal organizations/services. While the applicant has a prospective tenant for the commercial space (the fitness facility), he also requested that the permitted use list be broadened to allow flexibility for future commercial uses of the buildings that may be compatible with the adjacent residential uses, thereby eliminating the need to continually amend the plan. Staff has included language that would allow the Director of Community Development to permit certain uses provided they were compatible with the adjacent residential developments; are consistent with the goals and policies of the South Escondido Boulevard Neighborhood Plan and General Plan; and do not create additional parking demand as may be limited by the original project Conditions of Approval.

Parking - The adopted Conditions of Approval for the commercial buildings include limitations on specific uses due to the number of parking spaces available on-site and along the project frontage. The Master Plan limits the square footage of certain commercial uses within the two buildings that would generate a higher parking demand (such as restaurants) in order to ensure appropriate parking. Specific parking incentives were originally approved for this project to allow a 15% reduction in required on-site commercial parking and also to allow up to 22 on-street parking spaces to be used toward the commercial parking requirements. A proposed fitness facility-gym requires one parking space for every 200 SF of recreational floor area, which would require 35 parking spaces, plus an additional two spaces for the vacant 200 SF kiosk building. There are 40 on-site parking spaces dedicated for the commercial buildings. The fitness use would not need to take advantage of the BEZ 15% parking reduction or on-street spaces to meet the required parking, although the on-street spaces would be available to serve the project.

Respectfully submitted,



Barbara Redlitz
Director of Community Development



Jay Paul
Associate Planner

EXHIBIT "A"

FACTORS TO BE CONSIDERED PHG 11-0037

Master Plan Modification

1. Granting the modification to the List of Permitted Uses in the Master Development Plan to allow health club-gymnasium and other appropriate uses would be in conformance with the City's General Plan land-use designation of General Commercial, which permits a wide variety of commercial, office, restaurant and retail uses within master planned commercial developments. The proposed project would be in conformance with General Plan Economic Policies (page II-23) which encourage economic activities that are clean and nonpolluting to expand or locate in Escondido; provide additional employment opportunities; reduce the need for Escondido residents to commute out of the area; maintain the City's fiscal stability; and are aesthetically superior. The proposed modification would not diminish the Quality-of-Life Standards of the General Plan as the proposal would not materially degrade the level of service on adjacent streets or public facilities, create excessive noise, and adequate on-site parking, circulation and public services are provided to the site.
2. The proposed location of the commercial buildings are well integrated with its surroundings and the proposal to permit additional commercial uses at the site would not result in a substantial alteration of the present or planned land use since the commercial project allows for a variety of commercial, business, and retail type businesses/activities that would not be affected by the proposed change and would be compatible with the adjacent residential uses.
3. The commercial area is adequately served by existing public facilities since sewer and water service is available from existing mains in the adjacent streets or easements, and the proposal would not adversely impact these facilities nor require significant upgrades to the existing infrastructure.
4. The proposed modification to the Master Development Plan would have a beneficial effect by providing services requested by city residents and the business community. The overall design of the commercial component of the mixed-use development is conducive to a health-club facility with convenient parking located in front of the subject buildings and produces an attractive, efficient and stable environment for commercial activities or working. The design of the project would be unchanged and would remain consistent with the previously approved Master Plan. The proposal has been considered in relationship to its effect on the community, and the request would be in compliance with the General Plan Policies and would not result in a negative impact to the adjacent neighborhood for the reasons stated above and detailed in the City Council report.
5. The proposal is exempt from the requirements of the California Environmental Quality Act (CEQA) in conformance with Section 15301, "Existing Facilities" and a Notice of Exemption was prepared for the proposed project. In staff's opinion, the request does not have the potential for causing a significant effect on the environment due to the continued conformance with the commercial zoning designation and standards established for the site.

EXHIBIT "B"

PERMITTED USES (Centre-City Village/Urbana Mixed Use Development) from 2004-14-CZ/PD/BEZ, Tract 873

The following uses are permitted in the Centre City Village Mixed-Use Development:

4923	Travel arranging service (office only)
5230	Paint, glass and wallpaper
5251	Hardware stores
5256	Swimming pool supplies
5300	General Merchandise (retail)
5410-5460	Food (retail)
5491-5495	Retail trade – Food NEC
5497	Food catering (food preparation and delivery of food)
5499	Other retail trade – food NEC
5600	Apparel and accessories
5700	Furniture, home furnishings and equipment
5810	Restaurants/Eating Places with or without incidental sale of alcohol (not permitted in 1 st floor tower offices, catering space or 5,600 SF retail space).
5815	Specialized food sales from pushcart facilities on private property
5910	Drug and Proprietary
5931	Antiques
5940	Books, stationary, art and hobby supplies
5950	Sporting goods, bicycles and toys
5970	Jewelry
5990	Miscellaneous retail trade, NEC
6100	Finance, insurance and real estate services
6220	Photographic services
6230	Beauty and barber services
6311	Advertising services
6340	Dwelling and other business services (office only)
6392	Messenger service
6393	Detective and protective services
6399	Other business services NEC (office only)
6420	Electrical appliance repair and services
6496	Locksmiths and key shops
6511	Physicians' offices and services (not including medical clinic)
6512	Dental offices and services
6519	Other medical and health services NEC
6520	Legal services
6530	Engineering, architectural and planning services
6590	Professional services NEC
6600	General construction services (office only)
6810	Nursery, primary and secondary education
6930	Business, professional and labor organizations and services
6950	Political, civic and veterans organizations
6960	Non-profit membership organizations
7113	Art galleries

The following uses shall require a Conditional Use Permit and are subject to Section 33-1203 of Zoning Code Article 61:

4753	Communication antennas pursuant to Article 34
5820	Drinking places – Alcoholic beverages, (includes bars or taverns, does not include restaurants selling alcoholic beverages)

Exhibit "C"

Proposed additional language
Permitted Uses
(Centre-City Village/Urbana Mixed Use Development)
PHG 11-0037

The following uses are added to the list of permitted uses:

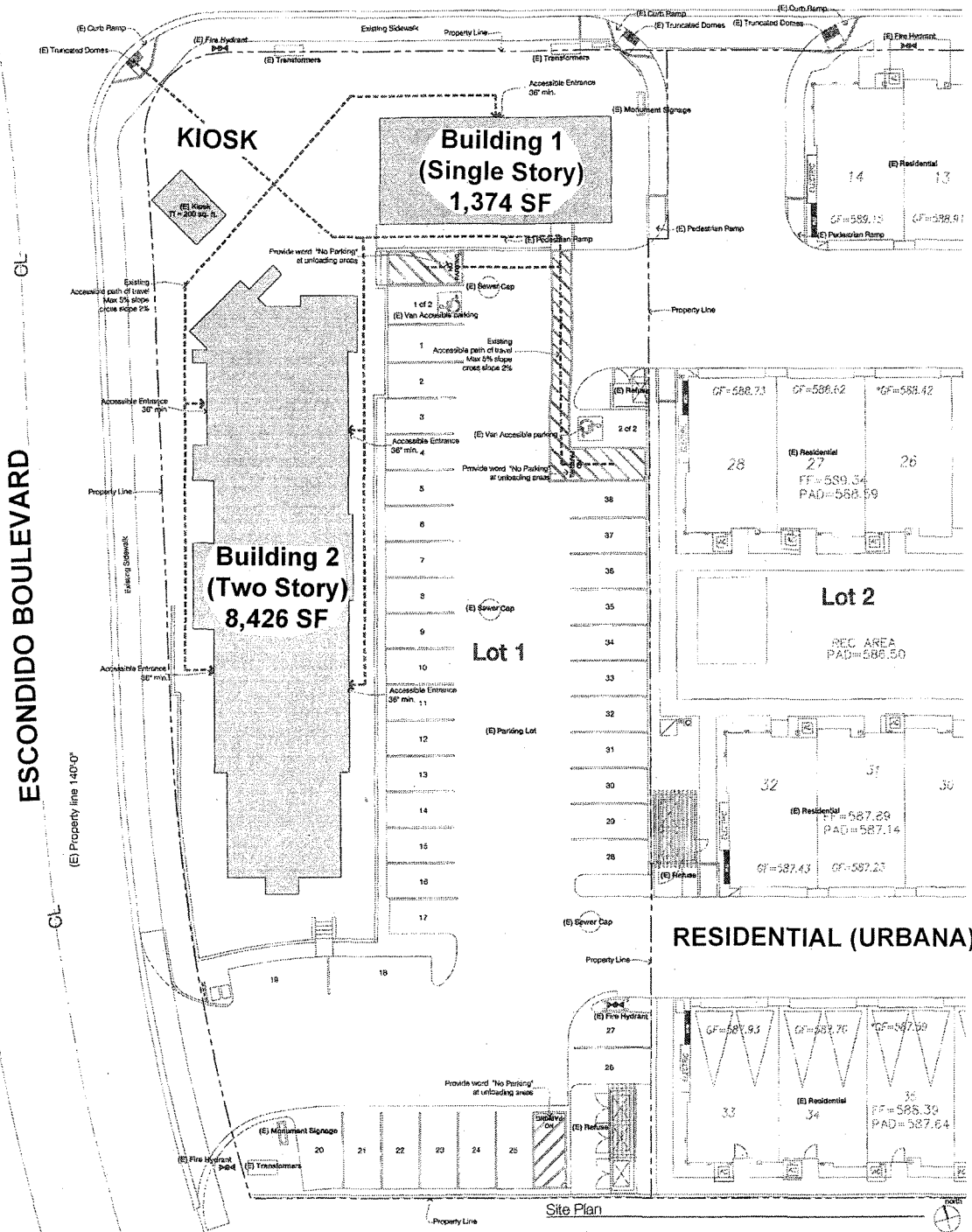
7425 Gym, athletic club, and similar type uses

The following language is added to the list of permitted uses:

The Director of Community Development may approve a use or require a Conditional Use Permit for a proposed use not specifically listed as a permitted use which is found to be consistent with the intent and purpose of the commercial component of the project, the South Escondido Boulevard Neighborhood Plan and General Plan. A proposed use must be similar to the list of permitted uses, and not more detrimental to the zone or the overall mixed-use project (especially the residential component of the project) than those uses listed as permitted uses, or require additional parking as limited by the adopted Conditions of Approval, or result in incompatible noise, intensity or operational impacts.

CITRACADO PARKWAY

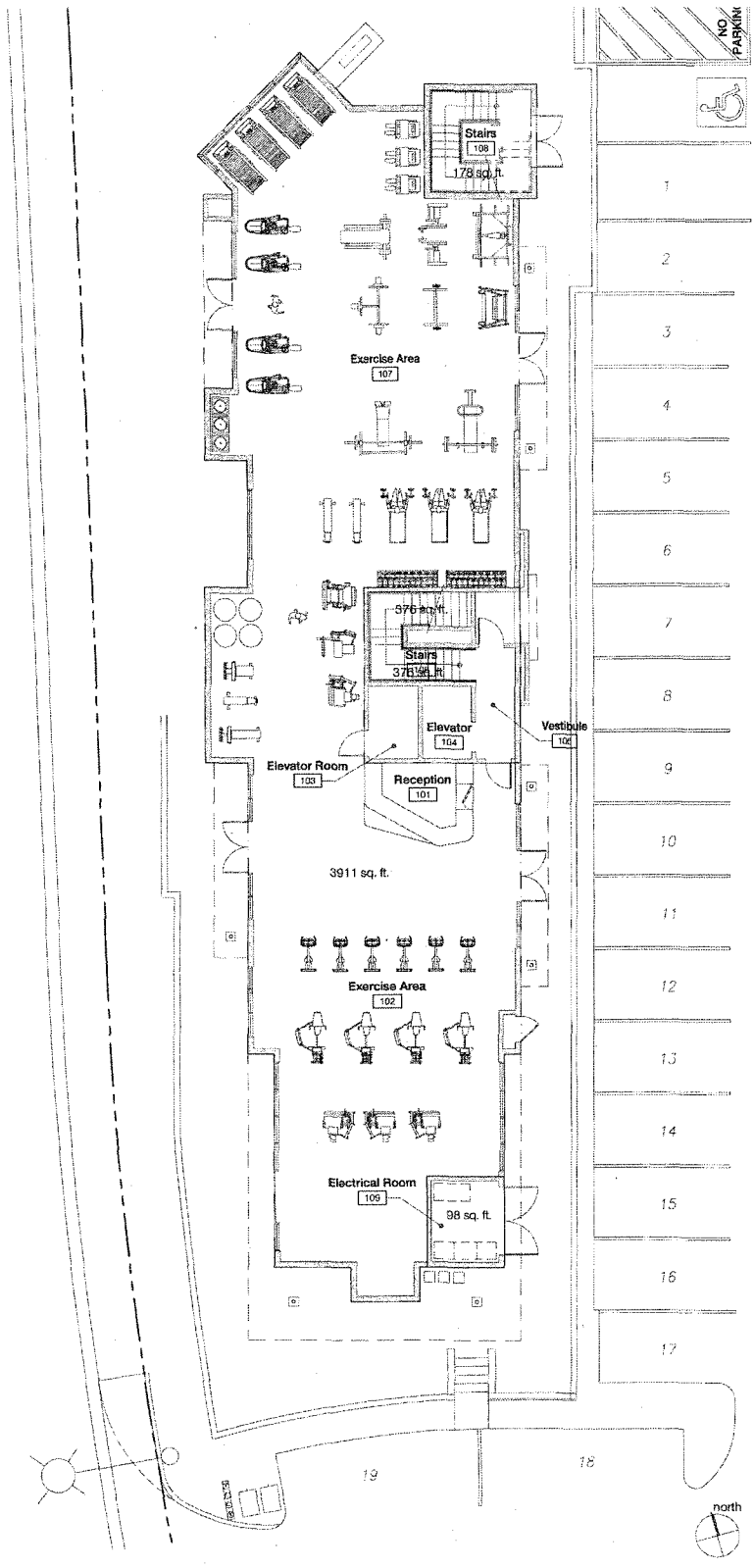
ESCONDIDO BOULEVARD



**PROPOSED PROJECT
PHG 11-0037**

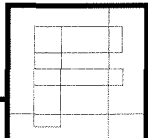


SITE PLAN

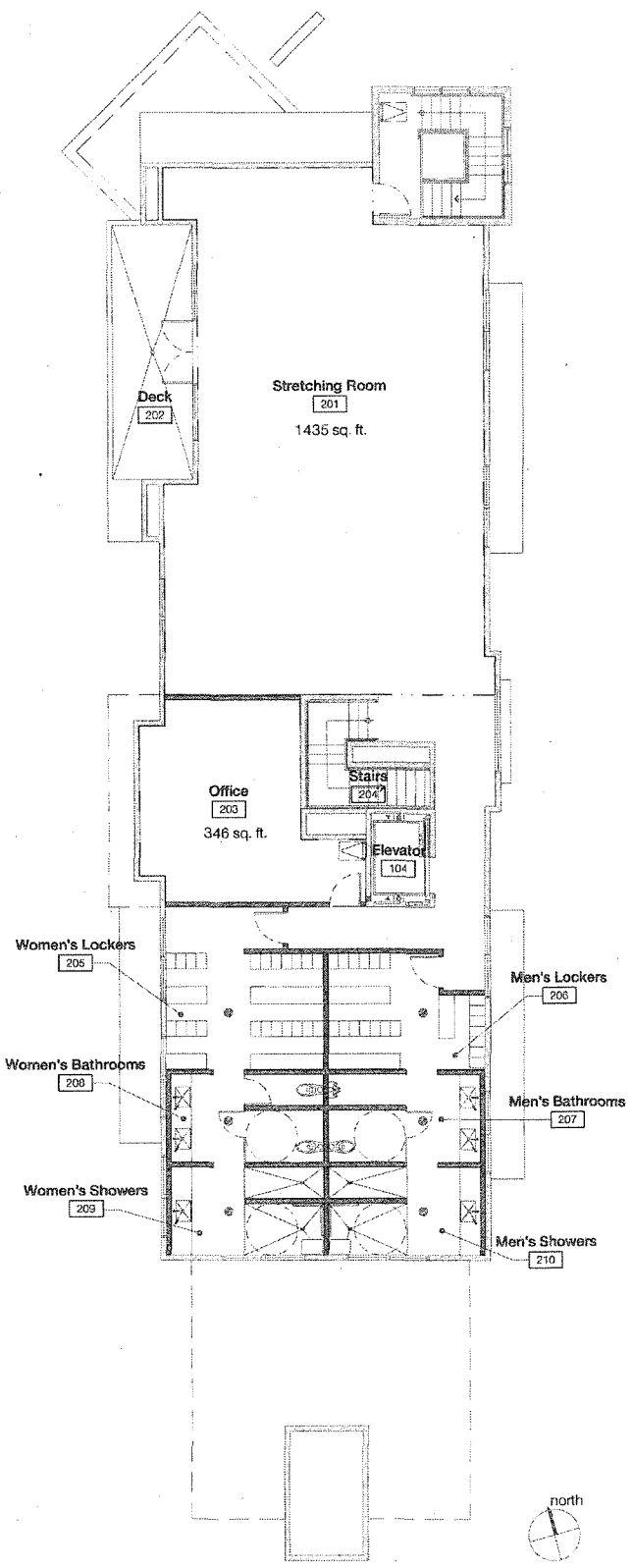


Building 2 - First Floor Plan

**PROPOSED PROJECT
PHG 11-0037**

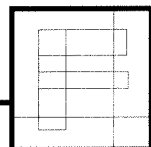


FLOOR PLAN

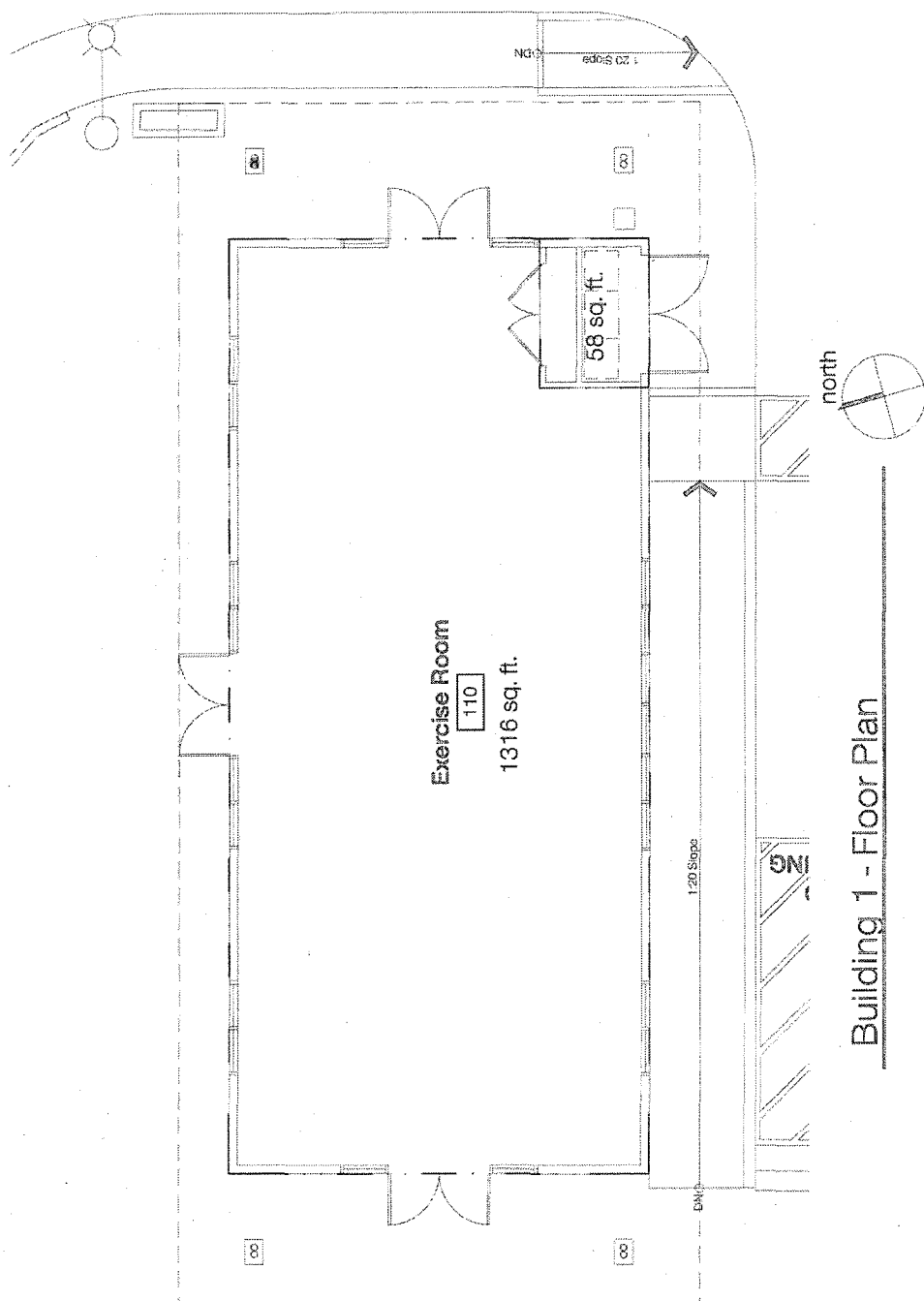


Building 2 - Second Floor Plan

**PROPOSED PROJECT
PHG 11-0037**

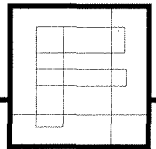


FLOOR PLAN



Building 1 - Floor Plan

**PROPOSED PROJECT
PHG 11-0037**



FLOOR PLAN



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: Linda Kesian
 P.O. Box 121750
 San Diego, CA 92112-1750

From: City of Escondido
 201 North Broadway
 Escondido, CA 92025

Project Title/Case No.: Master Plan Modification City File No. PHG 11-0037

Project Location - Specific: The subject site is located on the southeastern corner of Escondido Boulevard and Citracado Parkway, addressed as 2500 South Escondido Boulevard (APN 238-152-21).

Project Location - City: Escondido, **Project Location - County:** San Diego

Description of Project: A modification to the Master Development Plan for the Centre City Village/Urbana mixed-use development to amend the list of permitted uses for the commercial component of the project to allow a health club-gymnasium and other appropriate uses otherwise permitted in the South Escondido Boulevard Neighborhood Plan to be located within the existing commercial buildings. The proposed amendment also includes additional language that would allow the Director of Community Development to approved uses not specifically allowed on the approved list of uses for the commercial buildings.

Name of Public Agency Approving Project: City of Escondido

Name of Person or Agency Carrying Out Project:

Name Gotham Property Group (Edward Kaen) Telephone (619) 814-5715

Address 861 6th Avenue, #310 San Diego, CA 92101

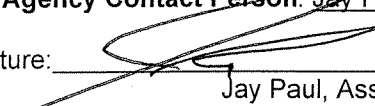
Private entity School district Local public agency State agency Other special district

Exempt Status: Categorical Exemption. Section 15301, Class 1 (Existing Facilities).

Reasons why project is exempt:

1. The project is located within the South Escondido Boulevard Corridor and the proposal only would amend the list of permitted uses on the site already permitted within the South Escondido Boulevard Neighborhood Plan. The project site has been developed with commercial buildings, parking and landscaping. No physical changes to the site are proposed.
2. The site is in an urban area where all public services and facilities are available to allow for the proposed use.
3. The project would not create any significant increase in vehicle trips, nor impact vehicular circulation on or around the site. Appropriate parking is provided on the site to accommodate all uses. The project would not result in the destruction of desirable natural features, nor be visibly obtrusive or disharmonious with surrounding areas. The site also does not contain any sensitive or protected habitat.

Lead Agency Contact Person: Jay Paul, Planning Division Area Code/Telephone/Extension (760) 839-4537

Signature:  December 22, 2011
 Jay Paul, Associate Planner Date

Signed by Lead Agency Date received for filing at OPR: N/A

**Agenda Item No. 10
January 11, 2012**

ORDINANCE NO. 2012-01

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, APPROVING A MODIFICATION TO THE MASTER DEVELOPMENT PLAN TO AMEND THE LIST OF PERMITTED USES TO ALLOW A HEALTH CLUB/GYMNASIUM AND OTHER APPROPRIATE USES FOR THE COMMERCIAL COMPONENT OF THE CENTRE CITY MIXED-USE VILLAGE (URBANA)

PLANNING CASE NO. PHG 11-0037

The City Council of the City of Escondido, California, DOES HEREBY ORDAIN as follows:

SECTION 1. That proper notice of a public hearing has been given and a public hearing has been held before the City Council on this issue and that the City Council has considered the proposal, the staff report, the Notice of Exemption, and any public testimony presented at the hearing.

SECTION 2. That pursuant to the provisions of the Business Enhancement Zone, Article 69 of the Escondido Zoning Code, the City Council Economic Development Subcommittee approved a request for expedited processing of the Master Development Plan on November 29, 2011.

SECTION 3. That the City Council has reviewed the Statement of Exemption prepared for the project in conformance with CEQA Section 15301, Class 1, "Existing Facilities," and has determined that all environmental issues associated with the project

have been addressed and no significant environmental impacts will result from approving this modification to the Master Development Plan.

SECTION 4. That upon consideration of the staff report and all public testimony presented at the hearings held to consider the proposed modification, this City Council finds that the proposed modification to the Master Development Plan is consistent with the General Plan and all applicable specific plans of the City of Escondido.

SECTION 5. That the Factors to be Considered, attached as Exhibit "A," and incorporated by this reference, were made by said Council.

SECTION 6. That the City Council desires at this time and deems it to be in the best public interest to approve the requested modification to the Master Development Plan to amend the list of permitted uses for the commercial component of the Centre City Mixed-Use Village (Urbana) as set forth in Exhibits "B" and "C," which are incorporated by this reference. The subject site generally is located on the southeastern corner of Escondido Boulevard and Citracado Parkway, addressed as 2500 South Escondido Boulevard (APN 238-152-21).

SECTION 7. 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 8. 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 published one time within 15 days of its passage in a newspaper of general circulation, printed and published in the City of Escondido.

EXHIBIT "A"**FACTORS TO BE CONSIDERED
PHG 11-0037**Master Plan Modification

1. Granting the modification to the List of Permitted Uses in the Master Development Plan to allow health club-gymnasium and other appropriate uses would be in conformance with the City's General Plan land-use designation of General Commercial, which permits a wide variety of commercial, office, restaurant and retail uses within master planned commercial developments. The proposed project would be in conformance with General Plan Economic Policies (page II-23) which encourage economic activities that are clean and nonpolluting to expand or locate in Escondido; provide additional employment opportunities; reduce the need for Escondido residents to commute out of the area; maintain the City's fiscal stability; and are aesthetically superior. The proposed modification would not diminish the Quality-of-Life Standards of the General Plan as the proposal would not materially degrade the level of service on adjacent streets or public facilities, create excessive noise, and adequate on-site parking, circulation and public services are provided to the site.
2. The proposed location of the commercial buildings are well integrated with its surroundings and the proposal to permit additional commercial uses at the site would not result in a substantial alteration of the present or planned land use since the commercial project allows for a variety of commercial, business, and retail type businesses/activities that would not be affected by the proposed change and would be compatible with the adjacent residential uses.
3. The commercial area is adequately served by existing public facilities since sewer and water service is available from existing mains in the adjacent streets or easements, and the proposal would not adversely impact these facilities nor require significant upgrades to the existing infrastructure.
4. The proposed modification to the Master Development Plan would have a beneficial effect by providing services requested by city residents and the business community. The overall design of the commercial component of the mixed-use development is conducive to a health-club facility with convenient parking located in front of the subject buildings and produces an attractive, efficient and stable environment for commercial activities or working. The design of the project would be unchanged and would remain consistent with the previously approved Master Plan. The proposal has been considered in relationship to its effect on the community, and the request would be in compliance with the General Plan Policies and would not result in a negative impact to the adjacent neighborhood for the reasons stated above and detailed in the City Council report.
5. The proposal is exempt from the requirements of the California Environmental Quality Act (CEQA) in conformance with Section 15301, "Existing Facilities" and a Notice of Exemption was prepared for the proposed project. In staff's opinion, the request does not have the potential for causing a significant effect on the environment due to the continued conformance with the commercial zoning designation and standards established for the site.

EXHIBIT "B"

PERMITTED USES (Centre-City Village/Urbana Mixed Use Development) from 2004-14-CZ/PD/BEZ, Tract 873

The following uses are permitted in the Centre City Village Mixed-Use Development:

4923	Travel arranging service (office only)
5230	Paint, glass and wallpaper
5251	Hardware stores
5256	Swimming pool supplies
5300	General Merchandise (retail)
5410-5460	Food (retail)
5491-5495	Retail trade – Food NEC
5497	Food catering (food preparation and delivery of food)
5499	Other retail trade – food NEC
5600	Apparel and accessories
5700	Furniture, home furnishings and equipment
5810	Restaurants/Eating Places with or without incidental sale of alcohol (not permitted in 1 st floor tower offices, catering space or 5,600 SF retail space).
5815	Specialized food sales from pushcart facilities on private property
5910	Drug and Proprietary
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6420	Electrical appliance repair and services
6496	Locksmiths and key shops
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6590	Professional services NEC
6600	General construction services (office only)
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7113	Art galleries

The following uses shall require a Conditional Use Permit and are subject to Section 33-1203 of Zoning Code Article 61:

4753	Communication antennas pursuant to Article 34
5820	Drinking places – Alcoholic beverages, (includes bars or taverns, does not include restaurants selling alcoholic beverages)

Exhibit "C"

Proposed additional language
Permitted Uses
(Centre-City Village/Urbana Mixed Use Development)
PHG 11-0037

The following uses are added to the list of permitted uses:

7425 Gym, athletic club, and similar type uses

The following language is added to the list of permitted uses:

The Director of Community Development may approve a use or require a Conditional Use Permit for a proposed use not specifically listed as a permitted use which is found to be consistent with the intent and purpose of the commercial component of the project, the South Escondido Boulevard Neighborhood Plan and General Plan. A proposed use must be similar to the list of permitted uses, and not more detrimental to the zone or the overall mixed-use project (especially the residential component of the project) than those uses listed as permitted uses, or require additional parking as limited by the adopted Conditions of Approval, or result in incompatible noise, intensity or operational impacts.

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 11
Date: January 11, 2012

TO: Honorable Mayor and Members of the City Council
FROM: Jeffrey R. Epp, City Attorney
SUBJECT: Extension of Westfield Shopping Center Ground Lease

RECOMMENDATION:

Introduction and first reading of Ordinance 2012-02 authorizing the Mayor and City Clerk to execute a Lease Amendment and related documents to provide an option to extend the ground lease for the Westfield Shopping Center for an additional fifteen (15) years.

INTRODUCTION:

Westfield has proposed a renovation project for North County Fair involving the renovation and re-leasing of the May tract (former Robinsons-May South) as a new, three-story Target store; improvements to the mall common areas and entrances; re-surfacing of the parking lot; new restaurants; and a remodel of the food court. The total value assigned by Westfield to the project, including acquisition costs of the May tract, is approximately \$55.8 million. The proposal also includes an increase in the fixed and percentage rent payable to the City. Project completion is expected by December 2012. Upon successful project completion, Westfield requests that the City extend the Ground Lease term for an additional fifteen (15) years. The lease extension will enable Westfield to receive a return on certain past and future acquisition, financing, management and renovation costs. The primary ground lease would be modified to allow Westfield to offset percentage rent on an ongoing basis to account for "allowances" they provide to induce certain tenants to locate in the mall, and to add provisions that will benefit the City's position in the lease such as a requirement for periodic reinvestment and upgrades to the Center.

BACKGROUND / HISTORY:

Escondido's Westfield shopping center is located on approximately 83 acres at the south end of the City. The City of Escondido owns 75.11 acres and the May Tract of 7.58 acres is under separate ownership. It was originally developed by Ernest Hahn in the mid-1980's on land owned primarily by the City of Escondido. Significant issues at the time of development included environmental impacts on the surrounding park and Lake Hodges, bordering relationships with the City of San Diego, the potential impact of a shopping center on Escondido's downtown and East Valley Parkway areas, and potential surrounding development. However, the economic advantages to a major shopping center

resulted in the ultimate construction of a mall consisting of approximately 1.2 million square feet, including a combination of major department stores and smaller shops.

The ground lease from the City to the Developer (Hahn) was for a term of 55 years, the maximum permitted under state law at that time. The ground lease provided for a combination of fixed rent and percentage rent. The fixed rent is set at \$698,000 and remains the same throughout the lease term; the percentage rent is calculated on the basis of a formula which uses a base rent and revenues from the shopping center. Over the last ten years, the City has received an average of \$573,408 in percentage rent each year. In addition to fixed and percentage rent, the City receives sales tax from the stores at the shopping center. For the past five years the City has received an average of \$2,672,000 annually in sales tax revenue. The legal structure and the term of the lease were generally designed to favor the developer/ground lessee as an inducement for the center to be developed and opened.¹

The six major department stores at the time the mall opened in 1985 included Sears, J.C. Penney, Nordstrom, Robinsons, Broadway, and May Company. These stores were not part of the mall ground lease, but were on their own parcels, leased directly from the City of Escondido. The sole exception was the May Company, which owned the parcel on which their store was situated, and therefore, there is no lease arrangement in place for the May parcel. The term of each department store ground lease is similar to the primary ground lease, i.e., 55 years. Cooperation between the department stores and the shopping center is assured through a Reciprocal Access Agreement.

The department stores were seen as "anchors" for the shopping center, and thus desirable tenants. Thus, rents for the department stores were set very low to induce these stores to locate in the mall. With the exception of J.C. Penney, rents for each department store lease are fixed at \$98,000 per year. J.C. Penney pays virtually no rent at \$10.00 per year. However, all department stores provide significant sales tax revenues to the City and have "anchored" the shopping center since its opening.

There has been significant consolidation in the department store market sector since the shopping center was first developed. Sears, J.C. Penney, and Nordstrom remain. However, May Company consolidated with Robinsons, resulting in two anchors being owned by a single company. The Broadway was then acquired by Macy's. Federated Department Stores, which owns Macy's, subsequently acquired Robinsons-May. Thus, of the original six independent anchors at the shopping center in 1985, there are now four department store ownerships at the shopping center: Sears, J.C. Penney, Nordstrom, and Macy's. As discussed later in this report, this has also resulted in the unusual situation that Macy's operates a department store on a parcel it ground leases from the City (Broadway tract), and yet owns the empty parcel which was the original May Company department store (May tract).

¹ Note: The rent amounts set forth in this paragraph do not include fixed rent received by the City from each of the department stores.

THE CURRENT PROPOSAL:

The renovation project, parcel trade, and lease extension which are proposed by Westfield are also recommended by staff because they have been negotiated and modified for quite some time, with regular updates and policy direction involving the City Council in closed session discussions. Certain future items are planned, but because of legal and procedural requirements, are not guaranteed, are not part of the current project description, and must follow a specific process before they can actually occur. The future items are described later for informational purposes only. Each of the three aspects of the immediate project is discussed below.

- A. The Renovation Project. As noted elsewhere, the renovation will actually involve a number of components including the new Target store, the upgrades involving the parcel trade (discussed below) and may include other items as discussions with individual department stores progress. However, the immediate level of upgrade pledged by Westfield as part of the current project includes remodels to the mall common space, the exterior mall entries, and the food court area. In addition, the City Council requested, and Westfield agreed, to upgrade and resurface the entire parking lot of the shopping center over a two year period coinciding with construction activities.

The mall common space remodel includes items such as new floor finishes, interior paint and lighting schemes, new handrails, signage and a new children's play area, as well as new amenities such as planter pots, furniture, etc. The exterior mall entry remodel involves new signage, paint, lighting, material accents, exterior landscaping and enhanced entry paving. The food court remodel will consist of new floor, paint and lighting, new restrooms, new furniture amenities, re-leasing of food court operators upon existing lease expirations, expanded seating areas, and a remodeled outdoor patio dining area.

Westfield will be responsible for obtaining all of the Reciprocal Easement Agreement and final Department Store approvals, as well as an executed lease with Target necessary for the development and construction of the Renovation Project.

- B. The Parcel Trade. Westfield will arrange to trade the Broadway tract (which the City owns) for the May tract (which Federated owns). This enables Macy's to continue operating on top of land they will then own. It takes land Macy's owns now, and transfers it to the City, with leasehold interests to Westfield, who will then lease it for development and use as a Target store.

Keyser Marston Associates, Inc. conducted a detailed analysis of the economics associated with the proposed parcel trade and concluded that during the existence of the current leaseholds, differences in value and usability of the two parcels are insignificant. However, the City's parcel (Broadway tract) is approximately 8.2 acres and the May tract is 7.58 acres.

Using an assumed current land value of \$15 per square foot, escalated over the remaining term of the lease, and then reduced to its present value today, results in an economic advantage to Westfield of approximately \$100,000. Westfield has agreed to reimburse the City in this amount upon close of escrow for the transfer.

In sum, Westfield will pay the City \$100,000 for the difference in the reversionary value at ground lease expiration of the City's parcel (Broadway tract) relative to the May tract. In all other respects, it will be a straight trade. Westfield has already spent \$11.1 million to acquire the building/remaining leasehold on the Broadway tract.

- C. The Lease Extension. The ground lease was authorized by Resolution 81-13 and executed on February 2, 1981. The term is set at 55 years, however, the commencement date of the term was conditioned on completion and opening. The lease was amended three times (authorized by Resolutions 82-86, 86-37 and 86-300) to amend language providing for the commencement of the term. When all was said and done, however, the 55 year lease term commenced on July 1, 1983, expires on June 30, 2038. The current proposal provides an option to extend this term by an additional 15 years, subject to certain conditions and modifications, such that the ground lease will expire on June 30, 2053.

California Civil Code Section 719 and California Government Code Section 37380 generally provide that the maximum term for which a public entity may lease land for commercial purposes is 55 years. Despite careful research, both legal counsel for the City and Westfield have been unable to locate definitive guidance in California law on whether an extension of a lease which goes beyond the original 55 year term is subject to these Code sections. Some case authority from other states indicates an extension may not be subject to these types of requirements. However, in the interest of transparency and in an abundance of caution, staff and Westfield prepared the necessary public notices and the lease amendment has been drafted to comply with the requirements of these sections to the extent practicable. The proposed lease amendment calls for a periodic review to take into consideration the current market conditions, and is adopted by ordinance, following a public hearing. Although the statutes provide for a competitive bid process, such a process could not be effective given that any additional proposals would have to be subject to the existing ground lease which does not expire until 2038. Nonetheless, the notices for this public hearing did provide that opportunity to submit proposals was available. As of the distribution of the agenda packet, no correspondence has been received.

Since the legal arrangement provides for the renovation project (described in the previous section) to be completed prior to the lease extension being granted, the most significant aspect of the lease extension (in addition to the term) is the provision for increased ground rent to the City.

On the second anniversary after Westfield completes the renovation, the City's fixed rent will increase by \$150,000 (from \$1,090,000 to \$1,240,000.) [Note: The \$1,090,000 is a "total" fixed rent figure which consists of \$698,000, plus \$98,000 each for the Robinsons-May North (also referred to as Adcor) tract and the Broadway tract (existing Macy's) paid by Westfield, plus \$196,000 from the Sears and Nordstrom tracts.] On the third anniversary after Westfield completes construction, the fixed rent will increase another \$150,000 (from \$1,240,000 to \$1,390,000.) On the fourth anniversary after they complete construction, the \$300,000 portion of the increased fixed rent will itself increase by 2.5% or CPI, whichever is less. This 2.5% or CPI increase on the \$300,000 will continue each year for the remainder of the lease term.

Additionally, after 2038, the base rent of \$698,000 plus the \$98,000 for Robinsons-May North (Adcor) tract and the \$98,000 for the May tract will also be subject to the 2.5% or CPI increase formula as well.

Although relatively minor compared to the overall renovation project, the term, and the increase in rent, the proposed lease amendment contains other items which were important to both the City and Westfield. The lease amendment contains a provision to offset percentage rent on an ongoing basis to account for "allowances" Westfield provides to induce certain tenants to locate in the mall. Of importance to the City, the lease amendment also contains provisions requiring Westfield to conduct periodic upgrades to the center to avoid long term deterioration in the condition of the center.

DEPARTMENT STORE LEASES:

As noted earlier, five of the six department store parcels have separate leasing arrangements. However, the ground lease requires the "comparable" terms to the major department stores. The specific language of the ground lease states:

Notwithstanding the foregoing, if the term of the Developer Lease is extended beyond June 30, 2041 or if Lessor and Developer enter into a new lease for a period extending beyond June 30, 2041, Lessor agrees to offer a lease extension or new lease to Lessee on terms and conditions at least comparable to the terms and conditions of such agreement between Lessor and Developer. Lessor agrees to notify Lessee in advance of any proposed negotiations to extend the term of the Developer Lease beyond June 30, 2041, or to enter into a new lease for such period, and Lessee shall have the right to participate in such negotiations.

On the City's behalf, Westfield has complied with the notice provisions above by not only notifying, but having preliminary discussions with the major department stores. Discussions with Macy's are the most advanced because the original Broadway parcel and the original May parcel are part of the "parcel swap" provided by the current project. The leasehold for the original Robinsons tract has been acquired by Westfield and has been re-leased (that parcel is currently occupied by H & M, Forever

21, and North County Tavern and Bowl). Westfield has held preliminary discussions with Sears, J.C. Penney and Nordstrom. All department stores will naturally favor any proposal to upgrade the shopping center. Ongoing negotiations may include rent adjustments, store upgrades, operating covenants, and other items that will be mutually beneficial to the individual store, the City, and Westfield. Individual department store leasing issues will be presented to the Council at future dates as they unfold.

FUTURE LAND USE PLANS:

As noted earlier, the current project does not include various land use items. Westfield North County Fair lies within the City's Planned Development (P-D) zone. For property within the P-D zone, the City Council has the authority to hold a publicly noticed hearing to consider modifications to a master development plan pursuant to Escondido Municipal Code section 33-412. The City Council's approval is discretionary and shall be by ordinance. Compliance with the California Environmental Quality Act will be required for proposed changes, especially those to certain signage and parking.

However, it should be noted that Westfield also proposes to modify Master and Precise Development plans add retail square footage – addition of approximately 2,500 square feet:

- Demolish restaurant pad (Onami) on the north side of the site.
- Add new restaurant pad on the east side of the site.
- Add square footage to square off entrances to Rob-May north and adjacent retail building
- Add new retail space at the upper entry level between Macy's and vacant Rob-May South.

Master and Precise Development Plans will be modified to add permitted uses and temporary uses, and to amend the Sign Program to allow additional on and off premises signage (which may include up to 1,550 square feet of sign area in multiple locations on the exterior of the mall building, and a new pylon sign along the freeway up to 110 feet high (to provide visibility from both directions on the freeway) with up to 3,000 square feet of sign area, including an LED display. Westfield is also expected to ask that Master and Precise plans be amended to provide for a parking ratio of one space per 250 square feet or (4: 1,000) for all uses on the site consistent with the City's Zoning Code Section 33-765 parking ratio for general retail uses.

FINANCIAL ANALYSIS:

The City requested that Keyser Marston Associates, Inc. (KMA) undertake a financial analysis of the proposed lease amendment. Specifically, KMA prepared cash flow projections for the period 2011-2053, inclusive of the proposed 15-year term extension. The objective of these cash flow projections was to measure the economic return to Westfield, and the present value of ground rent and sales tax to the City, resulting from the proposed lease amendment. The full KMA report is attached to this staff report.

It is the KMA conclusion that the proposed lease term extension enables Westfield to undertake new investment in the form of a proposed mall renovation project. Even with the lease term extension, KMA concludes that the projected economic return to Westfield falls short of industry targets for this type of investment. However, if Westfield were to undertake the proposed renovation without a term extension, their economic return would be even lower, thereby rendering the investment infeasible. This portion of the KMA analysis validates the City's decisions regarding the grant of the lease extension for the period requested as being a necessary and appropriate use of a City resource.

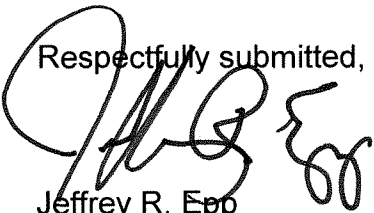
The proposed lease amendment will generate economic benefits to the City in the form of ground rent and sales tax. KMA estimates the present value of ground rent to the City for the period 2011-2053 to total \$29.0 million. In addition, fee title to the City's property will revert to the City in 2054. KMA estimates the present value of this future reversion value to be approximately \$2.9 million. In sum, KMA estimates the total value of the City's real property interest at the Westfield North County Shopping Center to be approximately \$31.9 million. KMA projected retail sales performance and sales tax generation for the mall for the period 2011-2053. KMA estimates the total present value of sales tax revenues to the City through 2053 to be approximately \$49.3 million. In sum, under the proposed lease amendment, the City has the potential to realize a total economic benefit of \$81.2 million in present value terms, as summarized below.

Present Value of 2011-2053 Ground Rent and 2054 Reversion	\$31,900,000
Present Value of Sales Tax to City, 2011-2053	\$49,283,000
Total Present Value of Economic Benefit to City	\$81,183,000

CONCLUSION:

For all the foregoing reasons, staff recommends Council adopt Ordinance 2012-02.

Respectfully submitted,



Jeffrey R. Epp
City Attorney



KEYSER MARSTON ASSOCIATES
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

MEMORANDUM

ADVISORS IN:
REAL ESTATE
REDEVELOPMENT
AFFORDABLE HOUSING
ECONOMIC DEVELOPMENT

SAN FRANCISCO
A. JERRY KEYSER
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SAN DIEGO
GERALD M. TRIMBLE
PAUL C. MARRA

To: Jeffrey R. Epp, City Attorney
City of Escondido

From: KEYSER MARSTON ASSOCIATES, INC.

Date: January 5, 2012

Subject: Financial Analysis of Proposed Lease Agreement
Westfield North County Shopping Center

I. INTRODUCTION

A. Background

The City of Escondido (City) currently ground leases portions of the Westfield North County Shopping Center site to Westfield and the respective department stores. The City and Westfield are considering a potential amendment to the existing ground lease to provide for a renovation project, a term extension, and other modifications. The following key provisions are included in the proposed lease amendment:

- The City and Westfield will exchange ownership interests in the existing Macy's (Broadway Tract) and former Robinsons-May South (May Tract) parcels.
- Westfield will renovate the mall common area, entrances, parking lots, and food court; complete the re-tenanting of the former Robinsons-May North department store building; and cause Target to develop and open a store in the former Robinsons-May South department store building.
- Westfield will increase its annual fixed rent payment to the City, and also agrees to future annual adjustments in fixed rent.

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Westfield North County Shopping Center

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- The City and Westfield will enter into a 15-year lease term extension, i.e., from 2038 to 2053.

B. Objective

The City requested that Keyser Marston Associates, Inc. (KMA) undertake a financial analysis of the proposed lease amendment. Specifically, KMA prepared cash flow projections for the period 2011-2053, inclusive of the proposed 15-year term extension. Based on these projections, KMA estimated the economic return to Westfield and the present value of ground rent and sales tax to the City.

In completing this assignment, KMA undertook the following work tasks:

1. Reviewed data on recent historic rental income and ground rent payments for the mall.
2. Reviewed Westfield's projections of future rental income, ground rent payments, and sales tax under multiple scenarios, i.e., with and without a lease term extension and renovation project.
3. Evaluated market data on land and building values, capitalization rates, discount rates, and escalation rates.
4. Prepared independent financial models projecting discounted cash flows to Westfield and the City for each scenario.

C. Report Organization

This memorandum report has been organized as follows:

- Following this introduction, Section II presents KMA's key findings.
- Section III summarizes the key provisions of the proposed lease amendment.
- Section IV presents an overview of the KMA method of analysis.
- Section V details limiting conditions pertaining to the KMA analysis.

KMA's detailed cash flow projections are attached to this memorandum.

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Westfield North County Shopping Center

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II. KEY FINDINGS

A. Economic Return to Westfield

The proposed lease term extension enables Westfield to undertake new investment in a mall renovation project. The projected economic return to Westfield falls short of industry targets for this type of investment. However, if Westfield were to undertake the proposed renovation without a term extension, their economic return would be even lower, thereby rendering the investment infeasible.

Westfield Investment

According to the Westfield Group Annual Report 2010, the appraised value of the Westfield North County Shopping Center was \$226 million. However, this valuation was based on an assumed long-term lease or fee simple interest. Given that there are only 27 years remaining on the ground lease, KMA believes that a downward adjustment to reflect the value of Westfield's leasehold position is appropriate. KMA has assumed that the value of Westfield's leasehold position is approximately 15% lower than the appraised value based on a long-term lease or fee simple interest, or say \$192.1 million. This figure is used throughout the KMA analysis as an estimate of Westfield's current basis in the Westfield North County Shopping Center property.

With the City's approval of the lease term extension, Westfield proposes to undertake a renovation in 2012, including:

- mall common space remodel
- exterior mall entry remodel
- food court remodel
- improvements to the parking lots and landscaping, including demolition and re-use of the existing duck pond area on the north side of the mall
- completion of the re-tenanting of the Robinsons-May North (also referred to as Adcor) department store

Westfield's total estimated renovation budget, including acquisition of the existing Macy's department store leasehold (Broadway Tract), is estimated to be \$55.8 million. In addition, Target separately proposes to develop a new store on the May Tract (former Robinsons-May South).

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Westfield Economic Return

In KMA's view, the industry standard threshold return for this type of investment is a minimum of 10.0%. Westfield has indicated that they believe a return as high as 12.0% is appropriate.

KMA prepared projections of Westfield rental income for the period 2011-2053 from existing, upgraded, and new subtenants, including a new Target store. KMA estimates the present value of future cash flow to Westfield to total \$234.4 million over 2011-2053, assuming a 10.0% discount rate. In other words, using a target return of 10.0%, KMA concludes that the present value of future cash flow to Westfield is less than their total investment through 2012 of \$247.9 million.

KMA also measured the Internal Rate of Return (IRR) to Westfield by comparing future cash flows to their total investment through 2012. KMA estimates an unleveraged IRR to Westfield of 9.1%. This outcome is approximately 1.0% lower than the KMA estimate of the industry target at 10.0% and 3.0% lower than the Westfield target of 12.0%.

Westfield Investment and Return	
Investment through 2010	\$192,100,000
Proposed Investment in 2012	<u>\$55,800,000</u>
Total Investment by Westfield	\$247,900,000
Unleveraged IRR, 2011-2053	9.1%
Industry Standard Minimum Target IRR	10.0%
Present Value of Cash Flow to Westfield, 2011-2053 (assuming 10.0% discount rate)	\$234,350,000

B. Ground Rent and Sales Tax to City

Ground Rent to City

During the period 2011-2053, the City will receive ground rent in various forms:

- Fixed rent from Westfield of \$698,000 per year, with annual escalation starting 2039
- Additional fixed rent from Westfield of \$300,000 per year, with annual escalation starting in the fourth year after completion of the renovation project
- Ground rent from Westfield for the Robinsons-May North (Adcor) and May Tract (future Target) leaseholds

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 Westfield North County Shopping Center

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- Percentage rent on mall stores from Westfield
- Ground rent from Sears, Nordstrom, and JC Penney

KMA estimates the present value of ground rent to the City for the period 2011-2053 to total \$28.9 million. In addition, fee title to the City's property will revert to the City in 2054. KMA estimates the present value of this future reversion value to be approximately \$2.9 million.

In total, under the proposed lease amendment, KMA estimates the total value of the City's real property interest at the Westfield North County Shopping Center to be approximately \$31.9 million (the sum of \$29.0 million in present value of ground rent and \$2.9 million in present value of future reversion).

Present Value of Ground Rent to City, 2011-2053	
Fixed Rent	\$9,215,000
Additional Fixed Rent	\$3,896,000
Robinsons-May North (Adcor) and May Tract Rent	\$2,588,000
Percentage Rent	<u>\$10,697,000</u>
Present Value of Rent Payments from Westfield	\$26,396,000
Add: Present Value of Rent Payments from Department Stores	<u>\$2,551,000</u>
Subtotal, Present Value of Ground Rent to City, 2011-2053	\$28,947,000
Add: Present Value of Future Reversion at 2054	<u>\$2,904,000</u>
Total Present Value of Ground Rent and Future Reversion to City	\$31,851,000

Sales Tax to City

In addition, the City will continue to receive sales tax revenues from the Westfield North County Shopping Center. KMA prepared a sales tax projection for the period 2011-2053 to estimate future sales tax revenues to the City. This revenue stream has been discounted at a 10.0% rate, reflecting the potential variability in future market performance. On this basis, then, KMA concludes that the present value of sales tax to the City during 2011-2053 totals approximately \$49.3 million.

Total Economic Benefit to City

In sum, under the proposed lease amendment, the City has the potential to realize a total economic benefit of \$81.1 million (present value terms).

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Economic Benefit to City	
Present Value of 2011-2053 Ground Rent and 2054 Reversion	\$31,851,000
Present Value of Sales Tax to City, 2011-2053	<u>\$49,283,000</u>
Total Present Value of Economic Benefit to City	\$81,134,000

III. PROPOSED LEASE AMENDMENT

The proposed lease amendment between the City and Westfield includes the following key business terms:

Lease Extension

The ground lease term will be extended from its current expiration date of June 30, 2038 by 15 years to June 30, 2053.

Parcel Trade

The City will trade the Broadway Tract (which it owns) for the May Tract (which Federated Department Stores, Inc. owns). Specifically, the City will exchange its leased fee position under the existing Macy's store (Broadway Tract) for a similar position on the existing Federated fee simple parcel formerly occupied by the Robinsons-May South department store (May Tract). Federated will take fee title to, and continue to operate its Macy's store on, the Broadway Tract, while Westfield will sublease the May Tract to Target for adaptive re-use as a new Target store. Westfield will pay the City \$100,000 for the difference in value between the two parcels.

In a report dated June 29, 2011, KMA separately analyzed the proposed parcel exchange and concluded that the parcels were essentially of comparable condition and value even though the May Tract is slightly smaller than the Broadway Tract. KMA prepared an estimate of this value differential at the currently anticipated reversion of Broadway Tract leasehold in 2041 (prior to implementation of the lease term extension). On this basis, KMA concluded that the present value of the value differential between the two parcels is approximately \$100,000.

New Target Store

Westfield will sublease the May Tract to Target, which will adaptively re-use the existing building as a new Target store.

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Renovation Project

Westfield will complete a mall renovation project consisting of:

- mall common space remodel
- exterior mall entry remodel
- food court remodel
- improvements to the parking lots and landscaping
- demolition and re-use of the existing duck pond area on the north side of the mall and reconstruction of the Robinsons-May North building façade and entry
- completion of the re-tenancing of the Robinsons-May North building

Westfield agrees to a minimum capital budget expenditure for this renovation of \$48.7 million. This budget includes costs such as acquisition of the existing Macy's department store (Broadway Tract) leasehold, predevelopment costs, hard construction costs, and soft costs. Westfield has already separately earmarked \$7.1 million to fund the duck pond conversion and reconstruction of the Robinsons-May North building façade and entry. Taken together, these two budgets represent a total investment by Westfield in the mall of \$55.8 million.

Fixed Rent Increase

Westfield will increase its annual fixed rent payment to the City by \$300,000. This increase will occur in two installments, on the second and third anniversaries after completion of the renovation project.

Commencing with the fourth anniversary, the \$300,000 increase in fixed rent will itself increase annually by 2.5% or CPI, whichever is less.

Commencing in July 2038 (start of the lease extension period), the \$698,000 portion of the fixed rent will also increase annually by 2.5% or CPI, whichever is less.

Percentage Rent Offset by Tenant Allowances

The City will agree to allow Westfield to offset percentage rent payable to the City on an ongoing basis to account for tenant improvement allowances that Westfield provides to induce certain subtenants to locate in the mall. For the purposes of the percentage rent calculation, Westfield may exclude the portion of subtenant rental income that is attributable to the amortization of such allowances.

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Department Store Leases

Under the terms of the existing ground leases governing the Westfield North County Shopping Center, if the City grants a lease extension to Westfield, it is required to offer comparable terms and conditions to the department store leaseholders. The City and Westfield have provided required notices to the Sears, J.C. Penney, and Nordstrom, and discussions regarding options for lease extensions are expected to ensue. At this time, negotiations have not commenced and the specific outcomes in terms of potential rent increases to the City, store upgrades, and/or operating covenants have yet to be addressed. The KMA analysis has conservatively assumed that all existing department stores remain in place at current ground rent terms through 2053.

IV. METHOD OF ANALYSIS

The detailed KMA method of analysis of future cash flows to Westfield and the City is presented in the attached tables. Each table presents projections for the period 2011-2053, as described below.

Table 1 - Present Value of Net Cash Flow to Westfield

This table projects annual cash flow to Westfield during 2011-2053 resulting from subtenant rental income, less operating expenses, management fee, and ongoing capital expenditures. The projected cash flow is estimated to yield a total present value in 2011 of \$234.4 million, based on a 10.0% discount rate reflective of KMA's estimated target return for the proposed investment. The projected cash flow can also be measured against Westfield's historic and proposed investment, i.e., \$192.1 million through 2010 and \$55.8 million in 2012. This results in an unleveraged IRR to Westfield of 9.1%.

Table 2 - Present Value of Ground Rent to City

Table 2 presents a projection of ground rent to the City for the period 2011-2053, including:

- Fixed rent from Westfield of \$698,000 per year, with annual escalation starting 2039
- Additional fixed rent from Westfield of \$300,000 per year, with annual escalation starting in the fourth year after completion of the renovation project
- Ground rent from Westfield for the Robinsons-May North (Adcor) and May Tract (future Target) leaseholds
- Percentage rent on mall stores from Westfield
- Ground rent from Sears, Nordstrom, and JC Penney

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As shown in the table, KMA estimates the present value of ground rent to the City for the period 2011-2053 to total \$28.9 million. This estimate assumes an 8.0% discount rate for fixed rent and a 10.0% discount rate for percentage rent, reflecting the higher risk associated with percentage rent.

Table 3 - Sales Tax Projection

Table 3 presents a 2011-2053 projection of retail sales performance for the mall and the resulting sales tax generated to the City. The mall is expected to experience a significant growth in sales volume as a result of the renovation project, i.e., an approximately 18% increase in 2013 sales over the prior year. This equates to total sales tax to the City in 2013 of \$3.6 million. For the rest of the projection period, KMA has assumed an annual growth rate of 2.8%, which represents a blend of different escalation assumptions for specialty tenants, mini-anchors, and department stores. The estimated present value of the projected 2011-2053 sales tax revenues is \$49.3 million.

V. LIMITING CONDITIONS

1. The analysis contained in this document is based, in part, on data from secondary sources such as state and local government, planning agencies, real estate brokers, and other third parties. While KMA believes that these sources are reliable, we cannot guarantee their accuracy. KMA did not independently verify historical performance figures provided by Westfield.
2. The findings are based on economic rather than political considerations. Therefore, they should be construed neither as a representation nor opinion that government approvals for development can be secured. Value estimates assume that any necessary entitlements or zoning changes for development can be obtained in a reasonable time frame.
3. If an unforeseen change occurs in the local or national economy, the analysis and conclusions contained herein may no longer be valid.
4. The analysis, opinions, recommendations and conclusions of this document are KMA's informed judgment based on market and economic conditions as of the date of this report. Due to the volatility of market conditions and complex dynamics influencing the economic conditions of the building and development industry, conclusions and recommended actions contained herein should not be relied upon as sole input for final business decisions regarding current and future development and planning.

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5. Market feasibility is not equivalent to financial feasibility; other factors apart from the level of demand for a land use are of crucial importance in determining feasibility. These factors include the cost of acquiring sites, relocation burdens, design and engineering constraints, traffic impacts, remediation of toxics (if any), and mitigation measures required through the approval process.
6. Development opportunities are assumed to be achievable during the specified time frame. A change in development schedule requires that the conclusions contained herein be reviewed for validity.
7. The valuation assumes that the title of the property is good and marketable; no title search has been made, nor has KMA attempted to determine property ownership. The value estimates are given without regard to any questions of boundaries, encumbrances, liens, or encroachments. KMA has not independently verified estimates of building area or land area. It is assumed that all assessments (if any) are paid. KMA has not prepared an appraisal of the real estate interests reviewed in this memorandum.
8. It has been assumed that the value of the property will not be impacted by the presence of any soils, toxic, or hazardous conditions that require remediation to allow development. Additionally, it is assumed that perceived toxic conditions (if any) on surrounding properties will not affect the value of the property.

attachments

TABLE 1

**PRESENT VALUE OF NET CASH FLOW TO WESTFIELD
WESTFIELD NORTH COUNTY
CITY OF ESCONDIDO**

Proposed Lease Terms					
Year	NOI After Management Fee ⁽¹⁾⁽²⁾	(Less) Capital Expenditures ⁽²⁾	Cash Flow	(Less) Westfield Investment	Net Cash Flow
2010				(\$192,100,000)	(\$192,100,000)
2011	\$13,381,875	(\$1,487,080)	\$11,894,795		\$11,894,795
2012	\$14,678,193	(\$2,103,922)	\$12,574,271	(\$55,800,000)	(\$43,225,729)
2013	\$18,444,213	(\$3,000,000)	\$15,444,213		\$15,444,213
2014	\$19,370,310	(\$3,000,000)	\$16,370,310		\$16,370,310
2015	\$20,057,887	(\$3,000,000)	\$17,057,887		\$17,057,887
2016	\$20,688,475	(\$3,000,000)	\$17,688,475		\$17,688,475
2017	\$21,499,921	(\$3,000,000)	\$18,499,921		\$18,499,921
2018	\$22,200,379	(\$3,000,000)	\$19,200,379		\$19,200,379
2019	\$22,924,463	(\$3,000,000)	\$19,924,463		\$19,924,463
2020	\$23,672,932	(\$3,000,000)	\$20,672,932		\$20,672,932
2021	\$24,445,573	(\$3,000,000)	\$21,445,573		\$21,445,573
2022	\$25,427,420	(\$3,000,000)	\$22,427,420		\$22,427,420
2023	\$26,259,755	(\$3,000,000)	\$23,259,755		\$23,259,755
2024	\$27,090,423	(\$3,000,000)	\$24,090,423		\$24,090,423
2025	\$27,948,909	(\$3,000,000)	\$24,948,909		\$24,948,909
2026	\$28,956,991	(\$3,000,000)	\$25,956,991		\$25,956,991
2027	\$30,148,610	(\$3,000,000)	\$27,148,610		\$27,148,610
2028	\$31,098,182	(\$3,000,000)	\$28,098,182		\$28,098,182
2029	\$32,079,384	(\$3,000,000)	\$29,079,384		\$29,079,384
2030	\$33,092,221	(\$3,000,000)	\$30,092,221		\$30,092,221
2031	\$34,138,731	(\$3,000,000)	\$31,138,731		\$31,138,731
2032	\$35,519,958	(\$3,000,000)	\$32,519,958		\$32,519,958
2033	\$36,637,058	(\$3,000,000)	\$33,637,058		\$33,637,058
2034	\$37,790,141	(\$3,000,000)	\$34,790,141		\$34,790,141
2035	\$38,981,380	(\$3,000,000)	\$35,981,380		\$35,981,380
2036	\$40,211,984	(\$3,000,000)	\$37,211,984		\$37,211,984
2037	\$41,812,170	(\$3,000,000)	\$38,812,170		\$38,812,170
2038	\$43,124,284	(\$3,000,000)	\$40,124,284		\$40,124,284
2039	\$44,418,000	(\$2,000,000)	\$42,418,000		\$42,418,000
2040	\$45,751,000	(\$2,000,000)	\$43,751,000		\$43,751,000
2041	\$47,124,000	(\$2,000,000)	\$45,124,000		\$45,124,000
2042	\$48,538,000	(\$2,000,000)	\$46,538,000		\$46,538,000
2043	\$49,994,000	(\$2,000,000)	\$47,994,000		\$47,994,000
2044	\$51,494,000	(\$1,000,000)	\$50,494,000		\$50,494,000
2045	\$53,039,000	(\$1,000,000)	\$52,039,000		\$52,039,000
2046	\$54,630,000	(\$1,000,000)	\$53,630,000		\$53,630,000
2047	\$56,269,000	(\$500,000)	\$55,769,000		\$55,769,000
2048	\$57,957,000	(\$500,000)	\$57,457,000		\$57,457,000
2049	\$59,696,000	(\$250,000)	\$59,446,000		\$59,446,000
2050	\$61,487,000	(\$250,000)	\$61,237,000		\$61,237,000
2051	\$63,332,000	(\$100,000)	\$63,232,000		\$63,232,000
2052	\$65,232,000	(\$100,000)	\$65,132,000		\$65,132,000
2053	\$67,189,000	(\$100,000)	\$67,089,000		\$67,089,000

**Present Value of
Cash Flow in 2011 @**

Discout Rate 10.0%

\$234,350,000

Internal Rate of Return (IRR)

9.1%

(1) "NOI after management fee" reflects the payment of ground rent.

(2) For the period 2039-2053 KMA has assumed a 3% escalation in NOI after Management Fee. Estimates of capital expenditures for 2039-2053 are based on information provided by Westfield.

TABLE 2

**PRESENT VALUE OF GROUND RENT TO CITY
WESTFIELD NORTH COUNTY
CITY OF ESCONDIDO**

Proposed Lease Terms							
Year	Fixed Rent	Additional Fixed Rent	Adcor/Target Rent (1)	Percentage Rent (2)	Total Rent From Westfield	Department Store Rent (3)	Grand Total Rent to City
2011	\$698,000	\$0	\$196,000	\$375,627	\$1,269,627	\$196,100	\$1,465,727
2012	\$698,000	\$0	\$196,000	\$489,939	\$1,383,939	\$196,100	\$1,580,039
2013	\$698,000	\$0	\$196,000	\$527,681	\$1,421,681	\$196,100	\$1,617,781
2014	\$698,000	\$150,000	\$196,000	\$588,496	\$1,632,496	\$196,100	\$1,828,596
2015	\$698,000	\$300,000	\$196,000	\$638,126	\$1,832,126	\$196,100	\$2,028,226
2016	\$698,000	\$308,000	\$196,000	\$674,225	\$1,876,225	\$196,100	\$2,072,325
2017	\$698,000	\$316,000	\$196,000	\$732,331	\$1,942,331	\$196,100	\$2,138,431
2018	\$698,000	\$324,000	\$196,000	\$781,729	\$1,999,729	\$196,100	\$2,195,829
2019	\$698,000	\$332,000	\$196,000	\$828,855	\$2,054,855	\$196,100	\$2,250,955
2020	\$698,000	\$340,000	\$196,000	\$870,218	\$2,104,218	\$196,100	\$2,300,318
2021	\$698,000	\$349,000	\$196,000	\$915,219	\$2,158,219	\$196,100	\$2,354,319
2022	\$698,000	\$358,000	\$196,000	\$973,776	\$2,225,776	\$196,100	\$2,421,876
2023	\$698,000	\$367,000	\$196,000	\$1,062,426	\$2,323,426	\$196,100	\$2,519,526
2024	\$698,000	\$376,000	\$196,000	\$1,130,614	\$2,400,614	\$196,100	\$2,596,714
2025	\$698,000	\$385,000	\$196,000	\$1,200,847	\$2,479,847	\$196,100	\$2,675,947
2026	\$698,000	\$395,000	\$196,000	\$1,280,138	\$2,569,138	\$196,100	\$2,765,238
2027	\$698,000	\$405,000	\$196,000	\$1,354,648	\$2,653,648	\$196,100	\$2,849,748
2028	\$698,000	\$415,000	\$196,000	\$1,431,394	\$2,740,394	\$196,100	\$2,936,494
2029	\$698,000	\$425,000	\$196,000	\$1,510,442	\$2,829,442	\$196,100	\$3,025,542
2030	\$698,000	\$436,000	\$196,000	\$1,591,862	\$2,921,862	\$196,100	\$3,117,962
2031	\$698,000	\$447,000	\$196,000	\$1,675,724	\$3,016,724	\$196,100	\$3,212,824
2032	\$698,000	\$458,000	\$196,000	\$1,762,103	\$3,114,103	\$196,100	\$3,310,203
2033	\$698,000	\$469,000	\$196,000	\$1,851,072	\$3,214,072	\$196,100	\$3,410,172
2034	\$698,000	\$481,000	\$196,000	\$1,942,711	\$3,317,711	\$196,100	\$3,513,811
2035	\$698,000	\$493,000	\$196,000	\$2,037,098	\$3,424,098	\$196,100	\$3,620,198
2036	\$698,000	\$505,000	\$196,000	\$2,134,318	\$3,533,318	\$196,100	\$3,729,418
2037	\$698,000	\$518,000	\$196,000	\$2,234,454	\$3,646,454	\$196,100	\$3,842,554
2038	\$698,000	\$531,000	\$196,000	\$2,337,594	\$3,762,594	\$196,100	\$3,958,694
2039	\$715,000 (4)	\$544,000	\$200,900 (4)	\$2,440,734	\$3,900,634	\$196,100	\$4,096,734
2040	\$733,000	\$558,000	\$205,923	\$2,546,843	\$4,043,765	\$196,100	\$4,239,865
2041	\$751,000	\$572,000	\$211,071	\$2,656,006	\$4,190,077	\$196,100	\$4,386,177
2042	\$770,000	\$586,000	\$216,347	\$2,768,311	\$4,340,659	\$196,100	\$4,536,759
2043	\$789,000	\$601,000	\$221,756	\$2,883,849	\$4,495,605	\$196,100	\$4,691,705
2044	\$809,000	\$616,000	\$227,300	\$3,002,713	\$4,655,013	\$196,100	\$4,851,113
2045	\$829,000	\$631,000	\$232,982	\$3,124,998	\$4,817,980	\$196,100	\$5,014,080
2046	\$850,000	\$647,000	\$238,807	\$3,250,803	\$4,986,610	\$196,100	\$5,182,710
2047	\$871,000	\$663,000	\$244,777	\$3,380,229	\$5,159,006	\$196,100	\$5,355,106
2048	\$893,000	\$680,000	\$250,897	\$3,513,381	\$5,337,277	\$196,100	\$5,533,377
2049	\$915,000	\$697,000	\$257,169	\$3,650,365	\$5,519,534	\$196,100	\$5,715,634
2050	\$938,000	\$714,000	\$263,598	\$3,791,292	\$5,706,890	\$196,100	\$5,902,990
2051	\$961,000	\$732,000	\$270,188	\$3,936,276	\$5,899,464	\$196,100	\$6,095,564
2052	\$985,000	\$750,000	\$276,943	\$4,085,433	\$6,097,376	\$196,100	\$6,293,476
2053	\$1,010,000	\$769,000	\$283,866	\$4,238,883	\$6,301,749	\$196,100	\$6,497,849
Present Value of Cash Flow in 2011 @							
Discount Rate 8.0%	\$9,215,000	\$3,896,000	\$2,588,000			\$2,551,000	
Discount Rate 10.0%				\$10,697,000			
Present Value of Total Rent Received					\$26,396,000		\$28,947,000

(1) Reflects Adcor and Broadway Tract ground rent paid by Westfield.
(2) See Worksheet A to Table 2 for KMA assumptions for the period 2039-2053.
(3) Includes ground rent for Sears (\$98,000), Nordstrom (\$98,000), and JC Penney (\$100).
(4) CPI adjustment to increased fixed rent and total base rent at 2.5%

TABLE 3

SALES TAX PROJECTION
WESTFIELD NORTH COUNTY
CITY OF ESCONDIDO

Proposed Lease Terms							
Year	Specialty Tenants	Mini-Anchors	Department Stores	Total Sales	Annual Change	Taxable Sales @ 100.0%	Sales Tax to City @ 1.0%
2010							
2011	\$133,500,000	\$19,300,000	\$137,400,000	\$290,200,000		\$290,200,000	\$2,902,000
2012	\$135,600,000	\$24,300,000	\$139,700,000	\$299,600,000	3.1%	\$299,600,000	\$2,996,000
2013	\$147,500,000	\$29,200,000	\$188,200,000	\$364,900,000	17.9%	\$364,900,000	\$3,649,000
2014	\$152,000,000	\$29,900,000	\$193,400,000	\$375,300,000	2.8%	\$375,300,000	\$3,753,000
2015	\$156,500,000	\$30,600,000	\$198,900,000	\$386,000,000	2.8%	\$386,000,000	\$3,860,000
2016	\$161,195,000	\$31,325,000	\$204,668,000	\$397,188,000	2.8%	\$397,188,000	\$3,972,000
2017	\$166,031,000	\$32,067,000	\$210,603,000	\$408,701,000	2.8%	\$408,701,000	\$4,087,000
2018	\$171,012,000	\$32,827,000	\$216,710,000	\$420,549,000	2.8%	\$420,549,000	\$4,205,000
2019	\$176,142,000	\$33,605,000	\$222,995,000	\$432,742,000	2.8%	\$432,742,000	\$4,327,000
2020	\$181,426,000	\$34,401,000	\$229,462,000	\$445,289,000	2.8%	\$445,289,000	\$4,453,000
2021	\$186,869,000	\$35,216,000	\$236,116,000	\$458,201,000	2.8%	\$458,201,000	\$4,582,000
2022	\$192,475,000	\$36,051,000	\$242,963,000	\$471,489,000	2.8%	\$471,489,000	\$4,715,000
2023	\$198,249,000	\$36,905,000	\$250,009,000	\$485,163,000	2.8%	\$485,163,000	\$4,852,000
2024	\$204,196,000	\$37,780,000	\$257,259,000	\$499,235,000	2.8%	\$499,235,000	\$4,992,000
2025	\$210,322,000	\$38,675,000	\$264,720,000	\$513,717,000	2.8%	\$513,717,000	\$5,137,000
2026	\$216,632,000	\$39,592,000	\$272,397,000	\$528,621,000	2.8%	\$528,621,000	\$5,286,000
2027	\$223,131,000	\$40,530,000	\$280,297,000	\$543,958,000	2.8%	\$543,958,000	\$5,440,000
2028	\$229,825,000	\$41,491,000	\$288,426,000	\$559,742,000	2.8%	\$559,742,000	\$5,597,000
2029	\$236,720,000	\$42,474,000	\$296,790,000	\$575,984,000	2.8%	\$575,984,000	\$5,760,000
2030	\$243,822,000	\$43,481,000	\$305,397,000	\$592,700,000	2.8%	\$592,700,000	\$5,927,000
2031	\$251,137,000	\$44,511,000	\$314,254,000	\$609,902,000	2.8%	\$609,902,000	\$6,099,000
2032	\$258,671,000	\$45,566,000	\$323,367,000	\$627,604,000	2.8%	\$627,604,000	\$6,276,000
2033	\$266,431,000	\$46,646,000	\$332,745,000	\$645,822,000	2.8%	\$645,822,000	\$6,458,000
2034	\$274,424,000	\$47,752,000	\$342,395,000	\$664,571,000	2.8%	\$664,571,000	\$6,646,000
2035	\$282,657,000	\$48,884,000	\$352,324,000	\$683,865,000	2.8%	\$683,865,000	\$6,839,000
2036	\$291,137,000	\$50,043,000	\$362,541,000	\$703,721,000	2.8%	\$703,721,000	\$7,037,000
2037	\$299,871,000	\$51,229,000	\$373,055,000	\$724,155,000	2.8%	\$724,155,000	\$7,242,000
2038	\$308,867,000	\$52,443,000	\$383,874,000	\$745,184,000	2.8%	\$745,184,000	\$7,452,000

TABLE 3

SALES TAX PROJECTION
WESTFIELD NORTH COUNTY
CITY OF ESCONDIDO

Proposed Lease Terms									
Year	Specialty Tenants	Mini-Anchors	Department Stores	Total Sales	Annual Change	Taxable Sales @ 100.0%	Sales Tax to City @ 1.0%		
2039	\$318,133,000	\$53,686,000	\$395,006,000	\$766,825,000	2.8%	\$766,825,000	\$7,668,000		
2040	\$327,677,000	\$54,958,000	\$406,461,000	\$789,096,000	2.8%	\$789,096,000	\$7,891,000		
2041	\$337,507,000	\$56,261,000	\$418,248,000	\$812,016,000	2.8%	\$812,016,000	\$8,120,000		
2042	\$347,632,000	\$57,594,000	\$430,377,000	\$835,603,000	2.8%	\$835,603,000	\$8,356,000		
2043	\$358,061,000	\$58,959,000	\$442,858,000	\$859,878,000	2.8%	\$859,878,000	\$8,599,000		
2044	\$368,803,000	\$60,356,000	\$455,701,000	\$884,860,000	2.8%	\$884,860,000	\$8,849,000		
2045	\$379,867,000	\$61,786,000	\$468,916,000	\$910,569,000	2.8%	\$910,569,000	\$9,106,000		
2046	\$391,263,000	\$63,250,000	\$482,515,000	\$937,028,000	2.8%	\$937,028,000	\$9,370,000		
2047	\$403,001,000	\$64,749,000	\$496,508,000	\$964,258,000	2.8%	\$964,258,000	\$9,643,000		
2048	\$415,091,000	\$66,284,000	\$510,907,000	\$992,282,000	2.8%	\$992,282,000	\$9,923,000		
2049	\$427,544,000	\$67,855,000	\$525,723,000	\$1,021,122,000	2.8%	\$1,021,122,000	\$10,211,000		
2050	\$440,370,000	\$69,463,000	\$540,969,000	\$1,050,802,000	2.8%	\$1,050,802,000	\$10,508,000		
2051	\$453,581,000	\$71,109,000	\$556,657,000	\$1,081,347,000	2.8%	\$1,081,347,000	\$10,813,000		
2052	\$467,188,000	\$72,794,000	\$572,800,000	\$1,112,782,000	2.8%	\$1,112,782,000	\$11,128,000		
2053	\$481,204,000	\$74,519,000	\$589,411,000	\$1,145,134,000	2.8%	\$1,145,134,000	\$11,451,000		

Present Value of Sales Tax in 2011 @

10.0% Discount Rate

Years 2011 through 2053

\$49,283,000

ORDINANCE NO. 2012-02

AN ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING THE MAYOR AND CITY
CLERK A LEASE AMENDMENT AND
RELATED DOCUMENTS TO PROVIDE AN
OPTION TO EXTEND THE GROUND LEASE
FOR THE WESTFIELD/NORTH COUNTY
FAIR SHOPPING CENTER FOR AN
ADDITIONAL FIFTEEN YEARS

The City Council of the City of Escondido, California, DOES HEREBY ORDAIN
as follows:

SECTION 1. This Ordinance is being adopted for the purpose of authorizing the Mayor and City Clerk to execute, on behalf of the City, a lease amendment and related documents for the Westfield/North County Shopping Center, which is located on land owned by the City. The City has held a public hearing in compliance with California Civil Code Section 719 and California Government Code Section 37380, notice of which has been provided pursuant to Government Code Section 6066 in the North County Times, which is a newspaper of general circulation in the City of Escondido. The City Council has considered the proposal, the staff report, the Notice of Exemption under the California Environmental Quality Act, and any public testimony presented at the hearing.

SECTION 2. There currently exists a ground lease between the City and Developer/Lessee which was authorized by Resolution 81-13 and executed on February 2, 1981 for a period of 55 years. The lease has since been amended three

times (authorized by Resolutions 82-86, 86-37 and 86-300) primarily related to the commencement of the lease term.

SECTION 3. Westfield is the current Ground Lessee and has proposed a renovation project for Westfield North County Fair which includes a new three story Target store, improvements to the mall common areas and entrances, new restaurants, resurfacing of the parking lot and remodeling of the food court. The proposal also includes an increase in the fixed and percentage rent payable to the City.

SECTION 4. Upon successful completion of the project, Westfield requests to extend the Ground Lease term for an additional fifteen years. The City Council hereby determines that the proposed lease extension and related agreements authorized by this Ordinance offer the greatest economic return to the City, particularly in light of the existing lease and the remaining term on said lease. The City Council further concludes that based on all the circumstances, including an analysis by Keyser Marston and Associates, the lease extension is also justified for the purpose of attracting the necessary capital investment.

SECTION 5. The extension of the leasehold interest for the term specified will provide certainty to the tenant and subtenants and enable additional investment by private parties in the shopping center, which will provide increased rent revenues and increased sales tax revenues for the City, which funds can be used to benefit the residents of Escondido.

SECTION 6. The Mayor and City Clerk are hereby authorized, subject to final negotiation and approval as to form by Special Counsel and the City Attorney, certain

documents, the forms of which are attached to this Ordinance as Exhibits 1 through 4, and as identified as follows:

- Exhibit 1 - Amendment No. 4 to Ground Lease
- Exhibit 2 - Agreement Regarding Renovation of Shopping Center
- Exhibit 3 - Amendment No. 1 to Ground Lease Re: NCF North
- Exhibit 4 - Amendment No. 1 to Ground Lease Re: NCF South

SECTION 7. 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 8. 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 published one time within 15 days of its passage in a newspaper of general circulation, printed and published in the City of Escondido.

AMENDMENT NO. 4 TO GROUND LEASE

This AMENDMENT NO. 4 TO GROUND LEASE ("**Amendment**") is made and entered into as of the ____ day of _____, 2011, by and between the CITY OF ESCONDIDO ("**Lessor**"), and NORTH COUNTY FAIR LP, a Delaware limited partnership, and EWH ESCONDIDO ASSOCIATES, L.P. a Delaware limited partnership, as tenants-in-common (collectively, "**Lessee**").

R E C I T A L S :

A. This Amendment is made with respect to that certain Ground Lease dated as of February 2, 1981 between the City of Escondido, as landlord/lessor, and EWH 1979 Development Company, L.P., as tenant/lessee, relating to certain premises currently known as Westfield North County located on land described in Exhibit A hereto, a memorandum of which was recorded on July 21, 1983 as File No. 83-250262 in the Office of the Recorder of San Diego County ("**Recorder's Office**"), as amended by Amendment No. 1 to Ground Lease dated August 24, 1982, Amendment No. 2 to Ground Lease dated February 12, 1986, recorded on March 5, 1986 as File No. 86-087687 in the Recorder's Office, and Amendment No. 3 to Ground Lease dated November 26, 1986, recorded on November 26, 1986 as File No. 86-549261 in the Recorder's Office (collectively, the "**Lease**"). Lessee is the current "Lessee" under the Lease. Terms not otherwise defined in this Amendment are defined in the Lease.

B. Lessor and Lessee desire to amend the Lease to grant Lessee an option to extend the Lease Term, together with such other matters as set forth herein.

A G R E E M E N T :

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Option to Extend Lease Term. Lessor hereby grants to Lessee the option to extend the Lease Term (the "**Option**") for a period of fifteen (15) years commencing upon July 1, 2038 and ending on June 30, 2053 (the "**Option Term**"). Lessee may exercise the Option by giving Lessor written notice thereof that any time following completion of the work described on Exhibit B hereto (the "**Renovation**") and no later than one (1) year prior to the expiration of the Lease Term. Upon Lessee's exercise of the Option, all references in the Lease to the "Lease Term" shall include the Option Term. At any time following Lessee's exercise of the Option, Lessor and Lessee shall, at either party's request, enter into an amendment of the Lease to evidence the exercise of the Option. For purposes of this Amendment, "completion" of the Renovation means the date that Lessor's building inspection department "signs-off" on the building permits (the "**Permits**") for the Renovation evidencing that the work contemplated by the Permits is complete.

2. Fixed Rent During Initial Lease Term. Commencing on the second (2nd) anniversary of the Trigger Date (as defined below), the Fixed Rent as set forth in Section 3.1 of the Lease shall increase by \$150,000.00 per annum from \$1,090,000.00 per annum to \$1,240,000.00 per annum. Commencing on the third (3rd) anniversary of the Trigger Date, the Fixed Rent as set forth in Section 3.1 of the Lease shall increase by \$150,000.00 per annum from \$1,240,000.00 per annum to \$1,390,000.00 per annum (the \$150,000.00 increase in the preceding sentence and the \$150,000.00 increase in this sentence are collectively referred to as the "**Fixed Rent Increase**"). The term "**Trigger Date**" means the date that is earlier to occur of (i) one (1) year following commencement of the Renovation or (ii) completion of the Renovation. For purposes of the foregoing, the "commencement" of the Renovation shall be deemed to occur when the Permits are issued.

On the fourth (4th) anniversary of the Trigger Date and on each anniversary thereafter (each, an "**Adjustment Date**") during the initial Lease Term, the Fixed Rent Increase in effect immediately prior to such Adjustment Date shall increase by the lesser of (i) two and one-half percent (2.5%) or (ii) the percentage increase, if any, between the Index (as defined below) in effect on the date that is fourteen (14) months prior to such Adjustment Date and the Index in effect on the date that is two (2) months prior to such Adjustment Date. The "**Index**" shall be the Consumer Price Index for all Urban Consumers (CPI-U) San Diego, California, all items, published by the Bureau of Labor Statistics of the United States Department of Labor (Base Year 1982-84=100). If publication of the Index is discontinued, or if the basis of calculating the Index is materially changed, then the parties hereto shall substitute for the Index comparable statistics as computed by an agency of the United States Government or, if none, by a periodical or publication of recognized authority most closely approximating the result which would have been achieved by the Index, as mutually agreed upon by the parties hereto.

3. Fixed Rent During Option Term. The amount of Fixed Rent payable during the Option Term shall initially be the same amount of Fixed Rent payable immediately prior to the Option Term. On each Adjustment Date that occurs during the Option Term, the entirety of the Fixed Rent in effect immediately prior to such Adjustment Date shall increase by the lesser of (a) two and one-half percent (2.5%) or (b) the percentage increase, if any, between the Index in effect on the date that is fourteen (14) months prior to such Adjustment Date and the Index in effect on the date that is two (2) months prior to such Adjustment Date.

4. Clarification Regarding Subtenant Improvement Allowances. The parties acknowledge that an improvement allowance provided by Lessee to subtenants is the economic equivalent of a Subtenant Loan. Therefore, for purposes of Section 3.5(c) of the Lease, the amount of rent payable to Lessee by any subtenant that represents amortization (on a straight line basis over the sublease initial term) of an improvement allowance will be treated as if Lessor had made a Subtenant Loan instead of an improvement allowance. **[Note: This is intended to accomplish the same thing as Section 6 of the prior draft, but it is now rephrased to be a "clarification" rather than an "amendment" in order to minimize the Prop 13 risk.]**

5. Lessee's Mortgage-Joinder by Lessor. Section 11.1 of the Lease is deleted.

6. No Other Amendments. Except as amended hereby, all of the provisions of the Lease shall remain in full force and effect.

7. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be an original, and such counterparts together shall constitute but one and the same instrument.

8. Memorandum. At Lessee's request, Lessor and Lessee shall execute, acknowledge and record in the Recorder's Office a memorandum of this Amendment.

[Signatures continue on following pages]

IN WITNESS WHEREOF, the parties hereto have entered into this Amendment as of the date first above written.

"Lessor"

CITY OF ESCONDIDO

By: _____
Name: _____
Title: _____

"Lessee"

NORTH COUNTY FAIR, LP, a Delaware limited partnership, as tenants-in-common

By: Westfield America GP LLC, a Delaware limited partnership, its general partner

By: Westfield America Limited Partnership, a Delaware limited liability company, its sole member

By: Westfield U.S. Holdings, LLC, a Delaware limited liability company, its general partner

By: _____
Name: _____
Title: _____

[Signatures Continue On Next Page]

EWB ESCONDIDO ASSOCIATES, L.P., a
Delaware limited partnership, as tenants-in-
common

By: North County Fair LP, a Delaware limited
partnership, its general partner

By: Westfield America GP LLC, a Delaware
limited liability company, its general
partner

By: Westfield America Limited
Partnership, a Delaware limited
partnership, its sole member

By: Westfield U.S. Holdings, LLC, a
Delaware limited liability
company, its general partner

By: _____
Name: _____
Title: _____

EXHIBIT A

Legal Description of Demised Premises

PARCELS 7 AND 8 OF ESCONDIDO MAP NO. 85-08, IN THE CITY OF ESCONDIDO,
COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO PARCEL MAP
NO. 14270, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO
COUNTY, MAY 1, 1986.

EXHIBIT B

Description of Renovation

- **Mall Common Space Remodel**
 - New Floor Finish
 - New Interior Paint Scheme
 - New Interior Lighting Scheme
 - New Amenities, Planter Pots, Furniture, etc.
 - New Glass Handrails
 - New Interior Wayfinding Signage
 - New Children's Play Area
- **Exterior Mall Entry Remodel**
 - New Westfield Signage
 - New Exterior Paint Scheme
 - New Lighting Scheme
 - New Material Accents
 - New Exterior Landscaping at Entrances
 - New Enhanced Entry Paving
- **Food Court Remodel**
 - New Floor Finish
 - New Interior Paint Scheme
 - New Interior Lighting Scheme
 - New Men's and Women's Restrooms
 - New Amenities, Food Court Furniture, Planter Pots, etc.
 - New or Remodeled Food Operators upon existing lease expiration
 - Expanded Seating Areas
 - Remodeled Outdoor Patio Dining Area
- **New Restaurant Pad on Via Rancho Parkway**
- **Parking Lot Pavement Rehabilitation (over 2 years)**
- **Target Store**
 - Exterior Elevation Upgrades
 - New Mall Storefront on Level 1 and Level 2
 - Gut and Re-build Interior Store Area
- **Duck Pond & Adjacent Buildings Conversion to Parking / Rob-May North**

Westfield Project - \$55,800,000
(Including department store box costs and historical pre-development costs)

AGREEMENT REGARDING RENOVATION OF SHOPPING CENTER

This AGREEMENT REGARDING RENOVATION OF SHOPPING CENTER ("**Agreement**") is made and entered into as of the ___ day of _____, 2011, by and between the CITY OF ESCONDIDO ("**City**"), and NORTH COUNTY FAIR LP, a Delaware limited partnership, and EWH ESCONDIDO ASSOCIATES, L.P. a Delaware limited partnership, as tenants-in-common (collectively, "**Developer**").

RECITALS:

A. Developer is the "Developer" under that certain Construction, Operation and Reciprocal Easement Agreement dated November 26, 1986 (the "**REA**") pertaining the shopping center located in the City of Escondido known as Westfield North County (the "**Shopping Center**"). All initially capitalized terms not otherwise defined herein shall have the same meanings set forth in the REA.

B. City is the fee owner of the Developer Tract, Broadway Tract, Sears Tract, Robinson's Tract, Nordstrom Tract and Penney Tract under the REA and ground leases such Tracts to the respective parties under the REA. Macy's West Stores, Inc. ("**Macy's**") is the fee owner of the May Tract under the REA.

C. City and Developer desire to enter into this Agreement to evidence their respective agreements concerning the renovation of the Shopping Center.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Renovation. Promptly following the execution and delivery of this Agreement, Developer shall complete all plans required for the renovation work described on Exhibit A attached hereto (the "**Renovation**") and apply for and diligently process all required governmental permits and approvals for the Renovation (the "**Permits**"). Promptly following receipt of all Permits Developer shall commence construction of the Renovation and thereafter diligently prosecute construction of the Renovation to completion, subject to delays in construction of the Renovation due to force majeure.

2. Exchange of Broadway Tract and May Tract. City agrees to exchange its fee interest in the Broadway Tract for Macy's fee interest in the May Tract (the "**Land Exchange**"). Upon the closing of the Land Exchange, Developer shall, on behalf of Macy's, cause to be paid to City the sum of One Hundred Thousand Dollars (\$100,000), which sum represents the difference in value between the Broadway Tract and the May Tract as determined by a report prepared by Keyser Marston Associates, Inc. dated June 29, 2011.

3. May Tract Ground Lease. City acknowledges that the May Tract is subject to that certain Ground Lease dated October 5, 2011 (the "**May Tract Ground Lease**") between Macy's, as Lessor, and Macy's Escondido, Inc. (the "**MEI**"), as Lessee. Concurrently with the closing of the Land Exchange, MEI will assign its interest in the May Tract Ground Lease to an affiliate of Developer, CMF NCF South, LLC ("**CMF**"). City agrees that, upon closing of the Land Exchange and the assignment of May Tract Ground Lease from MEI to CMF, City will enter into an amendment of the May Tract Ground Lease with CMF in the form and substance of Exhibit B attached hereto.

4. REA Extension. City agrees to the extension of the REA to June 30, 2053, and agrees to join in an amendment to the REA effecting such an extension at Developer's request. In addition, City agrees to join in any amendment to the REA that approves or otherwise accommodates any or all of the following at Developer's request: (i) an exchange of City's fee interest in the Broadway Tract for Macy's fee interest in the May Tract; (ii) a new restaurant pad adjacent to the currently existing On The Border Restaurant at the Shopping Center; (iii) the Renovation; (iv) new restaurant/retail space at the entry on both levels between the stores on the Broadway Tract and May Tract; (v) updated permitted use list; (vi) installation of graphic sign panels on the exterior of the Shopping Center for on and off premises advertising; (vii) construction of a taller pylon sign including an LED/graphic sign panel for on and off premises advertising; and (viii) reduction in the parking ratio to 4 automobile parking spaces per 1,000 square feet of floor area; provided, however, City's agreement to join in any such amendment is made only in its capacity as the fee owner of its Tracts, it being understood that the foregoing matters are subject to receipt of any necessary government approvals from City acting in its municipal capacity.

5. On-Going Maintenance. Developer shall, throughout the term of the REA, cause the Developer Tract to be maintained (including, without limitation, through periodic maintenance, updates and/or renovations) in a first class manner comparable to other similarly situated first class regional shopping centers in San Diego County.

6. General Provisions.

(a) Successors. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

(b) Attorneys' Fees. In any action between or among any of the parties to interpret, enforce, award, modify, rescind, or otherwise in connection with any of the terms or provisions of this Agreement, the prevailing party in the action shall be entitled, in addition to damages, injunctive relief, or any other relief to which it might be entitled to, reasonable costs and expenses including, without limitation, litigation costs and reasonable attorneys' fees.

(c) Jurisdiction. This Agreement shall be construed under the laws of the State of California.

(d) No Waiver. A waiver by a party of a breach of any of the covenants, conditions or agreements under this Agreement to be performed by another party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions of this Agreement.

(e) Modifications. Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each party.

(f) Severability. If any term, provision, condition or covenant of this Agreement or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

(g) Entire Agreement. This Agreement and contains the entire understanding between the parties relating to the transaction contemplated hereby. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of either party shall be of any effect unless it is in writing and executed by the party to be bound thereby.

(h) No Joint Venture or Partnership. The parties agree that nothing contained herein is to be construed as making the parties joint venturers or partners.

(i) Counterparts. This Agreement may be signed in multiple counterparts which, when signed by all parties, shall constitute a binding agreement.

[Signatures Continue On Next Page]

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

"City"

CITY OF ESCONDIDO

By: _____

Name: _____

Title: _____

"Developer"

NORTH COUNTY FAIR, LP, a Delaware limited partnership, as tenants-in-common

By: Westfield America GP LLC, a Delaware limited partnership, its general partner

By: Westfield America Limited Partnership, a Delaware limited liability company, its sole member

By: Westfield U.S. Holdings, LLC, a Delaware limited liability company, its general partner

By: _____

Name: _____

Title: _____

[Signatures Continue On Next Page]

EWH ESCONDIDO ASSOCIATES, L.P., a
Delaware limited partnership, as tenants-in-
common

By: North County Fair LP, a Delaware limited
partnership, its general partner

By: Westfield America GP LLC, a Delaware
limited liability company, its general
partner

By: Westfield America Limited
Partnership, a Delaware limited
partnership, its sole member

By: Westfield U.S. Holdings, LLC, a
Delaware limited liability
company, its general partner

By: _____
Name: _____
Title: _____

EXHIBIT A

Description of Renovation

- **Mall Common Space Remodel**
 - New Floor Finish
 - New Interior Paint Scheme
 - New Interior Lighting Scheme
 - New Amenities, Planter Pots, Furniture, etc.
 - New Glass Handrails
 - New Interior Wayfinding Signage
 - New Children's Play Area
- **Exterior Mall Entry Remodel**
 - New Westfield Signage
 - New Exterior Paint Scheme
 - New Lighting Scheme
 - New Material Accents
 - New Exterior Landscaping at Entrances
 - New Enhanced Entry Paving
- **Food Court Remodel**
 - New Floor Finish
 - New Interior Paint Scheme
 - New Interior Lighting Scheme
 - New Men's and Women's Restrooms
 - New Amenities, Food Court Furniture, Planter Pots, etc.
 - New or Remodeled Food Operators upon existing lease expiration
 - Expanded Seating Areas
 - Remodeled Outdoor Patio Dining Area
- **New Restaurant Pad on Via Rancho Parkway**
- **Parking Lot Pavement Rehabilitation (over 2 years)**
- **Target Store**
 - Exterior Elevation Upgrades
 - New Mall Storefront on Level 1 and Level 2
 - Gut and Re-build Interior Store Area
- **Duck Pond & Adjacent Buildings Conversion to Parking / Rob-May North**

Westfield Project - \$55,800,000
(Including department store box costs and historical pre-development costs)

EXHIBIT B

Amendment to May Tract Ground Lease

This AMENDMENT NO. 1 TO GROUND LEASE ("**Amendment**") is made and entered into as of the ____ day of _____, 201_, by and between the CITY OF ESCONDIDO ("**City**"), and CMF NCF SOUTH LLC, a Delaware limited liability company ("**Developer**").

R E C I T A L S :

A. This Amendment is made with respect to that certain Ground Lease dated as of October 5, 2011 (the "**Lease**") between Macy's West Stores, Inc., as landlord/lessor, and Macy's Escondido, Inc., as tenant/lessee, relating to certain premises described on Exhibit A attached hereto located within the Shopping Center currently known as Westfield North County, a memorandum of which was recorded on _____, 2011 as File No. 2011-_____ in the Office of the Recorder of San Diego County ("**Recorder's Office**"). City is the current "City" under the Lease and Developer is the current "Developer" under the Lease. Terms not otherwise defined in this Amendment are defined in the Lease.

B. City and Developer desire to amend the Lease as set forth herein.

A G R E E M E N T :

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Lease Term. The Lease Term is extended to June 30, 2053.
2. No Other Amendments. Except as amended hereby, all of the provisions of the Lease shall remain in full force and effect.
3. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be an original, and such counterparts together shall constitute but one and the same instrument.
4. Memorandum. At Developer's request, City and Developer shall execute, acknowledge and record in the Recorder's Office a memorandum of this Amendment.

[Signatures continue on following pages]

IN WITNESS WHEREOF, the parties hereto have entered into this Amendment as of the date first above written.

"City"

CITY OF ESCONDIDO

By: _____
Name: _____
Title: _____

"Developer"

NCF CMF SOUTH, LLC, a Delaware limited liability company

By: Westfield America Limited Partnership,
a Delaware limited liability company, its sole member

By: Westfield U.S. Holdings, LLC, a Delaware limited liability company, its general partner

By: _____
Name: _____
Title: _____

EXHIBIT A

Legal Description of Demised Premises

PARCEL 5 OF ESCONDIDO MAP NO. 85-08, IN THE CITY OF ESCONDIDO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO PARCEL MAP NO. 14270, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MAY 1, 1986.

AMENDMENT NO. 1 TO GROUND LEASE
(CMF NCF North LLC)

This AMENDMENT NO. 1 TO GROUND LEASE ("**Amendment**") is made and entered into as of the ___ day of _____, 2011, by and between the CITY OF ESCONDIDO ("**Lessor**"), and CMF NCF NORTH LLC, a Delaware limited liability company, ("**Lessee**").

RECITALS:

A. This Amendment is made with respect to that certain Ground Lease dated as of November 26, 1986 (the "**Lease**") between the City of Escondido, as landlord/lessor, and Adcor Realty Corporation, as tenant/lessee, relating to certain premises described in Exhibit A attached hereto located with the shopping center currently known as Westfield North County, a memorandum of which was recorded on November 26, 1986 as File No. 86-549263 in the Office of the Recorder of San Diego County ("**Recorder's Office**"). Lessee is the current "**Lessee**" under the Lease. Terms not otherwise defined in this Amendment are defined in the Lease.

B. Lessor and Lessee desire to amend the Lease as set forth herein.

AGREEMENT:

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Lease Term. The Lease Term is extended to June 30, 2053.
2. No Other Amendments. Except as amended hereby, all of the provisions of the Lease shall remain in full force and effect.
3. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be an original, and such counterparts together shall constitute but one and the same instrument.
4. Memorandum. At Lessee's request, Lessor and Lessee shall execute, acknowledge and record in the Recorder's Office a memorandum of this Amendment.

[Signatures continue on following pages]

IN WITNESS WHEREOF, the parties hereto have entered into this Amendment as of the date first above written.

"Lessor"

CITY OF ESCONDIDO

By: _____

Name: _____

Title: _____

"Lessee"

CMF NCF NORTH, LLC, a Delaware limited liability company

By: Westfield America Limited Partnership,
a Delaware limited liability company, its sole member

By: Westfield U.S. Holdings, LLC, a
Delaware limited liability company, its
general partner

By: _____

Name: _____

Title: _____

EXHIBIT A

Legal Description of Demised Premises

PARCEL 2 OF ESCONDIDO MAP NO. 85-08, IN THE CITY OF ESCONDIDO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO PARCEL MAP NO. 14270, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MAY 1, 1986.

AMENDMENT NO. 1 TO GROUND LEASE
(CMF NCF South LLC)

This AMENDMENT NO. 1 TO GROUND LEASE ("**Amendment**") is made and entered into as of the ____ day of _____, 2011, by and between the CITY OF ESCONDIDO ("**Lessor**"), and CMF NCF SOUTH LLC, a Delaware limited liability company ("**Lessee**").

R E C I T A L S :

A. This Amendment is made with respect to that certain Ground Lease dated as of November 26, 1986 (the "**Lease**") between the City of Escondido, as landlord/lessor, and Carter Hawley Hale Stores, Inc., as tenant/lessee, relating to certain premises described on Exhibit A attached hereto located within the shopping center currently known as Westfield North County, a memorandum of which was recorded on November 26, 1986 as File No. 86-549266 in the Office of the Recorder of San Diego County ("**Recorder's Office**"). Lessee is the current "**Lessee**" under the Lease. Terms not otherwise defined in this Amendment are defined in the Lease.

B. Lessor and Lessee desire to amend the Lease as set forth herein.

A G R E E M E N T :

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Lease Term. The Lease Term is extended to June 30, 2053.
2. No Other Amendments. Except as amended hereby, all of the provisions of the Lease shall remain in full force and effect.
3. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be an original, and such counterparts together shall constitute but one and the same instrument.
4. Memorandum. At Lessee's request, Lessor and Lessee shall execute, acknowledge and record in the Recorder's Office a memorandum of this Amendment.

[Signatures continue on following pages]

IN WITNESS WHEREOF, the parties hereto have entered into this Amendment as of the date first above written.

"Lessor"

CITY OF ESCONDIDO

By: _____
Name: _____
Title: _____

"Lessee"

NCF CMF SOUTH, LLC, a Delaware limited liability company

By: Westfield America Limited Partnership,
a Delaware limited liability company, its sole member

By: Westfield U.S. Holdings, LLC, a
Delaware limited liability company, its
general partner

By: _____
Name: _____
Title: _____

EXHIBIT A

Legal Description of Demised Premises

PARCEL 6 OF ESCONDIDO MAP NO. 85-08, IN THE CITY OF ESCONDIDO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO PARCEL MAP NO. 14270, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MAY 1, 1986.

RENT REVIEW BOARD

For City Clerk's Use:

APPROVED DENIED

Reso No. RRB _____ File No. _____

Ord No. RRB _____

Agenda Item No.: 12

Date: January 11, 2012

TO: Honorable Chairman and Members of the Rent Review Board
FROM: Jerry Van Leeuwen, Director of Community Services
SUBJECT: Ponderosa Mobilehome Park Short-form Rent Increase Application, Continued Hearing

RECOMMENDATION:

- Consider the short-form rent increase application submitted by Ponderosa Mobilehome Park.
- If approved, adopt Rent Review Board Resolution No. 2012-01 granting an increase of 75% of the change in the Consumer Price Index, or 3.601% (an average of \$20.32), for the period of June 30, 2009, to June 30, 2011.

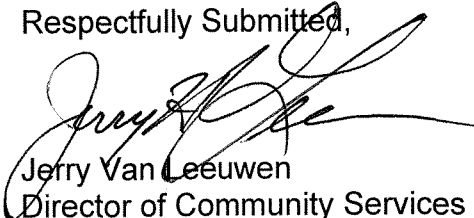
The application meets the eligibility criteria for submittal of a short-form rent increase application.

ADDITIONAL INFORMATION:

On December 5, 2011, resident representative Don Greene requested a continuance of the hearing for Ponderosa Mobilehome Park, originally scheduled for December 7, 2011. Mr. Greene's request was that the short-form rent increase request for Ponderosa Mobilehome Park be presented at 6:30 p.m. at a future date. As agreed upon by the resident representative and the Park owner's representative, and announced at the December 7, 2011 Council Meeting, the hearing was continued to January 11, 2012.

The original Staff Report is attached as Exhibit "A".

Respectfully Submitted,


Jerry Van Leeuwen
Director of Community Services



RENT REVIEW BOARD

For City Clerk's Use:

 APPROVED DENIED

Reso No. RRB _____ file No. _____

Ord No. RRB _____

Agenda Item No.: _____

Date: December 7, 2011

TO: Honorable Chairman and Members of the Rent Review Board

FROM: Jerry Van Leeuwen, Director of Community Services

SUBJECT: Ponderosa Mobilehome Park Short-form Rent Increase Application

RECOMMENDATION:

- Consider the short-form rent increase application submitted by Ponderosa Mobilehome Park.
- If approved, adopt Rent Review Board Resolution No. 2011-09 granting an increase of 75% of the change in the Consumer Price Index, or 3.601% (an average of \$20.32), for the period of June 30, 2009, to June 30, 2011.

The application meets the eligibility criteria for submittal of a short-form rent increase application.

INTRODUCTION:

Ponderosa Mobilehome Park ("Park") has filed a short-form rent increase application. The Board is asked to accept the staff report, hear public testimony, and make a determination concerning the request in accordance with the Escondido Rent Protection Ordinance ("Ordinance") and the short-form procedures as outlined in the Rent Review Board Guidelines. The application and staff report have been made available to the Board for review and consideration prior to the hearing.

THE RENT INCREASE APPLICATION:

Ponderosa is an all age mobilehome park located at 1575 West Valley Parkway in Escondido. The Park contains 104 spaces, and 60 spaces are subject to rent control. The Park has requested an increase for 59 spaces, and a zero increase for one space where residents recently moved in. The remaining spaces are either subject to a long-term lease or are vacant.

Common facilities include a clubhouse, swimming pool, and RV parking. Laundry facilities are available to residents for a fee.

PARK OWNER'S REQUEST:

The Park owner is requesting an increase of 75% of the change in the Consumer Price Index for the past two years. The CPI period covered by the application is June 30, 2009, to June 30, 2011. Seventy-five percent (75%) of the change in the CPI for the period of consideration is 3.601%, and \$564.44 is the current average monthly space rent of the spaces affected by the increase request. The average increase requested is approximately \$20.32 per space, per month.

RENT INCREASE HISTORY:

This is the 15th application for a rent increase filed by the Park since the Ordinance was implemented. The Park last came before the Rent Review Board in July 2009. At that time, the Board granted an average rent increase of \$12.85 per space per month, or 2.37% based on an average space rent of \$542.26. The period of consideration for the last rent increase ended as of December 2008.

Ponderosa currently has one resident participating in the City of Escondido Mobilehome Park Space Rent Subsidy Program.

RESIDENT MEETING AND COMMENTS:

The resident meeting was held the evening of November 1st. The meeting was attended by nine residents. The residents were briefed on the short-form procedures and the process, including their need to appear at the hearing and sign-in if they wish to protest the short-form application. The meeting was also attended by the Park owner's representatives, Laura Slobojan and Sue Brown, Park manager, Joe Camacho and consultant Michelle Henderson.

Resident issues and concerns included maintenance of the Park and the need to slow down the vehicle traffic. The presence of rats in the palm trees was also of concern and was discussed during the Health and Safety Code Inspection.

The resident representative, Toni Showerman informed the residents that she had asked Don Greene, of the Coalition of Escondido Mobile/Manufactured Home Voters and a resident of Town and Country Club Park, to assist her as representative for the short-form process. Ms. Showerman indicated that they would hold another meeting for the residents to discuss any other issues and concerns they wanted to express.

This additional meeting was held on November 14, and on November 23, the resident representatives and Laura Slobojan, the Park owner's representative, met to discuss concerns, issues and proposals

voiced by the residents. "Exhibit B" is list of topics discussed at this meeting and the responses from the Park owner's representative.

CODE ENFORCEMENT ISSUES:

The Code Enforcement Division conducted a health and safety inspection of the common areas of the Park and noted a few existing code violations. A copy of the Code Inspection Report is attached as "Exhibit A". The Park owner's representative, resident manager and resident representatives received a copy of the report and are aware that no increase, if granted, may be implemented until the health and safety code violations have been cleared.

ADDITIONAL FACTORS AFFECTING THE APPLICATION:

The decision of the Rent Review Board will be finalized by adoption of the Resolution confirming the findings of the Public Hearing, and the Notice of Determination will be mailed to the applicant and residents upon adoption of the Resolution. The 90-day notice of any rent increase granted may be sent to the residents upon the adoption of the Resolution.

Respectfully Submitted

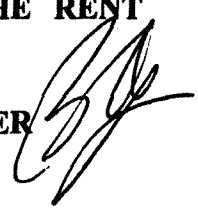


Jerry Van Leeuwen
Director of Community Services



DATE: NOVEMBER 16, 2011

TO: HONORABLE CHAIRMAN AND MEMBERS OF THE RENT CONTROL BOARD

FROM: BRIAN GUSTAFSON, CODE ENFORCEMENT MANAGER 

SUBJECT: PONDEROSA MOBILEHOME PARK RENT CONTROL

Ponderosa Mobilehome Park was inspected on November 8, 2011, with the lighting inspection conducted the morning of November 2, 2011, the result of an application for a rent increase having been filed. Three general violations were found and noted in the attached inspection report.

The resident representative for the park was contacted and attended the resident meeting on November 1, 2011 along with eight other residents. She advised the residents were planning an additional meeting to discuss issues in the park.

On November 8, 2011, the Resident Representative Report Form was turned into the code officer. Standing water was indicated by space 48, where a small amount of water was observed. This is being monitored throughout the rainy period to determine if any work is required of the park to expedite the flow of water. The report indicated "lighting could be better in streets away from clubhouse area". The lighting in the park meets the requirement of Title 25 and no enforcement is warranted. The individual lot identification was a concern but this is not an area addressed in the rent control process; it is handled during the state inspections or by the park on a case by case basis. Resident concerns over rodents should be directed to the county of San Diego Vector Control Department; code has addressed overgrown and hazardous vegetation.

Of the five code enforcement cases in this park during the past year, four were the responsibility of the park (three tree issues with one violation found and one involving a deteriorated driveway). The fifth complaint by a resident concerning trees was unfounded. Currently, there are two open violations that remain the responsibility of the park (the deteriorated driveway and dead/hazardous growth on a tree).

CC: Barbara Redlitz, Director of Community Development
Michelle Henderson, Rent Control Administration



November 15, 2011

MOBILEHOME PARK RENT CONTROL
CODE ENFORCEMENT INSPECTION REPORT

Park Name: Ponderosa Mobile Home Park
1575 W. Valley Parkway
Escondido, CA 92029

Park Owner: Ponderosa Group L P
924 Westwood Blvd., Ste. 910
Los Angeles, CA 90024

Park Manager: Joe Camacho **Phone:** (760) 746-3041

Inspection Date: 11/08/11 **Inspector:** S. Moore

The following report is based on the inspection of the mobile home park conducted under provisions outlined in the California Health & Safety Code, Division 13, Part 2.1; the California Code of Regulations, Title 25; the Escondido Zoning Code, Article 45; and the Escondido Municipal Code. This inspection report only addresses health and safety issues related to the common facilities and areas in the mobile home park for which maintenance, repair and operations is the responsibility of the owners and managers of the park.

General Violations:

1. Replace the required screen venting in the water heater enclosure next to the laundry building. 25 CCR 1605 (e)
2. Repair/replace the drainage grate on the roadway near the laundry building. 25 CCR 1102 (a)

3. Repair the cracked/broken roadways where necessary, particularly in the vicinity of spaces 48 and 100. 25 CCR 1116 (a)

**Areas of the park needing illumination per 25 CCR 1108
(Lighting Inspection; 11-02-11)**

No lighting violations were found.

MOBILEHOME PARK RENT REVIEW

RESIDENT REPRESENTATIVE REPORT FORM

Park Name: Ponderosa
Date of Inspection: 11/8/2011
Resident Representative Don GREENE

This park will be inspected as a result of an application having been filed for a rent increase. The Code Enforcement Division will base their inspection under provisions outlined in the California Health and Safety Code, Division 13, Part 2.1; California Code of Regulations – Title 25, the Escondido Zoning Code, Article XLV; and the Escondido Municipal Code, Section 6-480 Property Maintenance.

The report compiled by the Code Enforcement Division will address the health and safety issues related to the common areas of the mobile home park and those items for which the repair and maintenance is the responsibility of the owners and managers of the park. The attached list is to assist you and the residents in noting your current concerns so that they can be addressed as part of the process.

At the time of the inspections, each item on this list will be discussed with the participants. If it is a violation of Title 25 it will be made part of the Inspection Report.

Occasionally there are no concerns noted by park residents. If that is the case, we ask that you check the appropriate statement below, sign the form and return it to the Code Enforcement Division.

The residents have expressed no specific concerns or issues at this time.

The residents have expressed the specific issues and concerns that are noted on the accompanying pages of this report.

Don GREENE
Print Name of Resident Representative

[Signature]
Signature

11/8/2011
Date

(719) 665-6426
Space # / Phone Number

City of Escondido
Code Enforcement Division
201 N. Broadway
Escondido, CA 92025
(760) 839-4650

**RENT CONTROL INSPECTION CHECKLIST
RESIDENT COMMENTS**

Responsible person: There shall be a person available who shall be responsible for the operation and maintenance of the mobile home park. The person or designee shall reside in parks of 50 units or more, and shall have knowledge of emergency procedures of the park facilities.

N/A OK

Rubbish, accumulation of waste material: The park shall be kept clean and free of the accumulation of refuse, garbage, rubbish, excessive dust or debris.

N/A OK

Drainage: The park common areas and roadways shall be graded and sloped to provide storm drainage runoff. Standing water should evaporate within 72 hours.

STANDING WATER ON A CONSISTANT BASIS NEAR SPACE #48 AND OTHER AREAS

Building and park lighting: During hours of darkness, artificial lighting shall be maintained in accordance with requirements of Title 25.

LIGHTING COULD BE BETTER IN STREETS AWAY FROM CUBHOUSE AREA

Lot address identification: Each lot shall be identified by letters, numbers or a street address mounted in a conspicuous place facing the roadway.

SOME ARE ILLEGIBLE BUT MOST ARE ACCEPTABLE

Permanent park buildings: Park buildings, structures and facilities shall be maintained free from hazards.

OK

Emergency information: Emergency information is to be printed and posted in a conspicuous location and shall contain the following telephone numbers/information:

- Fire Department
- Police Department
- Park office
- Responsible person for operation and maintenance
- Code Enforcement
- Park location – address
- Nearest public telephone

OK

Other questions, comments or concerns:

RESIDENTS HAVE DEEP CONCERN FOR RAT INFESTATION. REPORTS OF
RATS IN HOMES, IN TREES ALL OVER PARK - MOSTLY PALM TREES.

ROADS HAVE NOT BEEN MAINTAINED OR REDONE IN A NUMBER OF YEARS.

Subject: Ponderosa MHP - Resident Concerns and Park Responses

I met with Toni Showerman (Resident Representative), Don Greene (Resident Representative and EMPAC) and Joe Camacho (Community Manager) on Wednesday November 23rd at 9:00 a.m. This meeting is in response to a meeting the residents held on November 14th to voice their concerns and issues concerning the park's short form application for a rent increase through the City of Escondido's Rent Control Ordinance. Their concerns are listed below:

Opening Remark - Residents want repairs and upgrades to the park in order to approve the 3.601% increase otherwise they are offering 1%.

Park's Response - The park has not received or requested an increase in over 2.5 years and is confident the City Council will agree that general maintenance and expenses over time have increased as evidenced by the increase in the CPI. Increases include general cost of operations for a park that is over 40 years old and in various insurances. Furthermore, the requested short form increase is not subject to major capital improvements but based upon the acceptance that CPI is an indicator of increasing costs. Additionally, as evidenced by the City's inspection, the park is not in disrepair. Ponderosa is well maintained and in good repair.

Item 1 - Rats in the trees

Park's response - As noted in the City's inspection - "concerns over rodents should be directed to the county of San Diego Vector Control Department". Additionally, we noted the rats are fruit rats and not "sewer" rats. Close proximity to open areas and other habitat invite the rats to the park and surrounding neighborhood. The park will inspect community trees and where necessary will trim or remove to deter rodents. Also noted by the manager is that there have been no prior reports from the residents of rats as a concern.

Item 2 - Utilities - shut off notices

A. Water shut off without sufficient notice.

Park's response - From time to time there arise emergency situations where a water main or pipe is in need of immediate repair. In these instances it would cause greater damage to property if the problem was not promptly fixed upon discovery. Unfortunately this causes a disruption for the residents. It was agreed and understood by all in attendance that a serious water main break should be repaired quickly. It was noted that all repairs that can be scheduled are done so with care given to residents work and home schedules and sufficient notice is given to them as required by law.

B. Broken Pipes

Park's response - The park was not aware of residents who had a trouble with water being turned back on. We encouraged the Representative to have the resident come to the park with their specific problem.

C. Electrical - Ms. Showerman acknowledged that the electrical is better and understands the park is old and therefore more prone to items in need of repairs.

Item 3 - Residents want Capital Improvements

A. Driveways to be replaced

Park's Response - The park had previously surveyed the driveways and determined 20 or so were in need of repair. The park has obtained 3 bids from vendors and will be releasing the job by January after owner approval. The Representative said only 20 was not good and they want the driveways replaced with concrete. So they were not really satisfied with our current action. As most of the driveways are asphalt and are in need of repair only, replacing with concrete is not a prudent financial option. The park did let the representative know that residents can install their own concrete driveway(s) if they choose.

B. Repair Streets / Park Owners in the City of Escondido slurry streets an average of every 3 years

Park's Response - The City of Escondido's inspection noted two minor areas of repair and stated in our walk of the park that the streets are good and well maintained. The two areas noted in the report have since been repaired. The park will keep an eye on a pine tree and root that may cause a problem in the future but is not posing a problem today. As for "repairing" the streets - the streets are not in disrepair and are well maintained. The park routinely and as needed, applies an asphalt crack sealant designed to prevent cracking. The streets may not be pretty but they are well maintained, as confirm by the city.

Item 4 - Poor Communication

Park's Response - Many instances given related to the previous manager who was replaced in October 2010. The management company welcomes concerns from the residents in order to improve communication. The names and contact information for the corporate office are posted in the clubhouse and in the park magazine. We also provide "Resident Concern Forms" as a vehicle for concerns to be voiced, tracked and responded to.

Item 5 - Gophers, Squirrels and Rats

Park's Response - These are wild animals and residents should do their part to not invite them into their yard - i.e. keep trash can lids closed, maintain their skirting to be free of holes and other entrances, and to not leave food outside for pets. As for the gophers, the park believes the affected resident(s) should take steps to eradicate them in an effort to keep them from destroying their landscaping. Everyone did agree that they are universal problem in the Escondido area and it would be hard to get rid of them but that all should do their part to not encourage the critters.

Item 6 - Space 8 not increased - would we waive the increase for the other new move ins in 2011?

Park's Response - The park completed the Short Form correctly and conferred with Michelle Henderson regarding the two columns in question. As for space 8 - they moved in August 2011 and would not have been a resident for more than ten months when the increase went into effect. Therefore, we elected not to request an increase for that space.

Item 7 - Trees - trimming or removal of resident's trees

Park's Response - Based on the conversation with the City of Escondido Inspector there are some trees that the residents are responsible to maintain. There are others that the park is to maintain. The park reviews each space regarding trees and make a determination based on the City's instruction on trimming or removal and whether it is to be done by the park or the resident. The park trims common area trees regularly and has bids in hand for work to be done in January upon owners approval.

General Comments made by Mr. Greene:

-- "The City Inspection is not a Title 25 inspection or an HCD inspection" - The park responded stating it was the only inspection required for the request at hand.

-- The park "shouldn't get more unless they do more" Feels maintenance is "just enough". The park's response is as stated above, the cost to maintain the community and it's facilities is rising. Maintaining the nice appearance of the property is never ending and costly.

**Submitted By: Laura Slobojan, Regional Manager
Mobile Community Management Company**

RESOLUTION NO. RRB 2012-01

A RESOLUTION OF THE ESCONDIDO
MOBILEHOME RENT REVIEW BOARD MAKING
FINDINGS AND GRANTING A RENT INCREASE
FOR PONDEROSA MOBILEHOME PARK

WHEREAS, Article V of Chapter 29 of the Escondido Municipal Code is a codification of the Escondido Mobilehome Rent Protection Ordinance ("Ordinance") and provides for mobilehome space rent regulation; and

WHEREAS, the City of Escondido Mobilehome Park Rental Review Board ("Board") is charged with the responsibility of considering applications for rent increases; and

WHEREAS, a short-form rent increase application pursuant to Section 12 of the Rent Review Board Guidelines was filed on October 5, 2011, by Mobile Community Management Co., the representative of the owner of Ponderosa Mobilehome Park ("Park") located at 1575 West Valley Parkway in Escondido. The Application applies to 60 of the 104 spaces, with the Park requesting a zero increase for one space for residents who moved into the Park in August 2011; and

WHEREAS, this is the 15th rent increase application filed by the Park since the Ordinance became effective in 1988. The last rent increase was granted by the Board in Rent Review Board Resolution 2009-05, on July 15, 2009, for 2.37%, or approximately \$12.85 per space, per month; and

WHEREAS, at the time of the current application, the average monthly space rent was \$564.44 for the 59 spaces subject to a rent increase. The owner requested a

rent increase in the amount of 75% of the change in the Consumer Price Index (CPI) for the period June 30, 2009, through June 30, 2011, in accordance with the Rent Review Board short-form policy guidelines. The application estimated this amount to be an average of \$20.32 (3.601%) per space, per month; and

WHEREAS, a notice of the Park's 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; and

WHEREAS, on November 8, 2011, a Mobilehome Park Rent Review Code Enforcement Inspection Report ("Inspection Report") was completed. It noted health and safety code violations in the Park; and

WHEREAS, on January 11, 2012, the Board held its public hearing. After an initial staff presentation, the Board invited testimony from Park ownership, residents of the Park, and other residents of the community at large; and

WHEREAS, after all present had been given an opportunity to speak, the hearing was closed. Following an opportunity for discussion among the Board members and clarifying questions to the parties and Staff, the Board voted to grant an increase of 3.601%, an average of \$20.32 per space, per month for the 59 spaces, which are subject to a rent increase.

NOW, THEREFORE, BE IT RESOLVED by the Rent Review Board of the City of Escondido, as follows:

1. That the above recitations are true.
2. That the Board has heard and considered all of the reports and testimony

presented, and has considered the facts as outlined in the short-form Guidelines ("Guidelines").

3. That following the Guidelines, an increase based on 75% of the change in the Consumer Price Index (CPI) for San Diego County from June 30, 2009, through June 30, 2011, would amount to 3.601%, which averages \$20.32 per space, per month, for the 59 spaces that are subject to a rent increase.

4. That the Board concluded that an increase of 3.601%, an average of \$20.32 per space, per month, is consistent with the Guidelines and is a fair, just, and reasonable increase in light of the information presented by all parties.

5. That 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.

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 13

Date: January 11, 2012

TO: Honorable Mayor and Members of the City Council
FROM: Jerry Van Leeuwen, Director of Community Services
SUBJECT: Facility Use Policy and Fee Schedule

RECOMMENDATION:

It is requested that Council approve the Facility Use Policy.

FISCAL ANALYSIS:

The proposed facility use fees will increase revenue to the City based on reservations made. The fees are based on market analysis and do not exceed the cost to provide the facilities.

BACKGROUND:

The City of Escondido has many facilities, ranging from areas within a park to Council Chambers that are made available for rent to community groups, not for profit organizations, and private and commercial groups. From time to time, the rental fees for these facilities are reviewed. Attached to this staff report is the Facility Use Policy. This document has been reviewed, revised and updated, and is presented for Council review and approval. In addition, the fees charged for rental groups have been evaluated and are presented for consideration. As previously, the Fee Policy identifies specific user groups and assigns different fees to the various categories.

One proposed change is for tournament fees at Ryan Park. Currently, an eighth field is under construction and will be available for play in June of 2012. The eighth field increases the desirability of the site for tournament play. In cooperation with the Escondido Soccer Club, staff is proposing a unique fee structure that will increase revenues, assuming the fields are rented more frequently. The improved facility at Ryan Park will also attract tournaments from beyond the local region, providing significant economic benefit to local restaurants, stores and hotels.

Staff is not presenting a tournament fee structure for Kit Carson Park. If Council approves a partnership with Stone Brewing in the near future, staff will return with a fee structure based on the improved facilities.

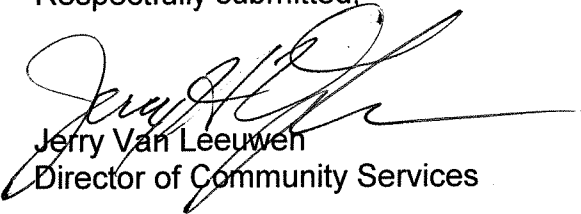
Staff based the fee structure on a market conditions model, not a cost recovery model. Clearly the initial investments in the facilities, annual maintenance and operational costs are substantial, and the proposed fees will not recapture those investments and ongoing costs. However, the market is driven

in part by the practices of other cities and private companies in the region. If a full cost recovery model were implemented, it is unlikely that any significant business would be forthcoming. Therefore, the suggested fees are based on the local market conditions. Staff continues to work with our local groups to keep fees reasonable and to encourage participation by user groups in maintenance and field preparation. These efforts assist the City to make the fields and facilities available at affordable rates.

Additionally, staff is requesting Council to approve the Facility Use Policy and fee schedule for the Community Room located in the new Police and Fire facility. This room will be available for rent by community groups, not for profit organizations, and private groups and commercial groups. The fee policy identifies specific user groups and assigns fees accordingly. These fees have been evaluated by safety staff and are presented for consideration.

Staff is also preparing a plan for the use of Daley Ranch House for events. Recommendations for uses and a fee policy will be forthcoming this spring and will be incorporate into the Facility Use Policy following Council approval.

Respectfully submitted,



Jerry Van Leeuwen
Director of Community Services

Escondido Community Services Department Facility Use Policy

Policy Procedures Fees

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FACILITY USE POLICY

PURPOSE

Policies, rules, and fees are necessary in the operation of public facilities to ensure that such facilities can be operated and maintained for the benefit of all community residents. Additionally, the control of facilities through the application and permit process is necessary to ensure equitable use and availability to all residents. Responsibility for administering facility use is delegated to the City Manager and is executed by the Community Services Department. This policy shall be interpreted to encourage maximum public use and enjoyment of City facilities.

GENERAL POLICIES

1. Buildings, facilities, and equipment of the City of Escondido are primarily designed to accommodate the programs, activities, and meetings of various City Departments, the City Council, and City boards and commissions. Consequently, all City of Escondido uses shall have first priority. Facilities shall be made available to non-City groups on a first-come, first-served basis, and appropriate fees shall be assessed for all user groups.
2. Facilities may not be reserved by groups that have less than 12 people. Facilities may have higher minimum requirements based on the type of facility.
3. A facility use application must be completed for all reservations of facilities. Only an individual 18 years of age or older can complete and sign a facility use application.
4. At all gatherings of young people that are under 18 years of age, one adult for every 20 youth in attendance must be present throughout the activity.
5. Groups must adhere to all City, police, and fire codes during the use of facilities.
6. Permission to sell/serve alcoholic beverages may be granted by the Director of Community Services or his designated representative, with specific conditions outlined on the "Application and Permit for Use and Sale of Alcoholic Beverages" available at the Community Services Department. The request must be submitted a minimum of sixty (60) days in advance of the proposed usage of City facilities. Permission will not be granted to sell/serve alcoholic beverages at events held in City Hall facilities during normal business hours.
7. Smoking is not permitted in City buildings, or within twenty (20) feet outside per state code. It shall be unlawful to smoke in an area between twenty (20) feet and eighty (80) feet from the entrance, exit, or operable window of a City-owned building if signs are posted at the specified distance from the building entrance that indicate such prohibition. No person shall smoke outside of a public place where a sign is posted prohibiting smoking in such area. It shall be unlawful to possess a lighted or burning tobacco product or tobacco-related product at any time within the boundaries of any park, public open space or trail, including designated parking areas of any such city recreational area.
8. No animals are permitted in City facilities and parks without specific authorization by the Department responsible for approving the permit, with the exception of service animals for

a disabled person, and excluding Kit Carson Park, where dogs must remain on leash at all times, and Dog Park.

9. Amplified music will be allowed within buildings with the written approval of the Community Services Department. Request for use of amplified music within buildings must be submitted at the time an application for use of the building is submitted.
10. No amplified sound is allowed in park areas, excluding the Kit Carson Park Amphitheatre. Each group is responsible for controlling noise that would be disturbing to other facility users or the surrounding neighborhood.
11. In addition to any permits required for usage of City facilities, a Special Event Permit Application may also be required. The Escondido Municipal Code defines a special event as the temporary use of public property, including but not limited to streets, sidewalks, parks, and lakes for the purpose of conducting a parade or other special enterprise, or any event which significantly impacts or substantially restricts the public's normal, typical, or customary use, level of use, or ability to use such property. An application for a Special Event Permit may be filed as early as 365 days before the event, but it must be received no later than 60 days before the proposed event date. A nonrefundable processing fee of \$75 must accompany all applications to cover administrative costs
12. Any business or individual conducting a commercial activity in City facilities and parks (i.e., vendors, caterers) is required to have an Escondido business license. If such activity is occurring as part of a group's approved usage of City facilities, the group is responsible for ensuring that a business license is obtained by the business or individual at least two business days in advance of the activity.
13. Any usage of special equipment, including but not limited to air jumps, inflatable games, rock climbing walls or dunk tanks, in City parks or facilities may require special permits, liability insurance, etc. It is the applicant's responsibility to notify the Department at least one week in advance of all such usage.
14. Groups utilizing City facilities may be required to provide liability insurance coverage naming the City of Escondido as an additionally insured party and/or waivers signed by each participant. The additional insurance coverage and/or waivers must meet the standards established by the City Attorney.
15. Any group requesting permission to use any designated facility shall indemnify and hold harmless the City and their officers, employees, and agents from all liability or claim of liability by reason of injury or damage to person (including death) and/or property occurring as a result of their use of said facilities.
16. No advertising or other public notice of a proposed usage of City facilities or parks shall occur without the approval of the facility use permit for the requested facilities and parks. Any advertising or ticket sales undertaken by the sponsor is undertaken at the sponsor's risk, should the application be disapproved.
17. Organizations reserving facilities may not charge admission to events scheduled in these facilities nor shall there be auctioning games or selling of merchandise, goods, wares, or

activities to raise money without the approval of the Community Services Director, and/or assessment of appropriate fees. This will not apply to the sale of items to bonafide members of nonprofit organizations within their own group.

18. Decorations, displays, and exhibits in conjunction with activities are permitted with approval of the Community Services Department staff. Groups using facilities are solely responsible for providing display material, mounting, and removal of material following the activity.
19. Fees for the use of City facilities are established to recover operating and maintenance costs for their usage. Specific fees are listed within the attached subsections. Any facilities or equipment not specified may be assessed a reasonable fee based upon the intent of the fee schedule. The fee will be determined after reviewing the request.
20. Organizations renting City meeting facilities are responsible for providing their own refreshments and other housekeeping details.
21. Any damage to equipment or to City facilities or parks shall be the responsibility of the group involved. A refundable reservation/cleaning/damage deposit will be required by any group using City equipment or offering food and/or beverages. All or a portion of such deposits may be withheld to further comply with established rules, following an inspection, if it is determined that the facility or park was not left in the condition that it was received. If the cleanup/damage exceeds the deposit fee, the group will be held responsible for paying the additional costs.
22. The placement of any advertising, display, or sign within park areas requires approval by the Community Services Department. No banners, signs, flyers, or other advertising that may be detrimental to the public health, safety, or well-being, or which contain products not intended for consumption or use by minors of all ages shall be placed within a park area. This shall include such programs, activities, or products in any form, including organizational logos, characters, or product names. A list of all banners, signs, etc. that will be displayed during any event scheduled in park areas, including details of all pertinent information, shall be submitted to the Community Services Director or his designated representative prior to the event. If an Escondido-based, nonprofit organization desires to include signage for products or organizations that do not specifically meet the above criteria, they may request an exception to the policy, which will be reviewed and approved by the Director of Community Services or his designated representative.
23. The use of City facilities shall not be granted or permitted to any individual, society, group, or organization that has, as its objectives, the overthrow or advancing of the overthrow of the present form of government of the United States or the State of California by force or violence or other unlawful means.
24. The use of the facilities shall be denied to an individual or group who abuses or violates regulations or engages in activities that disturb the operation of the City facilities.
25. The City Council has the authority to consider a request for exclusions to this policy.

PROCEDURES

Reservations

1. The Community Services Department shall maintain an inventory of City facilities available for use by the public upon request. This inventory shall also identify the department/division responsible for processing the reservation of the facility.
2. A signed Facility Use Application must be returned to the Community Services Department by the required minimum days in advance of a reservation, as specified by facility and/or type of event. Exceptions for minimum reservation time are noted in the Amphitheatre Use and Tournament Policy. No reservation shall be approved until the application is submitted, reviewed, and appropriate fees are paid.
3. Appropriate deposits must be submitted with the application. Final payment is due a minimum of thirty (30) days prior to the first use date. All payments should be made payable to the "City of Escondido."
4. The City may refuse to reserve facilities for the following reasons:
 - a. Not available.
 - b. Unsatisfactory record in prior use.
 - c. When a hazardous condition threatens the participants, spectators, staff, facility, equipment, or building.
 - d. If all requirements of State and local laws, the Facility Use Policy, the City Council, or the Community Services Commission are not met.
 - e. If the activity is not compatible with accepted legal and moral standards or could be detrimental to the best interests of the Community and/or the Community Services Department.

Refunds

1. If the application for reservation is not approved or if conditions after approval require cancellation of the reservation by the Department, all fees paid in advance will be refunded.
2. If a group cancels its reservation, a refund of fees paid will be made only if the Department is notified of the cancellation at least thirty (30) days prior to the date of the activity/event. Refunds for cancellation of a permit by the applicant will be assessed a 25 percent handling charge. Cancellations made less than thirty (30) days before the activity/event date are non-refundable.

Appeal of Aggrieved Parties

1. The Community and Older Adult Services Commission will review appeals for use of parks, the Joslyn Senior Center, and recreation facilities.
2. Any person aggrieved by a decision of the Community Services Director with respect to these policies, rules, and fees governing the use of City facilities may appeal to the Community and Older Adult Services Commission by filing a notice of appeal with the Community Services Director not later than ten (10) days after said decision has been communicated to the aggrieved party.
 - 2.1. Upon receiving an appeal, the Commission shall fix a time and place for the hearing of such appeal. The time of said appeal shall be within a reasonable time after the filing of the appeal.
 - 2.2. The Community Services Director shall give notice to the person making such an appeal of the time and place of hearing by serving it personally or by depositing it in the United States Post Office at Escondido, California, postage prepaid, addressed to such person at his or her last known address.
 - 2.3. Any person aggrieved by a recommendation of the Community and Older Adult Services Commission, with respect to these policies, rules, and fees governing the use of all City facilities may appeal to the City Council by filing a notice of appeal with the City Clerk not later than ten (10) days after said recommendation has been communicated to the aggrieved party.
 - 2.4. Upon receiving an appeal, the City Council shall fix a time and place for the hearing of such appeal. The time of said appeal shall be within a reasonable time after the filing of the appeal.
 - 2.5. The City Clerk shall give notice to the person making such an appeal of the time and place of hearing by serving it personally or by depositing it in the United States Post Office of Escondido, California, postage prepaid, addressed to such person at his or her last known address.

CLASSIFICATION OF USERS

Any group utilizing City of Escondido facilities and parks will be classified in one of the following categories for the purpose of determining fees. With the exception of City uses, which have first priority, all other applications are considered on a first-come, first-served basis for available space.

Class A – City of Escondido

Events and meetings organized and conducted by the City of Escondido, or events and meetings cosponsored by the City of Escondido. A minimum of one City employee must attend co-sponsored meetings. No fee is associated with Class A events regardless of facility location.

Examples: City meetings, recreation classes and programs

Class B – Resident Youth Organizations

These are locally organized nonprofit (must be able to show proof of 501(c)(3) status) youth groups whose membership is comprised of at least seventy-five percent City residents under the age of 17 years.

Examples: Recognized Escondido-based youth sports organizations, Boy Scouts and Girls Scouts based in Escondido, Escondido YMCA youth activities, and Escondido Boys and Girls Club youth activities

Class C – Resident Not-for-Profit Organizations and other Governmental Agencies

These are Escondido resident-based not-for-profit organizations whose membership is comprised of at least seventy-five percent Escondido residents, and other governmental agencies.

Examples: Escondido Kiwanis Club; Escondido school districts; board of directors/coaches/parent meetings held by Escondido-based youth sports organizations, YMCA, and Boys and Girls Club; Escondido private schools; Escondido homeowner associations; and the County of San Diego.

Class D – Non-Resident Organizations and Private Parties

These are non-Escondido based youth organizations and not-for-profit organizations and private parties.

Examples: Vista Boys and Girls Club, San Marcos Kiwanis Club, school districts and private schools outside of Escondido, family gatherings, private parties, and weddings.

Class E – Commercial

These are commercial groups or users affiliated with commercial industries who are promoting a business.

Examples: Profit-making organizations, seminars, trade shows, film companies, network marketing distributors, franchisees, etc.

Class F – Issue/Candidate Forums and Community Meetings

These are public or candidate bipartisan forums open to the public, sponsored by not-for-profit civic or social organizations that are designed to educate or increase public awareness about governmental issues. These meetings shall allow for presenting both sides of an issue and entry to the activity shall not be restricted. No fee is associated with Class F events regardless of facility location.

Examples: League of Women Voters, Escondido Citizens Ecology Committee

FEES SCHEDULE

Meeting Rooms

- Reservations for buildings other than City Hall will be taken on a quarterly basis. The dates of these quarters will be established by the Director of Community Services or his designated representative. For specific facilities, longer advanced reservation periods may be established.
- Groups utilizing buildings other than City Hall may reserve the facility for a maximum of two uses per week with a maximum total of eight hours. A maximum of four meeting dates can be included on one permit. Permits may only be renewed between the third and fourth use.
- Usage of City Hall meeting rooms is restricted to two uses per year by any one organization. Reservations may be made up to 365 days in advance with a minimum of forty-five (45) days in advance. Any exceptions must be approved by the Community Services Director or his designee.
- Fees listed are based on an hourly rate with a two-hour minimum during the normal hours of operation for the requested facility.
- When room setup is included as part of the standard room rental fee, the applicant will have the opportunity to select one of the standard room setups for the particular room being reserved. If the applicant desires a special setup or modification of the standard room configuration, a diagram must be submitted at least two weeks in advance of the reservation date and must be approved by City staff.
- An additional fee will be required to cover the operation of the facility if it is used outside of the normal hours of operation. This fee may include staff costs (overtime or holiday pay) in addition to other services required, such as heating and air conditioning. Any additional fees shall be determined by the Director of Community Services or his designated representative.

City Hall	Class B	Class C	Class D	Class E
Council Chambers	\$25	\$30	\$55	\$75
*Council Chambers Restrooms	\$15	\$15	\$15	\$15
Mitchell Room (includes kitchen/patio)	\$45	\$50	\$75	\$95
Dome Area	\$100/day	\$100/day	\$50	\$70
Fountain Area	\$100/day	\$100/day	\$50	\$70

Training Room 1	\$40	\$45	\$55	\$65
Staff Fees (Non-operational hours)	\$30	\$30	\$30	\$30
Staff Fees (Holidays)	\$75	\$75	\$75	\$75
AV Staff Fee	\$17	\$17	\$17	\$17
Reservation/Cleaning/ Damage Deposit	Minimum \$250	Minimum \$250	Minimum \$250	Minimum \$250
Laptop/LCD Projector	\$25	\$25	\$25	\$25
Portable PA System	\$25	\$25	\$25	\$25
CD Player with Speakers	\$25	\$25	\$25	\$25
Television & VCR/DVD player	\$25	\$25	\$25	\$25

*No charge for the Council Chamber restrooms if the Council Chambers or Training Room 1 is reserved.

COMMUNITY CENTERS – Mathes, Oak Hill Activity Center, Washington Park Recreation Building, East Valley

Mathes Community Center	Class B	Class C	Class D	Class E
Meeting Room	\$15	\$20	\$40	\$65
*Dance/Exercise Room	\$20	\$25	\$40	\$75
Oak Hill Activity Center	\$20	\$25	\$45	\$70
Washington Park Rec. Bldg.	\$15	\$20	\$25	\$55
East Valley Community Center				
Citrus Room	\$15	\$20	\$40	\$65
Grove Room	\$15	\$20	\$40	\$65

Community Room	\$15	\$20	\$40	\$65
Vineyard Room Kitchen (per use)	\$15	\$20	\$30	\$30
Vineyard Room	\$27	\$35	\$55	\$80
*Dance/Exercise Room	\$20	\$25	\$40	\$75
*Gymnasium (half gym)	\$20	\$30	\$40	\$50
*Gymnasium (full gym)	\$35	\$50	\$60	\$95
Court Setup Fee	\$15	\$15	\$15	\$15
Game Setup Fee	\$15	\$15	\$15	\$15
Television & VCR/DVD player	\$5	\$10	\$10	\$20
Portable P.A. System	\$5	\$10	\$10	\$20
Digital Projector	\$10	\$20	\$20	\$40
Staff Fee (Non-operational hours)	\$20	\$20	\$20	\$20
Staff Fee (Holidays)	\$30	\$30	\$30	\$30

*Due to the special flooring, no hard-soled shoes, food, or drink are allowed in these facilities. The Community Services Director or his designated representative will make the final determination as to whether a proposed usage is appropriate for these facilities.

GROUP PICNIC AREAS – Kit Carson Park (KCP) & Jesmond Dene Park

- Any group of 50 or more persons desiring to use a park area must apply for a facility use permit.
- Preference will be given to Escondido residents by allowing them to apply for a facility use permit up to six months in advance of the desired use date. Nonresidents may apply for a permit from seven business days to sixty (60) days prior to the desired use date.
- Reservations are only held until 12:00 noon on the day of the reservation.
- During the period of June 1 through September 30, reservations on Saturdays will be limited to groups no larger than 100 people in each El Arroyo picnic area (maximum combined limit of 200 people in the entire El Arroyo areas).
- The use of the gazebo is included in the rental of El Arroyo #1. The gazebo cannot be reserved by itself.

Jesmond Dene Picnic Areas #1 and #2 12 to 50 people (per area)	Class B, C & D \$50	Class E \$70
KCP – El Arroyo Picnic Areas #1 and #2		
12 to 200 people (one area)	\$95	\$120
201 to 600 people (two areas required)	\$180	\$280
Cleaning Deposit	\$100	\$100
KCP – Tree Lake Picnic Areas		
Tree Lake # 1 – 12 to 80 people	\$80	\$110
Tree Lake # 2 – 12 to 50 people	\$50	\$70
KCP – Ray Love Area – 12 to 50 people	\$50	\$70
Special Equipment/Inflatable Processing Fee (Per Permit)	\$20	\$20

SPECIALIZED PARK FACILITIES – Kit Carson Fitness Course & Park Areas, Tennis Courts, & Pools

Kit Carson Fitness Course & Park Areas

All groups and businesses, including personal trainers, using a park area for conducting private group fitness sessions must reserve space for one-hour minimum. Permits will be limited to a three-month term.

Fee	Class B, C & D	Class E
	\$10/hour	\$15/hour

Tennis Courts – Kit Carson, Mountain View, & Washington Parks

Tennis courts may be reserved for use by a recognized organization or group desiring one or more courts for tournament play or other special usage.

Fee (per court)	Class B, C & D	Class E
	\$5/hour	\$10/hour

Municipal Swimming Pools – James A. Stone & Washington Park

The maximum size of the group permitted in the pool is 185 persons. Fees for use of the pools are listed as hourly fees; however, permits will only be given on a two-hour minimum usage.

	Class B	Class C	Class D	Class E
Pool Fee	\$70	\$75	\$90	\$125
*Lifeguard Fee	\$20	\$20	\$20	\$20

*A minimum of two lifeguards is required. Special conditions may require a higher lifeguard to participant ratio.

AMPHITHEATRE – Kit Carson Park

- Applications for usage of the Kit Carson Park Amphitheatre shall be filed with the Community Services Department not less than forty-five (45) days prior to the proposed date of usage and not more than six (6) months in advance. All fees are due no later than 30 days prior to the first proposed date of usage.
- The actual time of performances or events held in the amphitheatre shall be limited to the hours between 10:00 a.m. and 10:00 p.m. Cleanup of the amphitheatre shall be completed by 11:00 p.m. Any special requests for times outside of these hours will require City approval.
- During the summer season (May 1 through September 30), the use of the amphitheater shall be restricted to cultural activities, such as concerts, plays, etc. The amphitheatre is not intended for use by private parties at any time of year.
- It shall be up to the discretionary judgment of the Community Services Director or his designated representative to approve an amphitheatre permit involving less than 300 persons.
- The Kit Carson Park Amphitheatre includes a ticket office, rest rooms, and a concession area. If the area outside the enclosed amphitheatre is needed for an event, a Special Event Permit Application may be required in addition to the application and permit for the usage of Kit Carson Park Amphitheatre.
- Noise levels in the amphitheatre shall not exceed a one-hour average sound level of 80 db at 50 feet from the noise source.

Amphitheatre Fees	Class B	Class C	Class D	Class E
Setup/tear down time	\$15	\$15	\$25	\$45
Performance time	\$25	\$30	\$65	\$125
PA system (2-hr. minimum)	\$20	\$20	\$25	\$25
Staff Fee	\$25	\$25	\$25	\$25
Rehearsal time	Negotiable	Negotiable	Negotiable	Negotiable
*Cleaning Deposit	Negotiable	Negotiable	Negotiable	Negotiable

*Cleaning Deposit – The amount will vary depending on the nature of the proposed usage.

ESCONDIDO SPORTS CENTER – Kit Carson Park

The Escondido Sports Center is a fee-based facility intended for use by City programs and activities, which will have priority use of the facility. Consequently, the Center may not be available for outside groups, independent leagues, camps, and other programs not associated with the City. If non-programmed time becomes available, appropriate fees will be assessed for all users groups.

- Fees listed are based on hourly rates during the normal hours of operation for the facility, which will be established by the Director of Community Services or his designated representative.
- An additional fee will be required to cover the operation of the facility if the proposed use is outside of the established hours of operation. This fee may include staff costs (overtime or holiday pay) in addition to other services required. The Director of Community Services or his designated representative shall determine the fee.
- The Escondido Sports Center facilities have been designed for specific activities. Any proposed use that differs from those established will be reviewed prior to approval by the Director of Community Services or his designated representative. All established rules for the Sports Center must be adhered to by facility users, including equipment requirements.

Roller Hockey or Soccer Arena Uses

- The Director of Community Services or his designated representative shall establish reservation periods based on league seasons. Reservations for the use of the arenas will be accepted to coincide with Escondido Sports Center league seasons. Following each league registration period, an arena availability schedule will be established and will be available to interested groups/teams. Reservations for the available times will be taken on a first-come, first-served basis. A maximum of thirteen (13) uses per reservation (maximum of one hour each), per team/organization may be made based on these league seasons.
1. Reservation of these facilities may be made by recognized teams or organizations for games or practices with the following restrictions:
 - 1.1. A maximum of one use per week.
 - 1.2. Arenas may only be reserved on a one-hour minimum/maximum basis.
 - 1.3. During prime seasons, teams may be restricted to the use of one-half of an arena depending upon availability. Fees will be adjusted accordingly.
 2. City programs and activities will take precedence over other reservations. Reservations will be taken in order of priority as follows:
 - 2.1. Recreational youth teams currently enrolled in an Escondido Sports Center league. The cost of these practice sessions will be included in league registration fees.
 - 2.2. Competitive youth teams currently enrolled in an Escondido Sports Center league.
 - 2.3. Adult teams currently enrolled in an Escondido Sports Center league.
 - 2.4. Private parties or practices.
 - 2.5. Special events, tournaments, filming, etc.

Skate Park Uses

- Groups reserving the skate park are restricted to use during non-program hours. All reservations will require a two-hour minimum usage.

Fees are based on hourly rate.

Escondido Sport Center	Class B	Class C	Class D	Class E
Daytime use of Soccer/Hockey Arena	\$35	\$45	\$55	\$90
Soccer/Hockey Arena with lights	\$40	\$55	\$65	\$100
Daytime use of Skate Park	\$50	\$65	\$75	\$150
Skate Park with lights	\$60	\$80	\$90	\$160
Staff Fees (Non-operational hours)	\$25	\$25	\$25	\$25
Staff Fees (Holidays)	\$30	\$30	\$30	\$30

SPORTS FIELDS –Kit Carson, Ryan, Washington, & Jesmond Dene Parks

- Groups reserving lighted and unlighted ball fields are restricted to the following times and uses:
 1. Four uses per permit/organization
 2. Maximum of one use per week
 3. Ball fields may only be reserved on a two-hour minimum/maximum basis.
 4. Groups or individuals that apply to use school facilities, which have been improved and/or lighted by the City, are required to pay the fees listed in the policy.
 5. Permits may only be renewed between the third and fourth use.
- Reservations for games or organized programs may take precedence over practices. Recognized resident youth sports organizations will be allowed to utilize sports fields during daylight hours at no charge. When these youth organizations use the lights, they will be assessed a percentage of the electrical usage as determined by City Council action. Other local youth groups and organizations may use the fields at no cost during daylight hours; however, they must pay the Class B fees for use of the lights.
- Fees for use of sports facilities are listed as hourly fees, however, permits will only be given on a two-hour minimum/maximum usage. See Tournament Policy for use of facilities for tournament play.

Fields/Lights	Class B	Class C	Class D	Class E
Daytime use of Baseball/Softball Field	\$5	\$10	\$15	\$25
Use of Baseball/Softball Field with lights	\$12	\$17	\$22	\$37
Daytime use of Soccer Field	\$5	\$10	\$15	\$25
Use of Soccer Field with lights	\$12	\$17	\$22	\$37

SCHOOL SPORTS FIELDS – Middle & High Schools

- The City has installed lights on these Escondido school district facilities. The City of Escondido issues permits for usage of the fields after dark, and permits for daytime usage must be obtained from the school districts. Groups that want to utilize these facilities must first check with the Community Services Department prior to approaching the District.

Del Dios Middle School	Class B	Class C	Class D	Class E
Baseball Field with lights	\$12	\$17	\$22	\$35

Hidden Valley Middle School				
Baseball Field with lights	\$12	\$17	\$22	\$35
Football/Soccer Field with lights	\$12	\$17	\$22	\$35
Grant Middle School				
Football/Soccer Field with lights	\$12	\$17	\$22	\$35
Escondido High School				
Pete Coscaract Varsity Field with lights	\$17	\$27	\$32	\$37
Junior Varsity Baseball Field with lights	\$17	\$27	\$32	\$37
West Soccer/Football Field with lights	\$17	\$27	\$32	\$37

SOFTBALL & BASEBALL TOURNAMENT POLICY

PURPOSE

To establish a policy regulating the utilization of City-owned athletic fields by non-City organizations for tournament play.

- I. Preference for tournament dates shall be considered in accordance with the following criteria:
 - A. Community Services Department tournaments or tournaments cosponsored by the department.
 - B. Charitable, nonprofit organizations servicing primarily the Escondido community or schools serving the Escondido community.
 - C. Charitable, nonprofit organizations serving areas outside the Escondido community.
 - D. All other groups.
- II. The Community Services Department will establish available tournament dates in September of each year for the following 12-month period beginning January 1. These dates will be made available to groups interested in hosting tournaments. Requests will be taken on a first-come, first-served basis by the aforementioned criteria and must be filed a minimum of sixty (60) days prior to the tournament date.
- III. All publicity (flyers, public service announcements, posters, web sites, and social media, etc.) must first receive department approval prior to being distributed/posted online.
- IV. **Tournament Fees** – Other than the Reservation Deposit, all other fees are due to the Community Services Department by 12:00 p.m. on the Wednesday prior to the dates permitted for use. Payment can be made with cash, cashier's check, or credit card.

Reservation Deposit – A \$60 per field, nonrefundable deposit is required to hold a tournament date. This deposit must be paid at the time a use permit is filed with the Community Services Department. This deposit will be applied to the balance due. However, if one or more of the scheduled fields are not needed for the tournament, the \$60 per field, nonrefundable deposit may not be applied toward the remainder of the balance due. If the tournament dates are not approved, this deposit will be refunded.

Damage Deposit – A \$250 refundable damage deposit will be required.

Field Preparation – A \$20 per field fee will be charged. Organizations wanting to prep their own fields must have approval from the Community Services Department.

Staffing – Tournaments with 18 or more teams will be required to pay a \$20 per hour staff fee. Staff will supervise the complex, facility access, emergency and injury assistance, opening/closing of facility, and enforce all Department rules and regulations and City ordinances. Staff will be scheduled according to tournament needs. Tournaments under 18 teams will be charged a minimum two (2) hour staff fee for closing/securing fields at the conclusion of the tournament.

Maintenance Staffing – A \$30 per hour fee, per park maintenance staff will be required. A minimum of one maintenance staff is required for tournaments with up to 17 teams. Two maintenance staff may be required for tournaments with 18 or more teams. Assigned hours are at the discretion of the Director of Community Services or his designee.

Fees	Class B	Class C	Class D	Class E
Daytime use of Baseball/Softball Field	Free	\$10	\$17	\$25
Use of Baseball/Softball Field with lights	\$10	\$22	\$27	\$35

V. Policies and Procedures

- A. In the event of cancellation, it is the applicant's responsibility to notify the Community Services Department (and tournament participants) at least thirty (30) days prior to the permit date if they want a refund. All refundable use fees and deposits will be returned if cancelled at least thirty (30) days prior to reservations. Those dates cancelled less than thirty (30) days in advance will be assessed a 25 percent handling fee.
- B. Special approval must be obtained for activities beyond the park closing time of 10:30 p.m. and for the use of amplified music or a public address system. A letter requesting approval should be addressed to the Director of Community Services and should be submitted a minimum of forty-five (45) days in advance.
- C. The sale of any and all items (i.e., programs, T-shirts, souvenirs, etc.) are not permitted without the express written permission of the Community Services Department. An Escondido Business License shall be required for all onsite selling of items.
- D. The City has contracts with local organizations to provide concession service for all activities within the Kit Carson Park athletic area, and therefore, the sale of any food or drink items will not be allowed.
- E. Alcoholic beverages may not be sold, given away, or consumed within park areas per City ordinance. (see General Policies, item 6)
- F. No glass containers are allowed in the parks, per City ordinance.

- G. Liability and property damage insurance, in the amount of \$1 million or more, is required for each tournament date requested. All applicants must provide a certificate of insurance with a separate endorsement naming the City of Escondido as an additionally insured party to the satisfaction of the City Attorney. Electronic or faxed 1 copies of the insurance certificate/endorsement shall be submitted to the Community Services Department for approval at least thirty (30) days prior to the tournament date.
- I. Groups and/or organizations will be allowed a maximum of two tournaments per year based on availability. You may not sublet your tournament dates to another organization. Cancellations due to inclement weather, etc., shall result in a complete refund or the tournament will be rescheduled to another available date at the applicant's option.
- K. Violations of City ordinances or permit conditions (alcohol on the premises, etc.) by any group will result in the immediate revocation of the permit and the cancellation of the remainder of the tournament. Groups shall forfeit **all** deposits, and they will not be allowed to file for future reservations for twelve months from the date of the violation.
- L. Only Community Services Department staff, or an organization or crew approved by the Department prior to the tournament, shall perform field maintenance. A fee will be charged for the use of City staff.

RYAN PARK TOURNAMENT POLICY

PURPOSE

To establish a policy regulating the utilization of City-owned athletic fields by non-City organizations for tournament play.

- I. Preference for tournament dates shall be considered in accordance with the following criteria:
 - A. Community Services Department tournaments or tournaments cosponsored by the department.
 - B. Escondido Youth sports organizations that are recognized in the field allocation process.
 - C. Charitable, nonprofit organizations servicing primarily the Escondido community, or schools serving the Escondido community.
 - D. Charitable nonprofit organizations serving areas outside the Escondido community.
 - E. All other groups.
 - F. There shall be no more than six tournaments held annually at Ryan Park, in order to maintain the quality of the turf.
 - H. Tournaments will not be scheduled when they interrupt regularly scheduled season games.
- II. The Community Services Department will accept requests for tournament dates starting July 1 through October 30 of each year, for the following 12-month calendar year, January through Dec. 31. Requests will be considered, based on the aforementioned criteria, and must be filed by October 30. Applications submitted after October 30 will not be accepted.
- III. All publicity (flyers, public service announcements, posters, web sites, social media, etc.) must first receive department approval prior to being distributed/posted online.
- IV. **Tournament Fees** – Other than the Reservation Deposit, all other fees are due to the Community Services Department by 12:00 p.m. on the Wednesday prior to the dates permitted for use. Payment can be made with cash, cashier's check, or credit card.

Reservation Deposit – A \$100 per field nonrefundable deposit is required to hold a tournament date. This deposit must be paid at the time a use permit is filed with the Community Services Department. This deposit will be applied to the balance due. However, if one or more of the scheduled fields are not needed for the tournament, the \$100 per field nonrefundable deposit may not be applied toward the remainder of

the balance due. If the tournament dates are not approved, this deposit will be refunded.

Damage Deposit – A \$500 refundable damage deposit will be required.

Field Preparation – A \$20 per field fee will be charged. Organizations wanting to prep field must have approval from the Community Services Department.

Facility Supervision – The City of Escondido requires supervision of the facility for all soccer tournaments. On behalf of the City facility supervision will be coordinated by the Escondido Soccer Club. Facility supervision includes, but is not limited to, supervision of the complex, facility access, emergency and injury assistance, opening/closing of the facility, and enforcement of all Department rules and regulations and City ordinances during tournaments. Supervisors will be scheduled according to tournament needs. Tournaments up to 59 teams require one staff; 60+ teams may require two staff persons. Any fees charged to user groups by Escondido Soccer Club for services must be reviewed by the Director of Community Services or his designee prior to the tournament.

Maintenance Staff –Tournaments up to 59 teams require one staff; 60+ teams may require two staff persons. Assigned hours are at the discretion of the Director of Community Services or his designee.

Fees	Class B, C, D	Class E
Daytime use of fields	\$150/field/day	\$200/field/day
Daytime use of fields (Holidays)	\$250/field/day	\$300/field/day
Use of lights	\$30/field/evening	\$30/field/evening
Maintenance Staff	\$30/hour	\$30/hour

V. Policies and Procedures

- A. In the event of cancellation, it is the applicant’s responsibility to notify the Community Services Department (and tournament participants) at least thirty (30) days prior to the permit date if they want a refund. All refundable use fees and cleaning/damage deposits will be returned if cancelled at least thirty (30) days prior to reservations. Those dates cancelled less than thirty (30) days in advance will be assessed a 25 percent handling fee on the refundable fees.
- B. The park closes at 10:00 p.m. All activities must end by 10:00 p.m. **No exceptions.**

- C. Special approval for amplified music and public address systems is required. A letter requesting approval and addressed to the Director of Community Services must be submitted a minimum of forty-five (45) days in advance.
- D. The sale of any and all items (i.e., programs, T-shirts, souvenirs, etc.) is not permitted without the express written permission of the Community Services Department. An Escondido Business License shall be required for all onsite selling of items.
- E. The City has contracts with local nonprofit organizations to provide concession services for all activities within the Ryan Park athletic area, and therefore, the sale of any food or drink items will not be allowed.
- F. Alcoholic beverages may not be sold, given away, or consumed within park areas per City ordinance. (See General Policies, item 6)
- G. No glass containers are allowed in the parks, per City ordinance.
- H. Liability and property damage insurance, in the amount of \$1 million or more, is required for each tournament date requested. All applicants must provide a certificate of insurance with a separate endorsement naming the City of Escondido as an additionally insured party to the satisfaction of the City Attorney. Electronic or fax copies of the insurance certificate/endorsement shall be submitted to the Community Services Department for approval at least thirty (30) days prior to the tournament date.
- I. Groups and/or organizations will be allowed a maximum of two tournaments per year based on availability. You may not sublet your tournament dates to another organization.
- J. Cancellations due to inclement weather, etc., shall result in a complete refund or the tournament will be rescheduled to another available date at the applicant's option. The City shall be the final determinant of whether a field is playable during inclement weather.
- K. Violations of City ordinances or permit conditions (alcohol on the premises, etc.) by any group will result in the immediate revocation of the permit and the cancellation of the remainder of the tournament. Groups shall forfeit **all** deposits, and they will not be allowed to file for future reservations for twelve months from the date of the violation.
- L. The City may require organizations to provide portable restrooms for the tournament. The cost for the restrooms shall be paid for by the organizations requesting use of the fields. The number of units required will be at the City's discretion.

JOSLYN SENIOR CENTER (JSC)

Classification of Users at the JSC

Joslyn Senior Center facilities are available primarily for the use of older adults, 50 years and older. City uses will have first priority followed by senior organizations serving Escondido Seniors. Senior activities will have priority between 8 a.m. to 3 p.m., Monday through Friday, and Sundays.

Non-senior groups will pay a higher fee for use, consistent with other similar City facilities. All other organizations and private use requests will be accepted based on availability, and applications will be considered on a first-come, first-served basis.

Class A – City of Escondido

Older adult events organized and conducted by the City of Escondido, or cosponsored by the City of Escondido. No fee is associated with Class A events.

Examples: City meetings, classes, or programs; Joslyn Enterprises, Inc., Senior Service Council of Escondido

Class B – Resident Senior Organizations

These are locally organized, nonprofit (must be able to show proof of 501(c)(3) status) senior organizations.

Examples: Senior Anglers, Song Spinners, Jewish War Vets.

Class C – Resident Not-for-Profit Users and Government Organizations

Senior – These are Escondido resident-based, not-for-profit organizations and other governmental agencies serving Escondido seniors.

Examples: Parliamentarians, California Retired Teachers, NARFE, Senior Community HOAs, etc.

Non-Senior – These are Escondido resident-based, not-for-profit organizations, private parties, and other governmental agencies that are serving ages below 50.

Examples: Escondido Kiwanis Club, Escondido school districts, Escondido private schools, Escondido homeowner associations, and governmental agencies.

Class D – Non-Resident, Not-for-Profit Organizations and Private Parties

These are not-for-profit organizations that are not Escondido-based or private parties

Examples: Whirlaways, San Marcos Kiwanis Club, school districts other than Escondido, family gatherings, private parties, memorials, weddings

Class E – Commercial

These are commercial groups or users affiliated with commercial industries.

Examples: Profit-making organizations, seminars, trade shows, film companies, dance lessons, network marketing distributors, franchisee, health insurance companies, etc.

Class F – Issue/Candidate Forums and Community Meetings

These are public or candidate bipartisan forums open to the public, sponsored by not-for-profit civic or social organizations that are designed to educate or increase public awareness about governmental issues. These meetings shall allow for presenting both sides of an issue, and entry to the activity shall not be restricted. No fee is associated with Class F events regardless of facility location.

Examples: League of Women Voters, Escondido Citizens Ecology Committee,

- Reservations for ongoing meetings at the Joslyn Senior Center will be accepted or renewed **on an annual basis from January 1 to December 31**. Reservation periods have been established by the Director of Community Services or his designated representative.
- Fees listed are based **on an hourly basis** during the normal hours of operation for the requested facility, with a two-hour minimum for evening and weekend use.
- An additional fee may be required to cover the operation of the facility if it is used outside of the normal hours of operation. This fee may include staff costs (overtime or holiday pay) in addition to other services required, such as heating and air conditioning. Any additional fees shall be determined by the Director of Community

All fees are based on an hourly rate.

Joslyn Senior Center	Class B Senior Only	Class C Senior	Class C Non- Senior	Class D	Class E	Class F
Main Building						
Room 3	\$10	\$15	\$25	\$45	\$70	NC*
Room 4	\$5	\$10	\$15	\$35	\$60	NC
Room 5	\$5	\$10	\$20	\$40	\$65	NC
Auditorium	\$20	\$25	\$40	\$60	\$90	NC
Auditorium Kitchen	\$5	\$10	\$20	\$30	\$50	NC
Dorothy E. Boeger Bldg.						NC
Meeting Room	\$10	\$15	\$25	\$45	\$70	NC
Nutrition Building						
Room 1	\$10	\$15	\$25	\$45	\$70	NC
West Court Gazebo	\$10	\$15	\$25	\$45	\$70	NC
Joslyn Equipment						
Television & VCR	\$5	\$5	\$10	\$10	\$20	NC
Digital Projector	\$10	\$10	\$20	\$20	\$40	NC
P.A. System	\$5	\$5	\$10	\$10	\$20	NC
Staff Fees (Per Staff Per- son)						
Non-operational Hours	\$20	\$20	\$20	\$20	\$20	\$20
Holidays	\$25	\$25	\$25	\$25	\$25	\$25

*NC = No charge

Cleaning Deposit: Users will be required to pay a cleaning deposit; the amount will vary depending on the nature of the proposed usage.

QUEEN CALIFIA'S MAGICAL CIRCLE GARDEN – KIT CARSON PARK

On a limited basis, the Queen Califia's Magical Circle Garden may be reserved for private/closed gatherings. Reservations may be made up to 365 days in advance of an event with a minimum of forty-five (45) days.

Rules and Regulations for the Use of Queen Califia's Magical Circle Garden

1. A completed Facility Use Permit Application is required when making reservations.
2. A copy of the schedule and number of guests must be submitted at least two (2) weeks prior to the event date. A maximum of 100 guests is allowed.
3. The sculpture garden will be closed to the public during the event. Park rangers and City employees will be notified of the closing prior to the event.
4. Queen Califia's Magical Circle is a sculpture garden and must be treated with respect.
5. Any breakage to the sculptures, removal of any mosaics for souvenirs, or damage to the sculpture garden shall be the responsibility of the group involved, and shall be paid for by that group.
6. Other than water, liquids and food are not allowed at the sculpture garden.
7. Only acoustical music is allowed. All music must be contained within the sculpture garden, in consideration to the neighbors and other park users. **Absolutely no amplified sound.**
8. No throwing/dispersing of anything such as rice, birdseed, glitter, confetti or silly string is allowed at any time. Rose petals are permitted.
9. All decorations must be self-contained and removed after the event. No decorations may be attached to any of the sculptures, the walls, or any part of the sculpture garden. No open flames or candles are permitted; however flameless candles are permitted.
10. Balloons are permitted; however, they must not be released into the air.
11. Any chairs, wedding canopies, or any other furniture setup for the event must have rubber tips and cannot be attached to any of the sculptures.
12. Event must be cleaned up, and off the premises, an hour after the end of the event. If not cleaned up and off the premises within the time limit, the City will charge \$30 per hour, per maintenance personnel.
13. All cars must be parked in the adjacent parking lot. The wedding party may be dropped off at the front entrance of the sculpture garden and the cars returned to the parking lot.
14. Children must be supervised by adults at all times.

Classification of Users for the Queen Califia's Magical Circle Garden

Any group utilizing the Queen Califia's Magical Circle sculpture garden will be classified in one of the following categories for the purpose of determining fees. With the exception of City uses, which have first priority, all other applications are considered on a first-come, first-served basis for available space. All events must be approved by both the City and the Niki Charitable Art Foundation.

Class A – City of Escondido

Events organized and conducted by the City of Escondido or events cosponsored by the City of Escondido. No fee is associated with Class A events.

Examples: City meetings, classes, or programs

Class B – Resident

These are not-for-profit, Escondido-based arts-related organizations.

Examples: Escondido Arts Partnership and local music groups

Class C – Non Resident

These are not-for-profit art-related organizations that are not Escondido-based.

Examples: SD Art Alliance, student film projects, etc.

Class D – Private Parties

These are private parties.

Examples: Weddings

Class E – Commercial

These are commercial groups or users who are affiliated with commercial industries.

Examples: Film industry, commercial art industry, etc.

Class F – Issue/Candidate Forums and Community Meetings

Not applicable: The sculpture garden is not to be used for any Class F function.

- Fees listed are a flat rate, with a two-hour minimum for weekend and weekday events. The sculpture garden hours are determined by the Kit Carson Park hours.
- An additional fee may be required to cover the use of the garden if it is used outside of the normal hours of operation. This fee may include staff costs in addition to other services required, such as security. Any additional fees shall be determined by the Director of Community Services or his designated representative.

Fees	Class B	Class C	Class D	Class E
	\$250	\$500	\$1,000	\$1,500

Escondido Police and Fire Headquarters Community Room Rental Use Policy

Policy Procedures Fees

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FACILITY USE POLICY

PURPOSE

Policies, rules, and fees are necessary in the operation of public facilities to ensure that such facilities can be operated and maintained for the benefit of all community residents. Additionally, the control of facilities through the application and permit process is necessary to ensure equitable use and availability to all residents. Responsibility for administering facility use is delegated to the City Manager and is executed by the Escondido Police and Fire Departments. This policy shall be interpreted to encourage maximum public use and enjoyment of the Escondido Police and Fire Headquarters Community Room.

GENERAL POLICIES

1. The Police and Fire Community Room, facilities, and equipment are primarily designed to accommodate the programs, activities, and meetings of the Police and Fire Departments, and other City Organizations. Consequently, all City of Escondido uses shall have first priority. The Community Room shall be made available to non-City groups on a first-come, first-served basis, and appropriate fees shall be assessed for all user groups.
2. The public lobby vestibules are not a part of the Community Room rental use. Lobby entrance restrooms and the Community Rooms hospitality area are included as part of the rental agreement. Ample parking will be available in the south public parking lot. The patio adjacent to the Community Room may be rented as an additional request and fees for its use.
3. Facilities may not be reserved by groups that have less than 12 people. Facilities may have higher minimum requirements based on the type of facility.
4. A facility use application must be completed for all reservations of facilities. Only an individual 18 years of age or older can complete and sign a facility use application.
5. At all gatherings of young people that are under 18 years of age, one adult for every 20 youth in attendance must be present throughout the activity.
6. Alcoholic beverages are not permitted.
7. Smoking is not permitted in City building, or within (20) feet outside per state code. It shall be unlawful to smoke in an area between twenty (20) feet and eighty (80) feet from the entrance, exit, or operable window of a City-owned building if signs are posted at the specified distance from the building entrance that indicate such prohibition. No person shall smoke outside of a public place where a sign is posted prohibiting smoking in such area.

8. Groups must adhere to all City, police, and fire codes during the use of facilities.
9. No animals are permitted in the Police and Fire building without specific authorization by the Police and Fire staff responsible for approving the permit, with the exception of service animals for a disabled person.
10. No amplified sound of any kind will be allowed without prior review and approval of Police and Fire staff. Request for use of the amplified sound must be submitted at the time an application for use of the facility is submitted. Each group is responsible for controlling noise that would be disturbing to other facility users or the surrounding area.
11. Any business or individual conducting a commercial activity in the Community Room, i.e., vendors, caterers, is required to have an Escondido business license. If such activity is occurring as part of a group's approved usage of the Community Room, the group is responsible for ensuring that a business license is obtained by the business or individual at least two business days in advance of the activity.
12. Usage of any special equipment brought into the Community Room must have Police and Fire staff approval and may require special permits, liability insurance, etc., whichever is applicable. It is the applicant's responsibility to notify the Department thirty (30) days in advance of the event of all such usage.
13. Groups utilizing the facilities may be required to provide liability insurance coverage naming the City of Escondido as an additionally insured party and/or waivers signed by each participant. The additional insurance coverage and/or waivers must meet the standards established by the City Attorney. The insurance policy will be due 14 days before room use commences.
14. The City of Escondido, its officers, employees, volunteers, and contract personnel, are not liable for accidents, injuries or loss of individual property in connection with its facility, grounds and equipment. Depending upon the risk factor of approved use of the facility, the City may require liability insurance in an amount up to \$5,000,000.00. Liability insurance is subject to approval by the City Attorney, and must include without limitations, the following parameters: name the City of Escondido, its officers, employees, volunteers and contract personnel as an additional insured, and the insurance company must meet the most current rating and other criteria established by the City of Escondido approved standards.
15. All applicants required to have the above described insurance must provide a certificate of insurance with an endorsement naming the City of Escondido as an additionally insured party to the satisfaction of the City Attorney. Original copies of the insurance certificate/endorsement shall be submitted to the Escondido Police and Fire Administrative staff for approval thirty (30) days prior to the scheduled event.
16. Any group requesting permission to use the Community Room shall indemnify and hold harmless the City and their officers, employees, and agents from all liability or claim of liability by reason of injury or damage to person (including death) and/or property occurring as a result of their use of said facilities.

17. No advertising or other public notice of a proposed usage of the Police and Fire Headquarters Building shall occur without the approval of the facility use permit. Any advertising or ticket sales undertaken by the sponsor is undertaken at the sponsor's risk, should the application be disapproved.
18. Organizations reserving the Community Room may not charge admission to events scheduled in the Community Room nor shall there be auctioning games or selling of merchandise, goods, wares, or activities to raise money without the approval of Police and Fire staff, and/or assessment of appropriate fees. This will not apply to the sale of items to bonafide members of nonprofit organizations within their own group.
19. Requests for decorations, displays, and exhibits in conjunction with activities must be submitted for review thirty (30) days in advance of the event and approval by Police and Fire staff. Groups using facilities are solely responsible for providing display material, mounting surfaces, and removal of material following the activity. Facility walls and surfaces will not be used for mounting.
20. Fees, if applicable, for the Community Room and/or Outside Patio, are established to recover operating and maintenance costs for their usage. Specific fees are listed within those attached subsections (please refer to the attached fee schedule on page 8). Any additional equipment requested by the applicant and if available in City inventory, may be assessed a reasonable fee based upon the intent of the fee schedule. The fee, if any, will be determined after reviewing the request and the applicant will be informed of the additional fees.
21. Persons using the Community Room and/or Patio are responsible for providing their own refreshments and other housekeeping details. No red or purple colored drinks are allowed. No cooking or barbecuing of any food is allowed. Heating or warming of food by use of facility microwave, or applicant provided warming plates and/or sterno flame may be permitted.
22. Any damage to equipment or to the Community Room and/or patio shall be the responsibility of the group involved. A refundable cleaning/damage deposit of two hundred fifty (\$250) will be required. All or a portion of such deposits may be withheld to comply with established rules, following an inspection, if it is determined that the facility was not left in the condition that it was received. If the cleanup/damage exceeds the deposit fee, the group will be held responsible for paying the additional costs.
23. The placement of any advertising, display, or sign requires approval by Police and Fire staff. No banners, signs, flyers, or other advertising deemed to be detrimental to the public health, safety, or well being or which contain products not intended for consumption or use by minors of all ages shall be allowed. This shall include such programs, activities, or products in any form, including organizational logos, characters, or product names. A list of all banners, signs, etc. that will be displayed during any event scheduled, including details of all pertinent information, shall be submitted to the Police and Fire staff 14 days prior to the event. Should an Escondido-based, nonprofit organization wish to include signage for products or organizations that do not specifically meet the above criteria, they may

request an exception to the policy, which will be reviewed and approved by Police and Fire staff.

24. The use of City facilities shall not be granted or permitted to any individual, society, group or organization that has, as its objectives, the overthrow or advancing of the overthrow of the present form of government of the United States or the State of California by force or violence or other unlawful means.
25. The use of the Community Room shall be denied to an individual or group who abuses or violates regulations or engages in activities that disturb the operation of the Police and Fire Headquarters. Police and Fire staff have the authority to cancel or terminate any event due to pending or actual emergency conditions or in the event City staff requires immediate access and use of the Community Room to resolve any problem action or event.
26. The City Council has the authority to consider a request for exclusions to this policy.
27. In addition to any permits required for usage of City Facilities, including the Police and Fire Community Room and surrounding area, a Special Event Permit Application may also be required. The Escondido Municipal Code defines a special event as the temporary use of public property, including but not limited to streets, sidewalks, parks, and lakes for the purpose of conducting a parade or other special enterprise, or any event which significantly impacts or substantially restricts the public's normal, typical, or customary use, level of use, or ability to use such property. An application for Special Event Permit may be filed as early as 365 days before the event, but it must be received no later than sixty (60) days before the proposed event date. A nonrefundable processing fee of seventy-five (\$75) must accompany all applications to cover administrative costs.

PROCEDURES

Reservations, Equipment and Preparation:

1. A standard reservation form must be completed by an individual or group representative who is at least 18 years old; a specific individual who is 18 years or older must sign the form as the representative of the organization requesting the reservation. A signed reservation form must be returned in person to the Police and Fire Headquarters Front Lobby personnel. All reservation forms must be returned to the Police and Fire Headquarters no less than forty five (45) business days prior to the date of the event. No reservation can be approved/confirmed until an application is submitted and the appropriate fees paid.
2. The Community Room and/or patio may be reserved three (3) months in advance. A signed facility use form must be received forty-five (45) business days prior to the requested use date. Reservations will not be accepted by groups of less than 12 people or groups of more than 75 people. Cancellation of reservations must be received thirty (30) days prior to the room use date for refunds of fees paid. A 25% handling charge of the rental fee will be assessed for cancellations made less than three (3) days prior to the room use date and for any fees not paid on time. In addition, in instances when fees are not paid on time, all reservations will be canceled by the City.
3. Reservations will not be approved for any group or individual other than City sponsored groups, for use of this facility on an on-going basis. All classification groups B thru F are permitted up to two meetings per month. The reservation frequency use is to ensure that the Community Room will be available to all intended users in a fair and equitable manner.
4. A facility use application must be completed and submitted forty-five (45) days prior to the requested use date for all reservations of the Community Room. Reservations can not be confirmed unless the application is received and approved. Upon initial application approval, a \$250.00 refundable deposit must be received no later than thirty-five (35) days prior to the scheduled event. Deposits are refundable after the event date if the facility is left clean and in good order. Only an individual 18 years of age or older can complete and sign a facility use application. Use of the facility is not transferable to another person or group.
5. Appropriate fees and deposits, etc., must be submitted with the application. All payments should be made payable to the "City of Escondido." Final payment is due a minimum of thirty (30) days prior to the first use date.
6. The Police and Fire Headquarters shall maintain an inventory of Community Room equipment and facility surfaces condition status checklist. An inventory and condition inspection checklist will be reviewed and documented prior to event usage and at the closing of the event proceeding. This checklist will be reviewed by both the Facility Coordinator and the person responsible for the facilities rental use.

7. When room setup is included as part of the standard room rental fee, the applicant will have the opportunity to select one of the standard room setups, maintained by the Police and Fire staff. If the applicant desires a special setup or modification of the standard room configuration, it must be diagramed and labeled on the City's Room and/or Patio diagram configuration sheet. If other than the standard configurations are requested, the Building Maintenance Division must approve it prior to confirmation of the reservation. A special setup fee will be charged (see attached fee schedule), in addition to the standard room rental fee, for any modification requested to the standard room configurations.
8. The City may refuse to reserve facilities for the following reasons:
 - a. Not available.
 - b. Priority use by Police, Fire, other City Departments and/or other Governmental agencies.
 - c. Unsatisfactory record in prior use.
 - d. When a hazardous condition threatens the participants, spectators, staff, facility, equipment, or building.
 - e. If all requirements of State and local laws, this policy, the City Council, or the Police and Fire Departments are not met.
 - f. If the activity is not compatible with accepted legal and moral standards or could be detrimental to the policies, rules, and practices of the Police and Fire Departments.

Refunds:

1. If the application for reservation is not approved or if conditions after approval require cancellation of the reservation by the Department, all fees paid in advance will be refunded.
2. If a group cancels its reservation, a refund of fees paid will be made only if the Department is notified of the cancellation at least thirty (30) days prior to the date of the activity/event. Refunds for cancellation of a permit by the applicant will be assessed a 25% handling charge. Cancellations made less than thirty (30) days before the activity/event date are non-refundable.

Appeal of Aggrieved Parties:

1. The designated Police and Fire staff will review appeals for use of the Community Room.
2. Any person aggrieved by a decision of the Police and Fire staff with respect to these policies, rules, and fees governing the use of the Community Room facility may appeal to the **City Manager's office** by filing a notice of appeal with the **City Manager's office** not later than ten (10) days after said decision has been communicated to the aggrieved party.
 - 2.1. Upon receiving an appeal, the Reviewing Agent shall fix a time and place for the hearing of such appeal. The time of said appeal shall be within a reasonable time after the filing of the appeal.
 - 2.2. The Reviewing Agent shall give notice to the person making such an appeal of the time and place of hearing by serving it personally or by depositing it in the United

States Post Office at Escondido, California, postage prepaid, addressed to such person at his or her last known address.

- 2.3. Any person aggrieved by a recommendation of the City Manager's Reviewing Agent, with respect to these policies, rules, and fees governing the use of all City facilities may appeal to the City Council by filing a notice of appeal with the City Clerk not later than ten (10) days after said recommendation has been communicated to the aggrieved party.
- 2.4. Upon receiving an appeal, the City Council shall fix a time and place for the hearing of such appeal. The time of said appeal shall be within a reasonable time after the filing of the appeal.
- 2.5. The City Clerk shall give notice to the person making such an appeal of the time and place of hearing by serving it personally or by depositing it in the United States Post Office of Escondido, California, postage prepaid, addressed to such person at his or her last known address.

CLASSIFICATION OF USERS

Any group utilizing City of Escondido facilities will be classified in one of the following categories for the purpose of determining fees. With the exception of City uses, which have first priority, all other applications are considered on a first-come, first-served basis for available space.

Class A - City of Escondido

Events and meetings organized and conducted by the City of Escondido; or events and meetings co-sponsored by the City of Escondido. A minimum of one City employee or Police or Fire designated representative must attend cosponsored meetings. No fee is associated with Class A events regardless of facility location.

Examples: City meetings, recreation classes and programs.

Class B - Resident Youth Organizations

These are locally organized nonprofit (must be able to show proof of 501(c)(3) youth groups whose membership is comprised of at least 75% City residents under the age of 17 years.

Examples: Recognized Escondido-based youth sports organizations, Boy Scouts and Girls Scouts in Escondido, Escondido YMCA youth activities, and the Escondido Boys and Girls Club youth activities.

Class C - Resident Not-for Profit Organizations and other Governmental Agencies

These are Escondido-based not-for-profit organizations whose membership is comprised of at least 75% Escondido residents, and other governmental agencies.

Examples: Escondido Kiwanis Club, Escondido school districts, board of directors/coaches/parent meetings held by Escondido-based youth sports organizations, YMCA, and Boys and Girls Club; Escondido private schools, Escondido homeowner associations; and the County of San Diego.

Class D - Non-Resident Organizations and Private Parties

These are non-Escondido youth organizations and not-for-profit organizations and private parties.

Examples: Vista Boys and Girls Club, San Marcos Kiwanis Club, school districts and private schools outside of Escondido, family gatherings, private parties and weddings.

Class E - Commercial

These are commercial groups or users affiliated with commercial industries who are promoting a business.

Examples: Profit-making organizations, seminars, trade shows, film companies, network marketing distributors, franchisees, etc.

Class F - Issue/Candidate Forums and Community Meetings

These are public or candidate bipartisan forums open to the public, sponsored by not-for-profit civic or social organizations that are designed to educate or increase public awareness about governmental issues. These meetings shall allow for presenting both sides of an issue and entry to the activity shall not be restricted. No fee is associated with Class F events regardless of facility location.

Examples: League of Women Voters, Escondido Citizens Ecology Committee

FEES SCHEDULE

Meeting Room

- Fees listed are based on an hourly rate with a two-hour minimum during the normal hours of operation for the Police and Fire Headquarters Building.
- An additional fee will be required to cover the operation of the facility if it is used outside of the normal hours of operation. This fee may include staff costs (overtime or holiday pay) in addition to other services required, such as heating and air conditioning. Any additional fees shall be determined by designated Police and Fire staff.

Police and Fire Community Room (includes Hospitality Area)	<u>Class B</u>	<u>Class C</u>	<u>Class D</u>	<u>Class E</u>
Staff Fees	\$45.00	\$50.00	\$75.00	\$95.00
AV Staff Fee	\$20.00	\$20.00	\$20.00	\$20.00
Overhead Projector	\$25.00	\$25.00	\$25.00	\$25.00
Wireless & Hardwired P.A. System	\$25.00	\$25.00	\$25.00	\$25.00
Flat Screen T.V. Monitor/DVD	\$25.00	\$25.00	\$25.00	\$25.00
Staff Fee Non Operational Hours	\$30.00	\$30.00	\$30.00	\$30.00
Staff Fee Holidays	\$75.00	\$75.00	\$75.00	\$75.00
Reservation/Cleaning/Damage Deposit	\$250.00	\$250.00	\$250.00	\$250.00

Note: Police and Fire Headquarters Regular Business Hours are:
 Monday – Thursday, 8:00 AM to 5:00 PM
 Fridays – 11:00 AM to 12:00 Noon, and 3:00 PM to 4:00 PM



City of Escondido
 Police Department
 1163 N. Centre City Pkwy.
 Escondido, CA 92026
 760-839-4721

Permit # _____
 Special Event # _____

Monday thru Thursday from 8:00 a.m. to 5:00 p.m.

APPLICATION AND PERMIT FOR USE OF POLICE AND FIRE HEADQUARTERS COMMUNITY ROOM

Facility(ies) Requested : Community Room Community Room Outside Patio

Name of Organization/Company/Customer: _____

Is the host organization/company a bona fide tax exempt nonprofit entity? Yes No

(If yes, a copy of the 501 (c) tax exemption letter is required and must be attached to the application)

Date(s) Requested: _____ Setup Time: _____

Day of Event Contact: _____ Event Time: _____

Street Address: _____ Clean-up Time: _____

City/State/Zip: _____ E-mail: _____

Daytime Phone: _____ Alternate Phone: _____

Type/Purpose of

Event: _____

Expected attendance (12 or more but less than 76): _____

Is this event open to the public? Yes No Will you be serving food and/or drinks? Yes No

Will you be hiring any of the following services?: Vendors DJ Photographer Caterer

If yes, please provide the company's name and their Escondido business license # for each hired vendor/company.

Note for event organizers: Written authorization submitted on the company's letterhead is required, which authorizes the event organizer to apply for use of facilities on customer's behalf. Permit cannot be submitted without the letter.

Will you have amplified sound and/or music at this event? Yes No If yes, specify: _____

Will your event include retail sales? Yes No If yes, please specify: _____

Will you be holding a raffle/drawing? Yes No *(If yes, a special permit may be required)* Are you charging a fee? Yes No Amount: \$ _____ Purpose of fee? _____

Request use of City Equipment: Overhead Projection/Screen Flatscreen Monitors DVD/VCR/Cable

FOR INTERNAL USE ONLY

Diagram Submitted: _____ AV needs: _____
Building Maint staff notified: _____ AV staff notified: _____
Permit granted this _____ day of _____, 20____ By: _____
Remarks: _____
Return deposit to: _____

RULES AND REGULATIONS

The following are excerpts from the "Police and Fire Departments Facility Use Policy." A complete policy is available at the Police and Fire Headquarters Building.

1. All City uses shall have first priority. Reservations may be made up to three months in advance of event date (exceptions to this time frame may be approved by Police and Fire staff), with a minimum of forty-five (45) days in advance.
2. The facility may not be reserved as meeting places for regularly established organizational meetings.
3. No smoking is allowed inside City-owned buildings, or within twenty (20) feet outside per state code. It shall be unlawful to possess a lighted or burning tobacco product or tobacco-related product at any time within the boundaries of any park, including designated parking areas of any such City recreational area.
4. Groups must adhere to all city, county and state codes during the use of the building.
5. Any breakage of equipment or damage to the facility shall be the responsibility of the group involved and shall be paid for by that group.
6. Police and Fire staff shall have the right to cancel any event scheduled or permit issued for due cause.
7. Animals are not allowed in any City facility or park, with the exception of service animals for disabled persons.
8. In the event of cancellation, it is the applicant's responsibility to notify Police and Fire staff a minimum of thirty (30) days prior to the reservation date. Refunds will be assessed a 25% handling fee. Cancellations less than thirty (30) days before the event date are non-refundable.
9. A \$250 deposit is required to hold the event date. Remaining fees are due a minimum of thirty (30) days prior to the event date. Deposits are refundable after the event date if the facility is left clean and in good order.
10. Red color liquids are not permitted inside any building or on the concrete areas. Barbeques and other food cooking is not permitted.
11. A setup diagram is required for facility use. (*If using a standard A, B, or C setup in the Community Room, no diagram is required.*) Diagram(s) must be submitted at least two (2) weeks prior to the event date.
12. All amplified sound and music, if approved, must be turned off by 11:00 pm. Event must be cleaned up and off the premises by 11:00 p.m. including Facility inspection and sign off.
13. No throwing/dispersing of anything such as rice, birdseed, glitter, confetti or silly string is allowed at anytime.
14. A processing fee of \$25 may be added to any valid permit for changes made, i.e. date of event, location of event, adding equipment, changing event times, etc.
15. City property is not to be removed from the facility at any time during the event. For indoor reservations, pictures and items on walls are not to be moved, removed or covered at any time, including the American flag.
16. If having decorations, no tacks, nails, push pins, or tape are allowed in or on the walls. Balloons are permitted. Do not release balloons into the air outside. Do not prop open any doors. Candles are not permitted.
17. I understand and agree by applying for this permit that I am responsible for the conduct of the attendees, and that any violation of the rules and condition of issuance of the permit by any attendee may result in the immediate cancellation of this permit, once issued, by any public officer or police officer of the City of Escondido. I agree to abide by the rules and certify that I, on behalf of the applicant or organization, am also

authorized to commit that organization, and thereof agree to be financially responsible for any cost and fees that may be incurred by or on behalf of the event to the City of Escondido.

- 18. Security cameras may record event proceedings.
- 19. Applicant agrees to indemnify, defend, and hold harmless, the City of Escondido and its officers, agents, and employees from any and all liability or claim of liability, including attorney fees, arising by reason of personal injury, death or property damage which results from either the City's or applicant's negligent, reckless or intentional acts, errors, or omissions, or any dangerous conditions of property. Whenever required by the City, applicant shall provide liability insurance in a form acceptable to the City Attorney.

I certify that the above information is correct.

(Print Name)

(Company, if applicable)

(Signature)

(Date)

CITY COUNCIL

For City Clerk's Use:

APPROVED DENIED

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 14
Date: January 11, 2012

TO: Honorable Mayor and Members of the City Council

FROM: Michael Lowry, Fire Chief

SUBJECT: Increase Fire Station No. 4 Reconstruction budget and the "design-build" contract with Erickson-Hall Construction ("Agreement") for the Reconstruction and Remodel of Fire Station No. 4 (the "Project").

RECOMMENDATION:

It is requested that City Council adopt Resolution No. 2012-07 authorizing an increase to the Project budget funded by an interfund loan from the Public Facilities Fund to the General Capital Project Fund in the amount of \$550,000 ("Loan") and in addition, increase the Agreement's Project cost by \$465,000.

It is also requested that the Loan be paid back from the Fire Department Operating Budget over the next five (5) years beginning in fiscal year 2012-2013 at approximately \$110,000 to \$120,000 per year. In addition, the Fire Department's Operating Budget will be increased each year to cover the Loan payment.

PREVIOUS ACTION:

On March 9, 2011, the Fire Department presented to Council a financing plan to fund the Project by utilizing the projected sale of Fire Station No. 3 for \$340,000, Public Facilities Fees of \$1.83 million, closed capital projects of \$150,700, and the Building Maintenance Fund of \$78,000 for a total of \$2.40 million.

Currently the City is in escrow on Fire Station No. 3 and we anticipate revenue from the sale to be \$85,000 less than originally projected. As a result, the Project is \$85,000 short of full funding.

FISCAL ANALYSIS:

The Public Facilities Fund currently has a Fund Balance of \$2.478 million. The Fire Department is requesting a loan be established since no other funding sources are available to fund the Project's budget. Full funding for the Project is also contingent on the sale of Fire Station No. 3 and if this sale is not completed, funds may need to come out of the General Fund reserve.

Proposed Interfund Loan:

\$ 465,000	Additional funds – Erickson-Hall Contract
<u>85,000</u>	Additional funds – Sale of City Property deficit
\$ 550,000	Total estimated Loan

BACKGROUND:

On October 5, 2011, Council adopted Resolution No. 2011-130 authorizing staff to enter into a \$2.1 million dollar contract with Erickson-Hall Construction as the general contractor as part of the "design-build" team with the City of Escondido and Jeff Katz Architecture for the Project.

Unfortunately, it was determined during the Project's preliminary construction phase that in order to keep within the budgeted amount originally authorized by City Council, the anticipated square footage of 8,145 would need to be reduced and the "fit and finish" scaled back. Therefore, the Fire Department staff has been in ongoing meetings with City staff, the general contractor and the architect in order to reduce costs. Even with the reduction of both the "fit and finish" and square footage to 5,963, it has been determined that \$465,000 is still necessary in order to complete the station.

Respectfully submitted,



Michael Lowry
Fire Chief

RESOLUTION NO. 2012-07

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING A LOAN FROM THE CITY'S PUBLIC FACILITY FUND TO THE CITY'S GENERAL CAPITAL PROJECT FUND IN ORDER TO SUBSIDIZE A FOUR HUNDRED SIXTY FIVE THOUSAND DOLLAR BUDGET INCREASE FOR THE CITY'S REMODEL OF FIRE STATION NO. 4

WHEREAS, on October 5, 2011, pursuant to authorizing Resolution No. 2011-130, the City Council authorized the execution of a design-build agreement with Erickson-Hall Construction Co. ("Agreement") for the remodel and reconstruction of Fire Station No. 4 (the "Project"); and

WHEREAS, due to unavoidable cost overruns on the Project that are associated with procuring a fully operational fire station, an additional \$465,000 is needed to ensure successful and timely completion of the Project; and

WHEREAS, in order to fund Agreement's budget adjustment, to be paid out of the City's General Capital Project Fund, and in order to ensure that the General Capital Project Fund contains sufficient funds to subsidize the increased Project cost, the City's Public Facilities Fund will loan the General Capital Fund \$550,000 ("Loan"); and

WHEREAS, the Loan will be repaid from the City's General Fund or from such other sources as the City Council may direct from time to time, to the Public Facilities Fund, to be amortized over a period of five (5) years, commencing on the day the Loan is made, on or about January 11, 2012; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve the budget adjustment to the Agreement which will increase the Agreement's Project cost from \$2,100,000 to \$2,565,000.

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 Agreement's Project cost shall be increased to \$2,565,000, subject to final review and amendment of the Agreement by the City Attorney's Office.
3. That the Loan Amount from the Public Facilities Fund of \$550,000 is hereby documented with such funds having been transferred from the City's Public Facilities Fund to the City's General Capital Fund on or about January 11, 2012.
4. That the Loan shall be repaid from the General Fund or from such other sources as the City Council may direct from time to time, to the Public Facilities Fund, to be amortized over a period of five (5) years, commencing on January 11, 2012. Such repayment shall occur on June 30 of each calendar year with an annual principal payment of \$110,000 and bear interest at a rate equivalent to the City's calculated investment portfolio monthly yield. Commencing on June 30, 2012, the first payment will include only interest at a rate equivalent to the City's calculated investment portfolio monthly yield as of June 30, 2012. Subsequent annual payments shall include the principal and interest as described above and will commence on June 30, 2013.

FUTURE CITY COUNCIL AGENDA ITEMS
January 5, 2012

AGENDA ITEMS AND COUNCIL MEETING DATES ARE SUBJECT TO CHANGE. CHECK WITH THE CITY CLERK'S OFFICE AT 839-4617

JANUARY 18, 2012
No Meeting (MLK Holiday)

Green Sheet Due by Noon on Monday, 1/9/12
Staff Reports/Resos due by Noon on Tuesday 1/17/12

JANUARY 25, 2012
4:30 p.m.

CONSENT CALENDAR

Notice of Completion for Secondary Clarifiers Rehabilitation Project
(C. McKinney)

This project was to install pre-purchased mechanical equipment to rehabilitate two secondary clarifiers originally built in 1984 at the Hale Avenue Resource Recovery Facility.

Adopt Ordinances of the City Council of the City of Escondido, California, to amend Section 2-29 of the Escondido Municipal Code to Change the Salary Schedule for the City Council Members and Mayor
(J. McCain)

Change the salary schedule for the City Council Members and Mayor.

Public Services Agreement for Public Art: Maple Street Pedestrian Plaza
(R. Zaino)

On December 14, 2011, City Council awarded a construction contract to LB Civil Construction to construct the Maple Street Pedestrian Plaza project. The project also includes several public art installations to be provided by Paul Hobson. This Public Services Agreement will compensate Mr. Hobson for his efforts. The funding of the public art associated with the Maple Street project was approved by City Council at the December 14th hearing.

JANUARY 25, 2012

Continued

PUBLIC HEARINGS:

Conditional Use Permit and Zone Change for Escondido Fire Station No. 4 (PHG 11-0017)

(B. Redlitz)

The Zone Change to apply the PSF Overlay is necessary because fire stations are not a permitted use in Kit Carson Park's OS-P zone even though one has existed in the park at the same location for decades. The CUP is required on properties where the PSF Overlay is applied for the construction of police or fire facilities.

Specific Plan Amendment for an AT&T Wireless Communication Facility (PHG 11-0010)

(B. Redlitz)

An amendment to the Specific Plan is required since wireless communication facilities are not listed as a permitted use within the open space areas of the Palos Vista Specific Plan.

CURRENT BUSINESS

Status Report on Water Facility Proposed for Eureka Ranch Area

(C. McKinney)

(Need Green Sheet)

Stone Brewery

(J. VanLeeuwen)

(Need Green Sheet)

Approve Joint Use Agreement with SDG&E: Mission Avenue Underground 69KV Transmission Line

(E. Domingue)

SDG&E has agreed to underground their existing 69kv transmission circuit which currently runs overhead from their Escondido substation (West Mission Avenue) to their Ash Street substation together with proposed circuit upgrades. This undergrounding provides great visual benefit to the City. SDG&E is requesting this Joint Use Agreement with the City to shield this specific installation from future relocation requirements and costs.

WORKSHOP

Status Report on 2011-2012 City Council Action Plan

(J. Masterson)

The City Council Action Plan represents the City Council's collective vision for Escondido's future and the key activities that will be used to achieve that vision.

Future Agenda Items (D. Halverson)