



# Council Meeting Agenda

**JUNE 24, 2015**  
**CITY COUNCIL CHAMBERS**  
**3:30 P.M. Closed Session; 4:30 P.M. Regular Session**  
**201 N. Broadway, Escondido, CA 92025**

MAYOR	<b>Sam Abed</b>
DEPUTY MAYOR	<b>Michael Morasco</b>
COUNCIL MEMBERS	<b>Olga Diaz</b> <b>Ed Gallo</b> <b>John Masson</b>
CITY MANAGER	<b>Clay Phillips</b>
CITY CLERK	<b>Diane Halverson</b>
CITY ATTORNEY	<b>Jeffrey Epp</b>
DIRECTOR OF COMMUNITY DEVELOPMENT	<b>Barbara Redlitz</b>
DIRECTOR OF PUBLIC WORKS	<b>Ed Domingue</b>

**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

**June 24, 2015  
3:30 P.M. Meeting**

**Escondido City Council**

## **CALL TO ORDER**

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

## **ORAL COMMUNICATIONS**

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

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

- I. CONFERENCE WITH LABOR NEGOTIATOR (Government Code §54957.6)**
- a. **Agency Negotiator:** Sheryl Bennett & Clay Phillips  
**Employee Organization:** Escondido City Employee Association: Administrative/Clerical/Engineering (ACE) Bargaining Unit
- b. **Agency Negotiator:** Sheryl Bennett & Clay Phillips  
**Employee Organization:** Escondido City Employee Association: Supervisory (SUP) Bargaining Unit
- II. CONFERENCE WITH LEGAL COUNSEL-- EXISTING LITIGATION (Government Code 54956.9(d)(1))**
- Case Name:** Stuck in the Rough, LLC. v. City of Escondido, et al.  
**Case No:** 37-2013-00074375-CU-WM-NC
- III. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code §54956.8)**
- a. **Property:** 3400 Valley Center Road  
**City Negotiator:** Debra Lundy, Real Property Manager  
**Negotiating Parties:** Charros de el Caballo Park  
**Under Negotiation:** Price and Terms of Agreement

- b.     **Property:**                   2207 Harmony Grove Road (Por.)  
       **City Negotiator:**       Debra Lundy, Real Property Manager  
       **Negotiating Parties:**   Pacific Harmony Grove Development, LLC, et. al.  
       **Under Negotiation:**   Price and Terms of Agreement

**ADJOURNMENT**



# Council Meeting Agenda

**June 24, 2015  
4:30 P.M. Meeting**

**Escondido City Council  
and as Successor Agency to the CDC**

## **CALL TO ORDER**

### **MOMENT OF REFLECTION:**

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

### **FLAG SALUTE**

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

**PROCLAMATIONS:** Parks and Recreation Month

## **ORAL COMMUNICATIONS**

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

## CONSENT CALENDAR

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

1. **AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/SUCCESSOR AGENCY/RRB)**
2. **APPROVAL OF WARRANT REGISTER (Council/Successor Agency )**
3. **APPROVAL OF MINUTES: None Scheduled**

4. **AUTHORIZATION TO ORDER: MIGRATE TO CALNET 3 STATE CONTRACT -**

Request Council approve authorizing the Director of Information Systems to execute an Authorization to Order to migrate from State Contract CALNET 2 to State Contract CALNET 3 in order to maintain discount rates for existing and new telecommunications and network services. This Authorization to Order under CALNET 3 is effective until June 30, 2018, with two optional one-year automatic extensions.

Staff Recommendation: **Approval (Information Systems Department: Mark Becker)**

RESOLUTION NO. 2015-113

5. **RELOCATION PLAN FOR CYPRESS COVE -**

Request Council approve authorizing the adoption of the tenant Relocation Plan for Cypress Cove located at 260 North Midway Drive and appoint the Director of Community Development, or her appointed subcommittee, to act as the Hearing Officer/Committee to review formal appeals should any disagreements arise in the relocation process for the duration of the Project.

Staff Recommendation: **Approval (Community Development Department: Barbara Redlitz)**

RESOLUTION NO. 2015-118

6. **AWARD PURCHASE OF FUELS FOR FISCAL YEAR 2016 -**

Request Council approve the purchase of unleaded gasoline and diesel fuel from The SoCo Group, Inc. in the amount of \$1,300,000 utilizing a cooperative purchase agreement with the City of San Diego, RFP No. 10015195-12-Z, Purchasing Contract No. 46000000984, pursuant to Escondido Municipal Code Chapter 10 Article 5 section 10-90.

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

RESOLUTION NO. 2015-101

7. **FINAL MAP, ESCONDIDO TRACT SUB 12-0014, LOCATED AT 537 NORTH ELM STREET -**

Request Council approve the Final Map for Tract SUB 12-00014, a One Lot, 11 Unit Residential Condominium Subdivision located at 537 North Elm Street and developed by San Diego Habitat for Humanity.

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

8. **AMENDMENT TO PURCHASE AGREEMENT WITH THE PHAIR COMPANY/PASEO ESCONDIDO, LLC FOR THE DISPOSITION OF PROPERTY: 1201 EAST WASHINGTON AVENUE -**

Request Council approve authorizing the Real Property Manager and City Clerk to execute an Amendment to the Purchase Agreement with the Phair Company/Paseo Escondido, LLC, for sale of 1201 East Washington Avenue.

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

RESOLUTION NO. 2015-105

9. **LEASE AGREEMENT WITH WICKLINE BEDDING AT 455 NORTH QUINCE STREET -**

Request Council approve authorizing the Real Property Manager and City Clerk to execute, on behalf of the City of Escondido, a Lease Agreement with Wickline Bedding at 455 North Quince Street.

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

RESOLUTION NO. 2015-78

10. **BUDGET ADJUSTMENT FOR PROPERTY MANAGEMENT EXPENSES ASSOCIATED WITH THE DEMOLITION OF HOUSING SUCCESSOR AGENCY ASSET: 509 WEST SECOND AVENUE (LOPEZ MARKET) -**

Request Council approve a budget adjustment to increase the Housing Successor Agency professional services budget in the amount of \$55,000 for property management expenses associated with the demolition of 509 West Second Avenue.

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

11. **FISCAL YEAR 2015-16 DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL LOCAL LAW ENFORCEMENT GRANT AND BUDGET ADJUSTMENT -**

Request Council approve authorizing the Chief of Police to receive a \$54,422 grant award from the California Department of Alcoholic Beverage Control; authorize the Chief of Police and Police Department staff to execute contract documents on behalf of the City; and approve budget adjustments needed to spend grant funds.

Staff Recommendation: **Approval (Police Department: Craig Carter)**

RESOLUTION NO. 2015-111

12. **FEDERAL BUREAU OF INVESTIGATION - SAN DIEGO INTEGRATED NARCOTIC TASK FORCE FUNDING -**

Request Council approve accepting San Diego Integrated Narcotic Task Force funding from the FBI; authorize the Chief of Police or his designee to execute agreement documents on behalf of the City; and authorize future budget adjustments based solely on the increase or decrease of associated funding.

Staff Recommendation: **Approval (Police Department: Craig Carter)**

13. **FEDERAL BUREAU OF INVESTIGATION - NORTH COUNTY REGIONAL GANG - SAFE STREETS TASK FORCE FUNDING -**

Request Council approve accepting North County Regional Gang - Safe Street Task Force funding from the FBI; authorize the Chief of Police or his designee to execute agreement documents on behalf of the City; and authorize future budget adjustments based solely on the increase or decrease of associated funding.

Staff Recommendation: **Approval (Police Department: Craig Carter)**

**14. FEDERAL BUREAU OF INVESTIGATION - SAN DIEGO CHILD EXPLOITATION TASK FORCE FUNDING -**

Request Council approve accepting San Diego Child Exploitation Task Force Funding from the FBI; authorize the Chief of Police or his designee to execute agreement documents on behalf of the City; and authorize future budget adjustments based solely on the increase or decrease of associated funding.

Staff Recommendation: **Approval (Police Department: Craig Carter)**

**15. UNITED STATES MARSHALS SERVICE - REGIONAL FUGITIVE TASK FORCE FUNDING -**

Request Council approve accepting Regional Fugitive Task Force funding from the USMS; authorize the Chief of Police or his designee to execute agreement documents on behalf of the City; and authorize future budget adjustments based solely on the increase or decrease of associated funding.

Staff Recommendation: **Approval (Police Department: Craig Carter)**

**16. CONTRACT FOR A THIRD-PARTY ADMINISTRATOR TO PROVIDE CLAIMS ADMINISTRATION SERVICES FOR THE CITY'S WORKERS' COMPENSATION PROGRAM -**

Request Council approve authorizing the Mayor and City Clerk to execute a one-year renewable contract with AdminSure to provide third-party administrator services for the City of Escondido Workers' Compensation Program.

Staff Recommendation: **Approval (Human Resources Department: Sheryl Bennett)**

RESOLUTION NO. 2015-112

**17. BID AWARD FOR WATER METERS -**

Request Council approve rejecting Inland Waterworks' bid in the amount of \$126,810.90 as nonresponsive and determine the bid submitted by HD Waterworks in the amount of \$160,493.40 to be the lowest responsive and responsible bid. These water meters will be used for residential, commercial, new development and replacement installations.

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

RESOLUTION NO. 2015-103

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

Request Council approve setting the Special Tax Levy for Community Facilities District No. 2006-01 (Eureka Ranch) for Fiscal Year 2015/16.

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

RESOLUTION NO. 2015-93

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

Request Council approve setting the Special Tax Levy for Community Facilities District No. 2000-01 (Hidden Trails) for Fiscal Year 2015/16.

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

RESOLUTION NO. 2015-92



20. [MAINTENANCE AND OPERATIONS BARGAINING UNIT, TEAMSTERS LOCAL 911 MEMORANDUM OF UNDERSTANDING -](#)

Request Council approve a successor Maintenance and Operations Bargaining Unit contract.

Staff Recommendation: **Approval (Human Resources Department: Sheryl Bennett)**

RESOLUTION NO. 2015-115

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

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

21. [PRELIMINARY, MASTER AND PRECISE DEVELOPMENT PLAN, AND ZONE CHANGE \(PHG 14-0020 AND ENV 15-0004\) -](#)

Approved on June 17, 2015 with a vote of 5/0

ORDINANCE NO. 2015-13 (Second Reading and Adoption)

**PUBLIC HEARINGS**

22. [AMENDMENT TO THE ZONING CODE PERTAINING TO AIR SPACE CONDOMINIUMS AND COMMUNITY APARTMENTS \(AZ 15-0001\) -](#)

Request Council approve amending the Escondido Zoning Code pertaining to Article 49 to exempt condominium permit requirements for new commercial and/or industrial condominiums that otherwise comply with Subdivision Map Act and city public noticing requirements, increase the contingency fund for condominium conversion projects, eliminate the contingency fee for new construction, allow for administrative approval of minor changes to condominium projects on case-by-case basis, and other minor text revisions for clarity purposes; and approve certifying the environmental determination.

Staff Recommendation: **Approval (Community Development Department: Barbara Redlitz)**

ORDINANCE NO. 2015-14 (Introduction and First Reading)

**CURRENT BUSINESS**

23. [RESOLUTION AUTHORIZING APPLICATION FOR CLEAN WATER STATE REVOLVING FUND LOAN FREQUENT FINANCER STATUS -](#)

Request Council adopt a resolution authorizing an application for Clean Water State Revolving Fund (SRF) Frequent Financer status for projects included in the Ag Recycled Water and Potable Reuse Program; and authorize the Director of Utilities to sign and file SRF loan documents on behalf of the City; approve pledging a revenue stream and designated fund(s) for repayment; and approve the City's qualification for reimbursement of project costs.

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

RESOLUTION NO. 2015-108

## FUTURE AGENDA

### 24. [FUTURE AGENDA -](#)

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

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

## COUNCIL MEMBERS SUBCOMMITTEE REPORTS

## CITY MANAGER'S UPDATE/BRIEFING

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

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

## ORAL COMMUNICATIONS

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## ADJOURNMENT

### UPCOMING MEETING SCHEDULE

Date	Day	Time	Meeting Type	Location
July 1	-	-	No Meeting	-
July 8	Wednesday	3:30 & 4:30 p.m.	Regular Meeting	Council Chambers
July 15	-	-	No Meeting	-
July 22	-	-	No Meeting	-

## TO ADDRESS THE COUNCIL

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

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

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

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

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

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

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

### LIVE BROADCAST

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

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

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

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

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



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

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

## CITY COUNCIL

For City Clerk's Use:

**APPROVED**       **DENIED**

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

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

**Agenda Item No.: 4**

**Date: June 24, 2015**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Mark Becker, Director of Information Systems  
**SUBJECT:** Authorization to Order: Migrate to CALNET 3 State Contract

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2015-113 authorizing the Director of Information Systems to execute an Authorization to Order (ATO) to migrate from State Contract CALNET 2 to State Contract CALNET 3 in order to maintain discount rates for existing and new telecommunications and network services. This Authorization to Order under CALNET 3 is effective until June 30, 2018, with two optional one-year automatic extensions.

FISCAL ANALYSIS:

Funding for telecommunication costs is available in the Telecommunications Internal Services Fund budget.

PREVIOUS ACTION:

Council approved the migration from CALNET to CALNET 2 on June 20, 2007, by Resolution No. 2007-113 for a five-year term. CALNET 2 has been automatically extended by the State and its Agencies from 2012 to July 29, 2015.

BACKGROUND:

The City of Escondido currently uses the California Integrated Information Network (CALNET 2) Contract to purchase monthly telecommunication services at a discounted rate from AT&T.

The existing CALNET 2 Contract will expire on July 29, 2015. The State of California, Office of Technology Services, developed the CALNET 3 Contract to continue providing discounted telecommunications and network services through multiple technology providers. Pursuant to the Contract, any public agency as defined in Government Code Section 11541 is allowed to order services and products solely set forth in the Contract.

Authorization to Order: Migrate to CALNET 3 State Contract  
June 24, 2015  
Page 2

To maintain the discounted telecommunication rates offered by the CALNET contracts the City of Escondido must execute an Authorization to Order (ATO) to migrate from the existing CALNET 2 contract to the new CALNET 3 Contract.

Below are the on-line links to the CALNET 3 Contract and Supporting Documents.

<https://ebiznet.att.com/calnetinfoiii/ShowLinks.cfm?urlSectionId=1>

<https://ebiznet.att.com/calnetinfoiii/ShowLinks.cfm?urlSectionId=2>

Respectfully submitted,

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

Mark Becker,  
Director of Information Systems

RESOLUTION NO. 2015-113

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE DIRECTOR OF INFORMATION SYSTEMS TO EXECUTE ON BEHALF OF THE CITY AN AUTHORIZATION TO MIGRATE EXISTING SERVICES AND ORDER NEW TELECOMMUNICATIONS AND NETWORK SERVICES UNDER THE CALIFORNIA INTEGRATED INFORMATION NETWORK (CALNET) 3 CONTRACT

WHEREAS, the City of Escondido currently uses the California Integrated Information Network (CALNET 2) Contract to purchase telecommunication and network services at a discounted rate; and

WHEREAS, the CALNET 2 contract will expire July 29, 2015; and

WHEREAS, multiple technology providers, including AT&T, and the State of California, Department of General Services, have entered in a new contract for discounted services, the California Integrated Information Network (CALNET) 3; and

WHEREAS, CALNET 3 will continue to offer discounted telecommunication rates, the City of Escondido must execute an Authorization to Order under the new CALNET 3 contract and terms, ending June 30 2018, with two optional one-year extensions; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve the Authorization to Order with AT&T and other technology providers under the terms stated therein;

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

1. That the above recitations are true.

2. That the City Council accept the recommendation of the Information Systems Director.

3. That the Director of Information Systems and City Clerk are hereby authorized to execute, on behalf of the City, the Authorization to Order for telecommunication services for CALNET 3. A copy of the Authorization to Order is attached as Exhibit "A" and incorporated by this reference.

## ATTACHMENT 4 – AUTHORIZATION TO ORDER (ATO)

### AUTHORIZATION TO ORDER UNDER STATE CONTRACT

AT&T and the State of California ("State") have entered into a Contract for CALNET 3 Statewide Contract A (SWC-A), **C3-A-12-10-TS-01**, for the following Subcategories and terms. The State may, at its sole option, elect to extend the Contract term for up to the number of additional periods of one (1) year each as indicated below.

<u>Subcategory</u>	<u>Contract Award</u>	<u>Contract End</u>	<u>1 year Optional Extensions</u>
1.1 Dedicated Transport	November 15, 2013	June 30, 2018	2
1.2 MPLS, VPN and Converged VoIP	November 15, 2013	June 30, 2018	2
1.3 Standalone VoIP	November 15, 2013	June 30, 2018	2
1.4 Long Distance Calling	November 15, 2013	June 30, 2018	2
1.5 Toll-Free Calling	November 15, 2013	June 30, 2018	2
1.6 Legacy Telecommunications	November 15, 2013	June 30, 2017	3

Pursuant to the Contract, which is incorporated herein by reference, any public agency, as defined in Government Code section 11541, is allowed to order services and products ("Services") solely as set forth in the Contract.

A non-State public Entity (herein "Non-State Entity") shall also be required to complete and submit this Authorization to Order (ATO) Under State Contract prior to ordering Services. A description of the Service(s), applicable rates and charges and the specific terms and conditions under which the Service(s) will be provided to a Non-State Entity are fully set forth in the Contract. Access to the Contract is available at <http://marketing.dts.ca.gov/calnet3/>.

**Insert Non-State Entity Name here** ("Non-State Entity") desires to order Service(s), and Contractor agrees to provide such Service(s), as identified in the State of California, Telecommunications Service Request (Form. 20), pursuant to the terms and conditions and rates contained in the Contract.

#### E-Rate Customers

Only complete if applying for E-Rate funding:

**Insert Non-State Entity Name here** intends to seek Universal Service Funding (E-Rate) for eligible services provided under this ATO.

The Service(s) ordered under this ATO shall commence on **Insert month, day, year** ("Service Date"). Upon the Service Date, this ATO supersedes and replaces any applicable serving arrangements between Contractor and Non-State Agency for the Service(s) being ordered under this ATO.



#### **ATTACHMENT 4 – AUTHORIZATION TO ORDER (ATO)**

This ATO shall become effective upon execution by Non-State Entity, Contractor, and the Office of Technology Services, Statewide Telecommunications and Network Division (OTech/STND). No Service(s) shall be ordered by Non-State Entity or provided by Contractor until this ATO has been executed by both parties and approved by OTech/STND.

By executing this ATO, Non-State Entity agrees to subscribe to the selected services, and Contractor agrees to provide selected services, in accordance with the terms and conditions of this ATO and the Contract. Upon execution of this ATO by Non-State Entity and Contractor, Contractor shall deliver this ATO to OTech/STND for review and approval. The State may, at its sole discretion, revoke any applicable previously approved ATO.

The OTech/STND will provide Contract management and oversight, and upon request by the Non-State Entity or Contractor, will advocate resolving any Contract service issues. The ATO, and any resulting Form 20, is a Contract between the Non-State Entity and the Contractor. The State will not represent the Non-State Entity in resolution of litigated disputes between the parties.

Non-State Entity may terminate this ATO, for specific Service(s) or in total, prior to termination of the Contract, by providing the Contractor with thirty (30) calendar days' of written notice of cancellation. This ATO shall not exceed the term of the CALNET 3 Contract.

Non-State Entity, upon execution of this ATO, certifies that Non-State Entity understands that Contractor and the State may, from time to time and without Non-State Entity's consent, amend the terms and conditions of the Contract thereby affecting the terms of service Non-State Entity receives from Contractor.

Non-State Entity, upon execution of this ATO, certifies that it has reviewed the terms and conditions, including the rates and charges, of the Contract.

Non-State Entity, upon execution of this ATO, certifies the Non-State Entity understands that billing invoices for Service(s) subscribed to under the Contract are subject to review and/or audit by the State, pursuant to provisions of the Contract.

All Service(s) ordered under this ATO will be submitted using the Form 20, signed by the Non-State Entity's authorized signatory. Any additions or deletions to Service(s) shall likewise be accomplished by submission of a Form 20, noting changes. The Non-State Entity understands that Form 20s are subject to review by the CALNET 3 CMO to ensure contract compliance.

Non-State Entity, upon execution of this ATO, certifies the Non-State Entity understands that the Contractor shall provide CALNET 3 CMO all data, reports, and access to trouble tickets for Service(s) subscribed to under the Contract, pursuant to provisions of the Contract.

Non-State Entity may, by placing Service orders issued by its duly authorized representative with Contractor, order any of the Service(s) listed in the Contract and selected below. Contractor shall bill Non-State Entity, and Non-State Entity shall pay Contractor according to the terms and conditions and rates set forth in the Contract for such Service(s).

**ATTACHMENT 4 – AUTHORIZATION TO ORDER (ATO)**

Whenever any notice or demand is given under this Contract to Contractor or Non-State Entity, the notice shall be in writing and addressed to the following:

**Non-State Entity:**

**Contractor:**

AT&T

2700 Watt Avenue, Room 1213

Sacramento, CA 95821

Attn:

Attn: Contract Program Manager

Notices delivered by overnight courier service shall be deemed delivered on the day following mailing. Notices mailed by U.S. Mail, postage prepaid, registered or certified with return receipt requested, shall be deemed delivered five (5) State business days after mailing. Notices delivered by any other method shall be deemed given upon receipt.

IN WITNESS WHEREOF, the parties hereto have caused this ATO to be executed on the date shown below by their respective duly authorized representatives:

<b>NON-STATE ENTITY</b>	<b>CONTRACTOR</b>
<b>By: Authorized Signature</b>	<b>By: Authorized Signature</b>
<b>Printed Name and Title of Person Signing</b>	<b>Printed Name and Title of Person Signing</b>
<b>Date Signed:</b>	<b>Date Signed:</b>

Approved By:

State of California

Department of Technology,

Statewide Telecommunications and Network Division

<b>By: Authorized Signature</b>
<b>Printed Name and Title of Person Signing</b>
<b>Date Signed:</b>

**ATTACHMENT 4 – AUTHORIZATION TO ORDER (ATO)**

**Select services for**

	<b><u>AT&amp;T C3-A-12-10-TS-01</u></b>	
<b>Selected Services</b>	<b>Dedicated Transport Subcategory 1.1</b>	<b>Customer Initials</b>
<input type="checkbox"/>	Carrier DS0 Service	
<input type="checkbox"/>	Carrier DS1 Service	
<input type="checkbox"/>	Carrier DS3 Service	
<input type="checkbox"/>	ISDN Primary Rate Interface Service	
<input type="checkbox"/>	Extended Demarcation Wiring Service	
<input type="checkbox"/>	Services Related Hourly Support	
<b>Selected Services</b>	<b>Multi-Protocol Label Switching (MPLS) Subcategory 1.2</b>	<b>Customer Initials</b>
<input type="checkbox"/>	MPLS Port Transport Speed Service	
<input type="checkbox"/>	MPLS Port & Access Bundled Transport Speed Service	
<input type="checkbox"/>	MPLS Port, Access & Router Bundled Transport Speed Service	
<input type="checkbox"/>	MPLS Port, Access & Router Bundled On-Net Transport Speed Service	
<input type="checkbox"/>	MPLS Port, Access & Router Bundled Off-Net Transport Speed Service	
<input type="checkbox"/>	MPLS Port, Access & Router Bundled Ethernet On-Net Transport Speed Service	
<input type="checkbox"/>	MPLS Port, Access & Router Bundled Ethernet Off-Net Transport Speed Service	
<input type="checkbox"/>	Converged VoIP Service	
<input type="checkbox"/>	Converged Voice Mail Service	
<input type="checkbox"/>	Audio Conferencing Service	
<input type="checkbox"/>	Session Initiated Protocol (SIP) Trunking Service	
<input type="checkbox"/>	Extended Demarcation Wiring Services	
<input type="checkbox"/>	Services Related Hourly Support	
<b>Selected Services</b>	<b>Standalone Voice over Internet Protocol (VoIP) Subcategory 1.3</b>	<b>Customer Initials</b>
<input type="checkbox"/>	Standalone VoIP Service	
<input type="checkbox"/>	VoIP Voice Mail Service	
<input type="checkbox"/>	Audio Conferencing Service	
<input type="checkbox"/>	Extended Demarcation Wiring Services	
<input type="checkbox"/>	Services Related Hourly Support	

**ATTACHMENT 4 – AUTHORIZATION TO ORDER (ATO)**

<b>Selected Services</b>	<b>Long Distance Calling Subcategory 1.4</b>	<b>Customer Initials</b>
<input type="checkbox"/>	Long Distance Network Access Transport Service	
<input type="checkbox"/>	Long Distance Domestic Calling Service	
<input type="checkbox"/>	Long Distance International Calling Service	
<input type="checkbox"/>	Calling Cards	
<input type="checkbox"/>	Operator Services	
<input type="checkbox"/>	Audio Conferencing Service	
<input type="checkbox"/>	Extended Demarcation Wiring Services	
<input type="checkbox"/>	Services Related Hourly Support	
<b>Selected Services</b>	<b>Toll Free Calling Subcategory 1.5</b>	<b>Customer Initials</b>
<input type="checkbox"/>	Toll Free Network Access Transport Service	
<input type="checkbox"/>	Toll Free Domestic Service	
<input type="checkbox"/>	International Toll Free Service	
<input type="checkbox"/>	Extended Demarcation Wiring Services	
<input type="checkbox"/>	Services Related Hourly Support	
<b>Selected Services</b>	<b>Legacy Telecommunications Subcategory 1.6</b>	<b>Customer Initials</b>
<input type="checkbox"/>	Business Access Line Service	
<input type="checkbox"/>	Central Office Exchange Service	
<input type="checkbox"/>	Central Office Trunk Service	
<input type="checkbox"/>	Intra-LATA Calling	
<input type="checkbox"/>	Locally Based Automatic Call Distributor (ACD)	
<input type="checkbox"/>	Voice Mail Services	
<input type="checkbox"/>	Analog Service	
<input type="checkbox"/>	ISDN Basic Rate Interface (BRI) Service	
<input type="checkbox"/>	Frame Relay Service	
<input type="checkbox"/>	Asynchronous Transfer Mode (ATM) Service	
<input type="checkbox"/>	Extended Demarcation Wiring Services	
<input type="checkbox"/>	Station Wiring	
<input type="checkbox"/>	Services Related Hourly Support	

**CITY COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

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

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

**Agenda Item No.: 5**

**Date: June 24, 2015**

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

**FROM:** Barbara Redlitz, Director of Community Development

**SUBJECT:** Relocation Plan for the Cypress Cove (Case Number: 0873-01-23)

**RECOMMENDATION:**

Approve Resolution 2015-118 authorizing the adoption of the attached tenant Relocation Plan ("Plan") for the Cypress Cove ("Project") located at 260 North Midway Drive; and appoint the Director of Community Development, or her appointed subcommittee, to act as the Hearing Officer/Committee to review formal appeals should any disagreements arise in the relocation process for the duration of the Project.

**FISCAL ANALYSIS:**

There will be no impact on the General Fund. Federal Home Investment Partnership (HOME) funds must be spent on affordable housing.

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

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

**PREVIOUS ACTION:**

On August 7, 2014, the Housing Division released a Request for Proposals (RFP) inviting for-profit, non-profit and Community Housing Development Organizations (CHDOs) to submit requests for funding for the provision of affordable rental housing or first-time homebuyer opportunities through the rehabilitation of blighted properties or acquisition of long-term affordability covenants.

On October 22, 2014, City Council adopted City Council Resolution No. 2014-154 authorizing a conditional commitment of federal HOME funds in an amount not to exceed \$1,000,000 to Community HousingWorks (CHW) for the acquisition and rehabilitation of 10 units within a 200-unit affordable multi-family rental development located at 260 North Midway Drive, Escondido.

On February 4, 2015, City Council adopted City Council Resolution No. 2015-03R approving the issuance of Multifamily Housing Revenue Bonds by California Statewide Communities Development Authority (CSCDA) in an amount not to exceed \$35,000,000 for the Project.

**BACKGROUND:**

CHW will rehabilitate the property, including interior improvements, a new roof and significant improvements to the site. The Project will provide the City with 198 units of preserved affordable housing to households whose incomes are at or below 50 and 60% of the Area Median Income for 55 years.

The Project requires adoption of a Relocation Plan (Plan) because HOME funds are used to acquire and rehabilitate the property. As the subject property has an existing California Tax Credit Allocation Committee (CTCAC) regulatory agreement, no permanent relocation is anticipated, based upon the IRS guidance. The Plan is designed to protect displaced residential tenants who will be temporarily displaced while their unit is under renovation. Relocation law requires the City to: 1) have an adopted Plan in place prior to the undertaking of any displacing activity; 2) provide for an appeals process; and 3) monitor the Plan for compliance for the duration of the project. This Plan provides: (1) preliminary needs assessment of the occupants, (2) a study of the available temporary replacement housing; and (3) and overview of CHW's relocation program.

The Plan is included as Exhibit A to this staff report and was prepared in accordance with the Federal Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs (URA) and implementing guidelines to ensure that displaced residents receive all appropriate relocation assistance and benefits

**An overview of CHW's relocation program.**

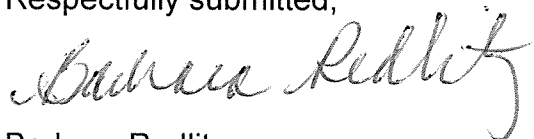
Laurin Associates, a Division of Raney Planning and Management, Inc. (Laurin), specialists in federal and state relocation requirements, was hired to develop and implement the relocation activities for the Project. Laurin released the required General Information Notice (GIN) advising the potential for tenant relocation benefits to all households in January 2015. Tenants who applied for residency after the GIN received a Prospective Tenant Notice (PTN) to let them know of the renovation plans. Prior to the start of renovations, onsite tenant meetings will be held to describe the renovations, explain the temporary relocation processes, expectations, and to answer tenant questions.

Due to the scope of rehabilitation work, residents will be required to temporarily vacate their units for two or six nights. Tenants will be interviewed and will have the choice of staying with family or friends or in a hotel room at the nearby hotel secured for them. If they choose to stay at the hotel, a room will be reserved and paid directly for them. They will also receive \$20 per person per night for the food allowance. The hotel will provide breakfast. If they choose friends or family, they will not be provided a hotel. They will be provided \$100 per night plus \$20 per person per night for food allowance. In addition, reasonable out of pocket expenses incurred in connection with the temporary relocation may be reimbursable.

CHW has received tax credit and bond approvals and anticipates closing on all financing in August. All residents are eligible to stay at the property, tenants will be issued a Notice of Non Displacement. At least 30 days prior to renovations, a Notice of Temporary Relocation Assistance will be provided. Construction is expected to begin in August 2015 and be completed in July 2015.

Relocation regulations also require that there be an available appeals process for the residents that are displaced. Staff recommends that the Director of Community Development be named as the appeals officer who may, at her discretion, form an appeals committee to review any disagreements that may arise in the relocation process. The budget to cover the permanent relocation, temporary relocation, professional relocation consulting services, professional income certifications, and a contingency is \$149,060; this amount is within the scope anticipated by CHW's budget. The contingency is necessary because the tenant certifications are not completed. Relocation costs may be paid out of either the City funds or the tax-exempt bonds proceeds.

Respectfully submitted,

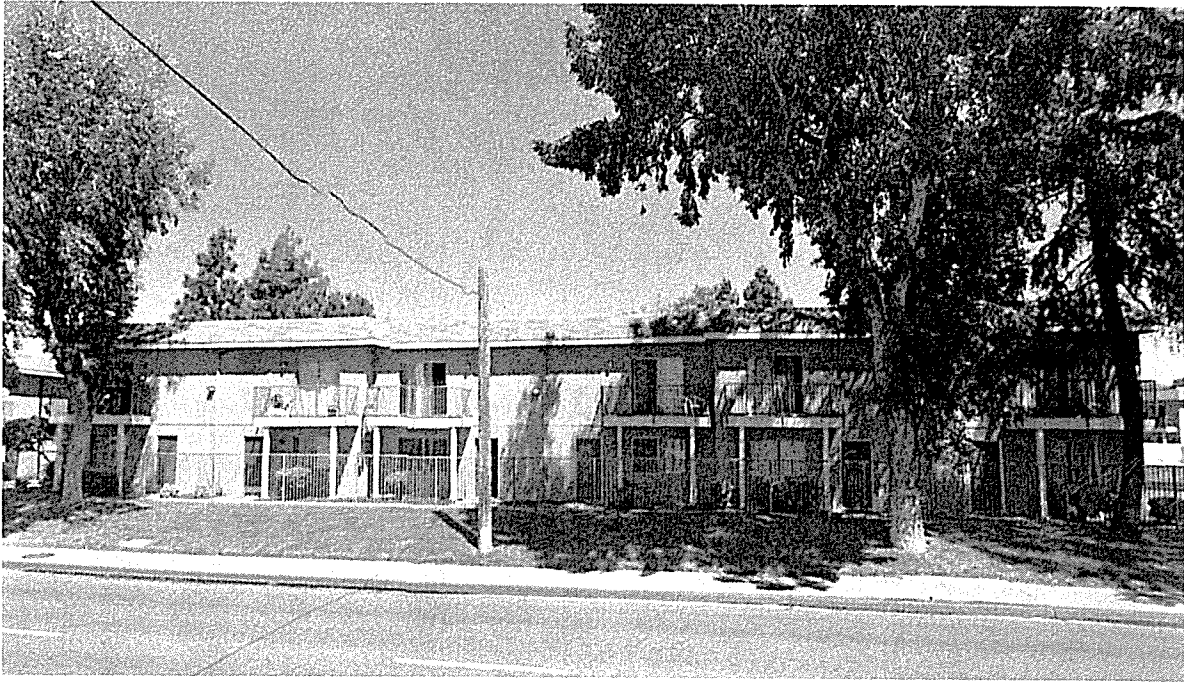


Barbara Redlitz  
Director of Community Development



Karen Youel  
Management Analyst

**CYPRESS COVE  
DRAFT RELOCATION PLAN**



**March 2015**

**Prepared for:  
Community Housing Works**

**Prepared by:  
Laurin Associates,  
a Division of Raney Planning and Management, Inc.**



## INTRODUCTION

Community Housing Works (CHW) is submitting an application to renovate an affordable multifamily housing complex in Escondido, CA. Cypress Cove is a 200 unit general occupancy affordable housing complex located at 260 North Midway Drive in Escondido. Funding sources for the project include equity from 4% tax credits, tax-exempt bonds, and HOME funding. Renovations are expected to take place June 2015 – June 2016.

Project financing includes HOME funding; therefore, the Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs (URA), is applicable. This Relocation Plan was prepared in accordance with the requirements of URA. The preparation of a relocation plan fulfills an important administrative requirement, but does not, by itself, imply a commitment to proceed with any proposed project.

This report is being prepared to provide the funding sources and the public with a preliminary report of the actions, costs, and resources that will be needed to temporarily relocate tenants residing at Cypress Cove. Because the subject property has an existing CTCAC regulatory agreement, no permanent relocation is anticipated, based upon the following IRS guidance:

*Households determined to be income-qualified for purposes of IRC§42 credit during the 15-year compliance period are concurrently income-qualified households for purposes of the +30-year extended use agreement. As a result, any household determined to be income qualified at the time of initial move-in for purpose of the extended use agreement is a qualified low-income household for any subsequent allocation of IRC§42 credit.*

Due to the scope of rehabilitation work and the concern for each tenant's health, safety, and welfare, the remaining residents will be required to vacate their unit temporarily either for two nights or for six nights.

## Project Location/Description



Cypress Cove is an existing 200 unit affordable multifamily housing project serving general occupancy households and is located at 260 North Midway Drive, Escondido, San Diego County. The proposed project targets households with incomes and rents up to 60 percent of AMI. The complex was originally built in 1977 and rehabilitated in 2002.

The complex includes 27 two-story residential buildings consisting of 50 one-bedroom, one bath units with 700 square feet, 50 two-bedroom, one bath units with 880 square feet, 50 two-bedroom, one and one half bath units with 950 square feet, and 50 three-bedroom, two bath units with 1,150 square feet. Two of the two-bedroom units are designated for onsite managers. Site amenities include onsite management, carports, a swimming pool, and a laundry room. Unit amenities include central heat and air, carpet, stove/oven, ceiling fan, patio/balcony and refrigerator.

The complex has one vacant unit, which is being filled. Units will not be kept vacant. Estimated construction costs are approximately \$30,000 per unit and include:

- Repair concrete
- Upgrade landscaping
- New roofing
- New siding and fascia repair
- Exterior paint

RELOCATION PLAN

Cypress Cove

*March 2015*

Asphalt repairs and resurfacing  
Plumbing and Electrical repairs as needed  
Replace water heaters  
New windows  
New blinds  
Some kitchen and bath cabinet replacements, along with countertops and faucets  
Some dishwasher replacement  
Some range hood replacement  
New bathroom mirrors  
Upgrade bathroom fans  
New toilets  
Replace all lighting fixtures

## DRAFT RELOCATION PLAN

1. **The Project Map:**



2. **Projected Dates of Displacement:**

No relocation will take place before all funding sources have been approved, construction financing closed, and all required noticing has been issued. Renovations are expected to take place August 2015 – July 2016.

3. **Aggregate Relocation Needs/How Needs Will Be Met:**

- a. **Aggregate Relocation Needs:** New funding for the project will include tax-exempt bonds, 4% low income housing tax credits, and HOME through the City of Escondido. No permanent relocation is anticipated. The remaining households will need to be away from their home temporarily.
- b. **Method of Notification:** The General Information Notice (GIN) was provided to all households in January 2015. Tenants who applied for residency after the GIN received a Prospective Tenant Notice (PTN) to let them know of the renovation plans. The GIN and the PTN are available in Spanish and all future notices will be provided in the language of the head of household. Please see Attachment 1 for a copy of the GIN and Attachment 2 for a copy of the PTN.

Prior to the start of renovations in June, onsite tenant meetings will be held to describe the renovations, explain the temporary relocation processes, expectations, and to answer tenant questions.

The Relocation Specialist will maintain copies of all notices issued to tenants and the manner in which they were delivered in the tenant's file. All notices are available to the City of Escondido staff.

**4. Temporary Relocation:**

Due to the scope of rehabilitation work and the concern for each tenant's health, safety, and welfare, residents will be required to vacate their unit temporarily. Of the 200 units, 120 will need to be vacated for two nights while work is completed (5-8 units at a time) and 80 will need to be vacated for six nights (5-8 units at a time).

**Temporary Replacement Housing**

120 households (5-8 units at a time) will need to vacate their home for two nights. 80 households (5-8 units at a time) will need to vacate their home for six nights (out on a Sunday and back on a Saturday). Tenants will be interviewed and will have the choice of staying with family or friends or in a hotel room at the nearby hotel secured for them. Tenant choices will be documented and will be available to the City of Escondido. If they choose to stay at the hotel, a room will be reserved and paid directly for them. They will also receive \$20 per person per night for the food allowance. The hotel will provide breakfast. If they choose friends or family, they will not be provided a hotel. They will be provided \$100 per night plus \$20 per person per night for food allowance. In addition, reasonable out of pocket expenses incurred in connection with the temporary relocation may be reimbursable. Receipts will be required. Nearby hotels have been researched. CHW will likely coordinate with a hotel within 5 miles of the site and that offers breakfast, wifi, and a pool. Tenants will continue to pay their normal rent and utilities at their current home.

Tenants will likely need to pack and move personal belongings from the kitchen and bathroom. CHW will provide packing materials and instructions. Assistance will be available for those in need of it.

**Noticing**

A Notice of Non Displacement will be issued to all tenants who qualify to remain at the subject property. This notice advises the tenant that they are eligible to remain at the property, that they may be temporarily relocated during the rehabilitation of the property, and that if they choose to move for their own reasons, they will not be eligible for relocation benefits.

At least 30 days prior to renovations, a Notice of Temporary Relocation Assistance will be provided to advise tenants, provide dates, times, expectations, packing instructions, and identify assistance to be provided including hotel

location. The onsite property manager will personally deliver the notices to each household; each household will receive a copy of the notice and a second copy will be placed in the tenant's file.

Seven days before any temporary displacement, tenants will receive a reminder notice that will summarize the information contained in the 30 day notice. Finally, the night before any temporary displacement, the resident manager will visit each of the tenants to ensure that they are properly packed and ready for the renovation of their units.

Copies of all notices issued to tenants and the manner in which they were delivered will be maintained by the Relocation Specialist in the tenants' files and are available to the City of Escondido staff.

5. **Advisory Services:**

The Relocation Specialist will be available to provide advisory services to the residents throughout the relocation process. Advisory services may include: meeting with each household individually and in group meetings; explaining the relocation process; providing notices and packing instructions. Relocation staff will be available to answer questions and address issues.

Laurin Associates will work closely with onsite management during the temporary relocation process. Tenants with special needs will be assisted as needed.

6. **Cost Estimate and Sources:**

The total estimated cost for relocation is \$149,060. The estimated calculations are outlined below.

The contractor plans to renovate each unit over a 5-7 day period and plans to work on 5-8 units at a time. Tenants of 120 of the units will return to their homes after two nights away. Tenants of 80 of the units will return to their homes after six nights.

**Cypress Cove Relocation Cost Estimate  
 March 2015**

	Units	Cost	Total
Kitchen & Bathroom Packing Material	200	\$25	\$5,000
2 Night Hotel (\$100/night)	120	\$200	\$24,000
2 Night Meal Stipend (\$20/day/person)	120	\$160	\$19,200
6 Night Hotel (\$100/night)	80	\$600	\$48,000
6 Night Meal Stipend (\$20/day/person)	80	\$480	\$38,400
30 percent contingency			\$14,460
<b>Total</b>			<b>\$149,060</b>

*Assumes 200 tenant occupied units*

*Assumes all households have four persons.*

*Assumes residents will be responsible for pre packing and unpacking their belongings.*

**7. Tenant Participation:**

A tenant meeting will be scheduled before renovations take place. Written information will be provided to tenants explaining the timing of the project. Additional tenant meetings will be held as needed; translators will be available as needed.

Tenants of Cypress Cove are encouraged to voice their concerns and provide input on the contents of the Relocation Plan by responding during the 30-day review period. The Resident Manager will hand deliver a notice of the availability of the Relocation Plan and copies of the plan will be made available to interested tenants.

Upon request, tenants shall be provided timely and full access to all non-confidential documents relevant to the relocation.

**8. Relocation Office Operation Procedures:**

All mail and telephone contact with residents will take place from Laurin Associates, a division of Raney Planning & Management, offices located at 1501 sports Drive, Sacramento, CA 95834. Correspondence should be sent to the attention of Suzanne Gottier, who is also available at (800) 424-1193. The services of the Resident Manager will also be available to assist the residents.

## **CONCLUSION**

A copy of this Relocation Plan will be submitted to the City of Escondido for review and comment prior to release to the tenants. Following their review, notice of the availability of the Relocation Plan will be given to all households of Cypress Cove. Any comments received by tenants will be included as an addendum.



**MOVE-IN NOTICE  
CYPRESS COVE APARTMENTS**

In October 2014, Community Housing Works submitted an application to the City of Escondido for financial assistance under a program funded by the Department of Housing and Urban Development (HUD). The proposed project involves rehabilitation of the property located at 260 N. Midway Drive in Escondido. Because Federal funds are planned for use in this project, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) [and/or section 104(d) of the Housing and Community Development Act of 1974, as amended] may apply to persons in occupancy at the time the application was submitted for HUD funding. However, if you choose to occupy this property subsequent to the application for federal financial assistance, as a new tenant you will not be eligible for relocation payments or assistance under the URA [and/or section 104(d)].

This notice is to inform you of the following information **before you enter into any lease agreement and/or occupy the property located at the above address:**

- ◆ You may be displaced by the project.
- ◆ You may be required to relocate temporarily.
- ◆ You may be subject to a rent increase.
- ◆ You will not be entitled to any relocation payments or assistance provided under the URA [and/or section 104(d)]. If you have to move or your rent is increased as a result of the above project, you will not be reimbursed for any such rent increase or for any costs or expenses you incur in connection with a move as a result of the project.

Please read this notification carefully prior to signing a rental agreement and moving into the Cypress Cove Apartments. If you should have any questions about this notice, please contact the Relocation Specialist, Suzanne Gottier at (800) 424-1193 or (916) 372-6100. Once you have read and have understood this notice, please sign the statement below if you still desire to lease the unit.

\*\*\*\*\*

I have read the above information and understand the conditions under which I am moving into this project.

\_\_\_\_\_  
Print Name of Tenant(s)

\_\_\_\_\_  
Address and Unit

\_\_\_\_\_  
Tenant(s) Signature

\_\_\_\_\_  
Date



[www.raneymanagement.com](http://www.raneymanagement.com)

**Northern California**

1501 Sports Drive  
Sacramento, CA 95834  
Tel: 800.424.1193 Fax 916.419.6108  
Tel: 916.372.6100

January 26, 2015

Cypress Cove Tenant  
260 N. Midway Drive  
Escondido, CA 92027

**General Information Notice – Residential Tenant**  
Important – Do Not Destroy

Dear Tenant:

The City of Escondido and Community Housing Works is interested in rehabilitating the property you currently occupy at 260 N. Midway Drive in Escondido. The City has received funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the HOME program to assist with the renovations.

The purpose of this notice is to inform you that you may be displaced as a result of the proposed project. This notice also serves to inform you of your potential rights as a displaced person under a federal law known as the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). You may be eligible for relocation assistance and payments under the URA, if the proposed project receives HUD funding and if you are displaced as a result of acquisition or rehabilitation of the project.

- This is not a notice to vacate the premises.
- This is not a notice of relocation eligibility.

If you are determined to be eligible for relocation assistance in the future, you may be eligible for: 1) Relocation advisory services including help to you find another place to live; 2) At least 90 days advance written notice of the date you will be required to move; 3) Payment for your moving expenses; and 4) Replacement housing payments to enable you to rent, or if you prefer to purchase, a comparable replacement home. You will also have the right to appeal the agency's determination, if you feel that your application for assistance was not properly considered. The enclosed HUD brochure, "Relocation Assistance To Tenants Displaced From Their Homes" provides an explanation of this assistance and other helpful information.

**(NOTE: Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance**



LAURIN ASSOCIATES

**will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.)**

Please be advised that you should continue to pay your rent and meet any other obligations as specified in your lease agreement. Failure to do so may be cause for eviction. If you choose to move or if you are evicted prior to receiving a formal notice of relocation eligibility you will not be eligible to receive relocation assistance. It is important for you to contact us before making any moving plans.

**Again, this is not a notice to vacate the premises and does not establish your eligibility for relocation payments or assistance at this time.** If you are determined to be displaced and are required to vacate the premises in the future, you will be informed in writing. In the event the proposed project does not proceed or if you are determined not to be displaced, you will also be notified in writing.

Please keep a copy of this GIN for your records. Do not throw it away.

If you have any questions about this notice or the proposed project, please contact the Relocation Specialist for Cypress Cove at (800) 424-1193. If you do not speak English, please let us know at the beginning of the call and provide your language preference, phone number with area code, name, and unit number and we will call you back with an interpreter.

Suzanne Gottier, Relocation Specialist

---

**I certify that I have received a copy of this letter and the Relocation Brochure for my files and I understand the contents.**

Print Name \_\_\_\_\_ Unit \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Enclosure: Relocation Brochure



LAURIN ASSOCIATES

RESOLUTION NO. 2015-118

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
ADOPTING A RELOCATION PLAN FOR THE  
CYPRESS COVE

(260 N Midway, Escondido, California)  
File Number: 0873-01-23

WHEREAS, on October 22, 2014, City Council for the City of Escondido (the "City") adopted Resolution No. 2014-154 authorizing a conditional commitment of federal HOME funds in an amount not to exceed \$1,000,000 to Community HousingWorks for the acquisition and rehabilitation of a 200-unit affordable multi-family rental development, Cypress Cove, located at 260 N Midway, Escondido (the "Project"); and

WHEREAS, commitment of HOME funds to the Project requires adoption by the City, as an involved public agency, of a Relocation Plan (the "Plan") to protect displaced residential tenants; and

WHEREAS, the Plan was prepared in accordance with Federal law – The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (the "URA"); and

WHEREAS, Laurin Associates, a Division of Raney Planning and Management, Inc. prepared the Plan for Community HousingWork's proposed redevelopment activities and for adoption by the City; and

WHEREAS, relocation law requires the City to: 1) have an adopted Plan in place prior to the undertaking of any displacing activity; 2) provide for an appeals process;

and 3) monitor the Plan for compliance for the duration of the project.

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 City Council appoints the Director of Community Development or her appointed subcommittee, to act as the Hearing Officer/Committee to review formal appeals for the duration of the Project.
3. The City Council hereby approves the Relocation Plan for the Project as prepared by Laurin Associates for Community HousingWorks.

# CITY COUNCIL

For City Clerk's Use:

**APPROVED**       **DENIED**

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

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

**Agenda Item No.: 6**

**Date: June 24, 2015**

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

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

**SUBJECT:** Award Purchase of Fuels for Fiscal Year 2016

**RECOMMENDATION:**

It is requested that Council adopt Resolution No. 2015-101 and approve the purchase of unleaded gasoline and diesel fuel from The SoCo Group, Inc. in the amount of \$1,300,000 utilizing a cooperative purchase agreement with the City of San Diego, RFP No. 10015195-12-Z, Purchasing Contract No. 46000000984, pursuant to Escondido Municipal Code Chapter 10 Article 5 section 10-90.

**FISCAL ANALYSIS:**

Sufficient funds have already been approved in fiscal year 2015/16 Fleet Services operating budget in account number 5111-653-715 for unleaded gasoline in the amount of \$1,000,000 and account number 5113-653-715 for diesel fuel in the amount of \$300,000.

**PREVIOUS ACTION:**

N/A

**BACKGROUND:**

Fleet Services would like to purchase unleaded gasoline and diesel fuel from The SoCo Group Inc. through a cooperative purchase agreement with the City of San Diego and other public agencies throughout the County. The SoCo Group has won the City of San Diego bid for the last several years and has provided exceptional customer service the City of Escondido. Fleet Services will use funds in account 5111-653-715 for unleaded gasoline, and 5113-653-715 for diesel fuel, previously approved in the fiscal year 2015/16 budget.

**HISTORY OF FUEL PURCHASE FOR IN-HOUSE FUELING STATIONS:**

**Unleaded Gasoline**

<b>Fiscal Year</b>	<b>Budgeted</b>	<b>Spent</b>	<b>Balance</b>	<b>Gal. Delivered</b>	<b>Min/Max/\$/Gal</b>	<b>Average</b>
2009-10	\$945,000	\$675,460	\$269,540	266,564	\$2.29 - \$2.78	\$ 2.53
2010-11	\$930,000	\$778,600	\$151,400	248,361	\$2.55 - \$3.90	\$ 3.13
2011-12	\$1,267,210	\$917,477	\$349,733	270,575	\$3.04 - \$4.07	\$ 3.39
2012-13	\$1,216,975	\$936,571	\$280,404	266,495	\$3.05 - \$4.31	\$ 3.51
2013-14	\$1,200,000	\$996,682	\$203,318	286,642	\$3.05 - \$3.76	\$ 3.46
2014-15 as of 06/01/2015	\$1,000,000	\$668,421	\$331,579	240,451	\$1.89 - \$3.66	\$ 2.78

**Diesel Fuel**

<b>Fiscal Year</b>	<b>Budgeted</b>	<b>Spent</b>	<b>Balance</b>	<b>Gal. Delivered</b>	<b>Min/Max/\$/Gal</b>	<b>Average</b>
2009-10	\$250,000	\$182,410	\$67,590	69,160	\$2.26 - \$3.16	\$ 2.64
2010-11	\$225,000	\$222,185	\$2,815	67,215	\$2.52 - \$4.27	\$ 3.31
2011-12	\$272,000	\$255,417	\$16,583	67,329	\$2.27 - \$4.38	\$ 3.79
2012-13	\$244,315	\$279,603	-\$35,288	75,355	\$3.44 - \$4.28	\$ 3.71
2013-14	\$350,000	\$254,873	\$95,127	67,178	\$3.53 - \$4.03	\$ 3.79
2014-15 as of 06/01/2015	\$300,000	\$202,113	\$97,887	65,193	\$2.34 - \$3.78	\$ 3.04

HISTORY OF TOTAL FUEL USE:

**Gasoline Charged to Departments in Gallons (Includes Credit Card Transactions)**

Dept. #	Dept. Name	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	*FY 14-15
004	City Clerk	166	47	76	108	94	77
024	Risk Management	57	82	66	119	71	52
031	Information Systems	175	151	193	162	114	98
102	Recreation	434	541	425	957	794	651
103	Parks	7,615	8,171	10,478	12,011	12,087	10,025
104	Library	327	259	97	117	164	78
109	CDBG Admin	380	395	263	282	442	113
200	Planning	1,133	41	71	76	33	34
250	Code Enforcement	2,909	2,468	2,956	3,504	3,227	2,689
300	Building	802	1,636	1,737	1,844	1,870	1,672
402	P.W. Engineering	4,305	4,837	4,378	5,881	5,584	5,055
403	Streets	20,670	18,100	19,213	23,750	21,445	16,047
410	Water	26,984	23,805	22,607	24,416	21,722	19,078
412	Canal	2,076	1,902	1,862	2,045	1,061	514
414	Lakes	9,633	8,274	9,294	11,159	10,377	8,116
420	Wastewater	24,935	21,558	23,352	22,203	21,330	17,206
422	Recycled water	336	317	314	507	364	128
440	Stormwater	1,518	1,363	1,197	148	172	152
450	Building Maintenance	5,189	4,680	4,603	4,351	4,164	3,697
500	Police	160,060	146,619	147,182	153,361	143,527	123,892
600	Fire	7,915	6,684	7,612	19,349	23,444	19,124
701	City Hall Pool	653	734	599	611	671	720
704	Recycle	201	37	227	136	135	156
710	Warehouse	164	162	148	218	51	0
715	Fleet Services	1,515	1,731	1,668	2,074	2,197	1,378
	<b>Totals</b>	<b>280,151</b>	<b>254,593</b>	<b>260,618</b>	<b>289,389</b>	<b>275,140</b>	<b>230,752</b>

\* as of 06/01/2015



**Gasoline Charged to Departments in \$ (Includes Credit Card Transactions)**

<b>Dept. #</b>	<b>Dept. Name</b>	<b>FY 09-10</b>	<b>FY 10-11</b>	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 13-14</b>	<b>*FY 14-15</b>
004	City Clerk	\$414	\$155	\$282	\$375	\$327	\$223
024	Risk Management	\$149	\$247	\$233	\$446	\$251	\$155
031	Information Systems	\$442	\$463	\$693	\$575	\$400	\$289
102	Recreation	\$1,110	\$1,665	\$1,503	\$3,420	\$2,764	\$1,992
103	Parks	\$19,416	\$25,208	\$37,576	\$42,196	\$42,300	\$29,260
104	Library	\$853	\$739	\$337	\$415	\$562	\$222
109	CDBG Admin	\$970	\$1,220	\$938	\$966	\$1,546	\$342
200	Planning	\$2,879	\$123	\$255	\$277	\$112	\$95
250	Code Enforcement	\$7,401	\$7,577	\$10,614	\$12,298	\$11,157	\$7,686
300	Building	\$2,035	\$5,047	\$6,206	\$6,420	\$6,463	\$4,799
402	P.W. Engineering	\$10,945	\$14,769	\$15,630	\$20,577	\$19,359	\$14,542
403	Streets	\$52,529	\$55,909	\$68,604	\$82,481	\$74,143	\$45,326
410	Water	\$68,536	\$73,291	\$80,817	\$84,902	\$75,225	\$54,998
412	Canal	\$5,275	\$5,816	\$6,465	\$7,137	\$3,618	\$1,524
414	Lakes	\$24,440	\$25,334	\$33,272	\$38,554	\$35,917	\$23,130
420	Wastewater	\$63,394	\$66,628	\$83,433	\$77,389	\$73,756	\$48,912
422	Recycled water	\$856	\$946	\$1,123	\$1,754	\$1,239	\$332
440	Stormwater	\$3,855	\$4,204	\$4,216	\$511	\$594	\$441
450	Building Maintenance	\$13,204	\$14,442	\$16,382	\$15,155	\$14,431	\$10,497
500	Police	\$408,549	\$450,589	\$525,761	\$535,427	\$500,318	\$353,235
600	Fire	\$20,138	\$20,581	\$27,238	\$66,803	\$82,029	\$55,219
701	City Hall Pool	\$1,675	\$2,293	\$2,151	\$2,147	\$2,349	\$2,141
704	Recycle	\$518	\$117	\$818	\$467	\$473	\$415
710	Warehouse	\$420	\$487	\$541	\$767	\$174	\$0
715	Fleet Services	\$3,841	\$5,421	\$5,977	\$7,247	\$7,557	\$4,056
	<b>Totals</b>	<b>\$713,843</b>	<b>\$783,269</b>	<b>\$931,063</b>	<b>\$1,008,706</b>	<b>\$957,064</b>	<b>\$659,831</b>

\* as of 06/01/2015

**Diesel Fuel Charged to Departments in Gallons**

Dept. #	Dept. Name	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	*FY 14-15
103	Parks	2,237	2,702	1,333	1,442	1,434	1,047
403	Streets	15,988	20,320	20,659	21,260	22,171	16,201
410	Water	6,157	7,967	7,208	7,815	6,056	4,630
412	Canal	3,500	3,902	4,061	4,509	4,235	3,217
414	Lakes	258	447	375	441	611	575
420	Wastewater	6,858	6,132	5,908	8,395	8,880	5,618
450	Building Maintenance	0	0	0	0	0	74
500	Police	150	199	179	120	142	94
600	Fire	29,868	29,557	27,729	26,435	27,117	26,614
710	Warehouse	0	0	0	0	101	135
715	Fleet Services	14	45	0	23	32	125
<b>Totals</b>		<b>65,031</b>	<b>71,271</b>	<b>67,451</b>	<b>70,440</b>	<b>70,779</b>	<b>58,330</b>

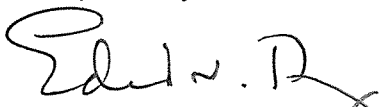
\* as of 06/01/2015

**Diesel Fuel Charged to Departments in \$**

Dept. #	Dept. Name	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	*FY 14-15
103	Parks	\$6,040	\$9,061	\$5,212	\$5,591	\$5,430	\$3,252
403	Streets	\$42,953	\$68,199	\$80,738	\$81,733	\$83,330	\$49,697
410	Water	\$16,542	\$26,593	\$28,233	\$29,981	\$22,793	\$14,223
412	Canal	\$9,425	\$13,097	\$15,807	\$17,414	\$15,889	\$10,034
414	Lakes	\$704	\$1,404	\$1,439	\$1,654	\$2,297	\$1,757
420	Wastewater	\$18,357	\$20,628	\$23,038	\$32,035	\$33,378	\$17,321
450	Building Maintenance	\$0	\$0	\$0	\$0	\$0	\$211
500	Police	\$418	\$720	\$697	\$428	\$525	\$291
600	Fire	\$80,922	\$97,834	\$109,950	\$101,517	\$102,476	\$78,346
710	Warehouse	\$0	\$0	\$0	\$0	\$380	\$457
715	Fleet Services	\$39	\$171	\$0	\$84	\$114	\$340
<b>Totals</b>		<b>\$175,399</b>	<b>\$237,708</b>	<b>\$265,113</b>	<b>\$270,437</b>	<b>\$266,612</b>	<b>\$175,929</b>

\* as of 06/01/2015

Respectfully submitted,

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

  
 Joseph Goulart  
 Fleet Maintenance Superintendent

RESOLUTION NO. 2015-101

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE CITY COUNCIL TO APPROVE, ON BEHALF OF THE CITY, THE PURCHASE OF UNLEADED AND DIESEL FUEL FROM SOCO GROUP, INC.

WHEREAS, the City of Escondido desires to purchase automotive fuels for its vehicles; and

WHEREAS, sufficient funds for said purchase have been approved in the 2015/16 FY operating budget; and

WHEREAS, the City wishes to purchase automotive fuels from the SoCo Group, Inc. utilizing a cooperative purchase agreement with the City of San Diego; and

WHEREAS, the City of San Diego Purchasing Agreement with the SoCo Group, Inc. contains a Public Agency Clause with renewable extensions; and

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

WHEREAS, the Public Works Director/City Engineer recommends the approval of the purchase of the fuel from SoCo Group, in the amount of \$1,000,000 for Unleaded Gasoline and \$300,000 for Diesel fuel; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to award the purchase of automotive fuels from SoCo Group, Inc.

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

1. That the above recitations are true.
2. That the City Council accepts the recommendation of the Public Works Director/City Engineer.
3. That the City Council is authorized to approve, on behalf of the City, the purchase of unleaded gasoline and diesel fuel from SoCo Group, Inc.

**CITY COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

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

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

**Agenda Item No.:** 7

**Date:** June 24, 2015

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

**FROM:** Edward N. Domingue, Director of Public Works/City Engineer  
Owen Tunnell, Principal Engineer

**SUBJECT:** Final Map, Escondido Tract SUB12-0014, located at 537 North Elm Street.

RECOMMENDATION:

It is requested that Council approve the Final Map for Tract SUB12-0014, a One Lot, 11 Unit Residential Condominium Subdivision located at 537 North Elm Street and developed by San Diego Habitat for Humanity.

FISCAL ANALYSIS:

The cost for review of the Final Map is paid by the developer in accordance with the adopted fee schedule.


PREVIOUS ACTION:

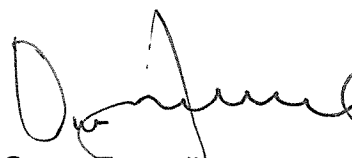
This project was recommended for approval by the Planning Commission on March 25, 2014 as Resolution 6005, and was approved as a Tentative Map subject to the conditions set by the City Council on April 9, 2014 as Resolution 2014-32.

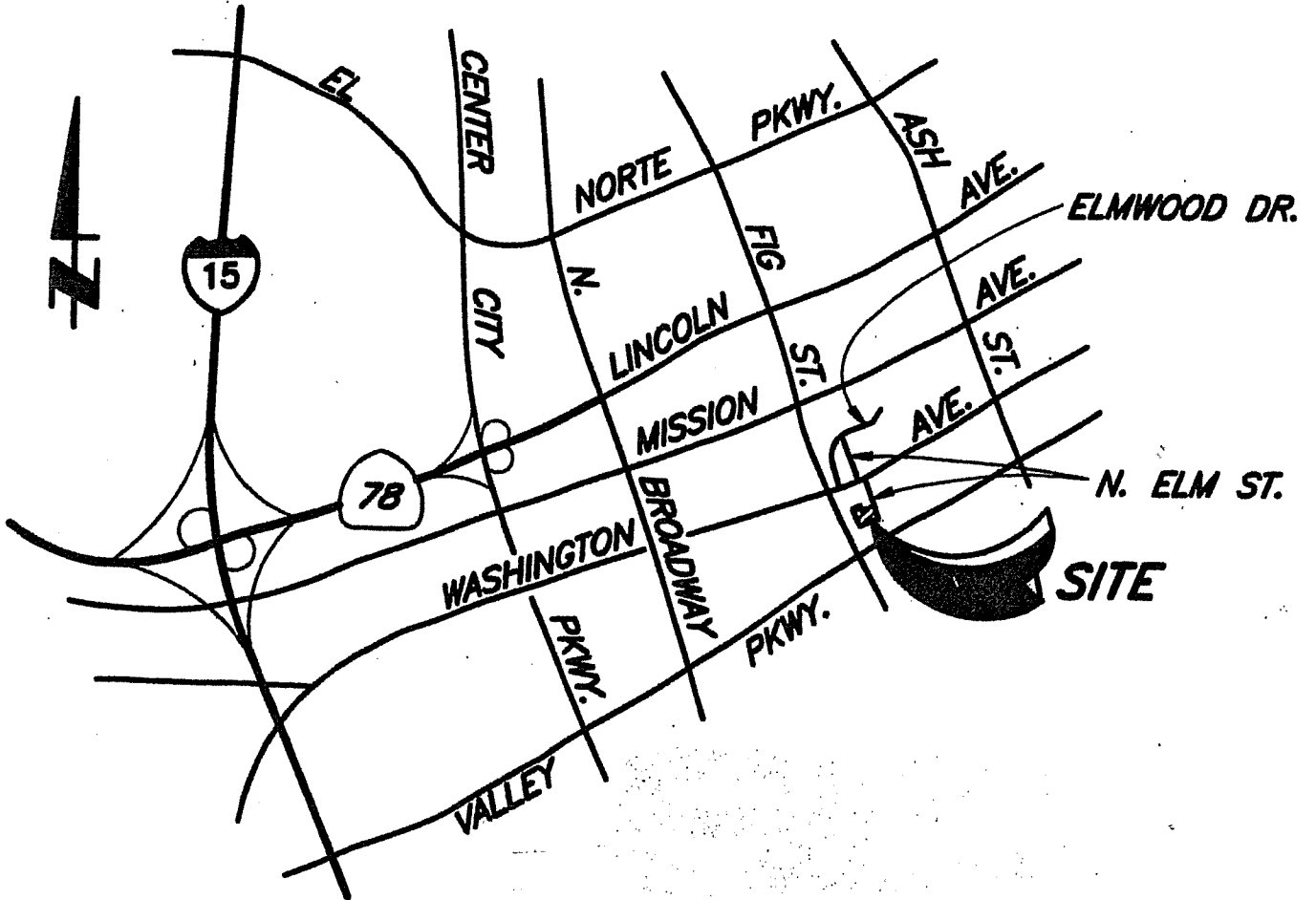
BACKGROUND:

We have examined this Final Map and found it to be mathematically correct and substantially the same as it appeared on the Tentative Subdivision Map with any approved revisions thereof. This Final Map conforms to the provisions of the Subdivision Map Act and any local ordinances applicable at the time of approval. The Planning Department has reviewed and approved the Final Map.

Respectfully submitted,

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

  
Owen Tunnell  
Principal Engineer



**VICINITY MAP**  
NOT TO SCALE

**CITY COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

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

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

**Agenda Item No.:** 8

**Date:** June 24, 2015

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

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

**SUBJECT:** Amendment to Purchase Agreement with the Phair Company/Paseo Escondido, LLC for the Disposition of Property: 1201 E. Washington Ave.

**RECOMMENDATION:**

It is requested that Council adopt Resolution No. 2015-105 authorizing the Real Property Manager and City Clerk to execute an Amendment to the Purchase Agreement with the Phair Company/Paseo Escondido, LLC, for the sale of 1201 East Washington Avenue.

**FISCAL ANALYSIS:**

Sales proceeds in the amount of \$3.4 million, less closing costs, will be deposited into the Water Utility Fund.

**PREVIOUS ACTION:**

The Purchase Agreement was approved by City Council via Resolution 2014-170 on November 19, 2014.

**BACKGROUND:**

The Phair Company/Paseo Escondido, LLC ("Buyer") and City entered into a Purchase Agreement for a stated purpose of constructing a luxury senior (55+) mixed use project. After conducting a market study and finding an abundance of senior housing units in Escondido, the Buyer approached the City about revising its development product to non-restricted, market rate apartments. This proposed Amendment would serve to revise the product type from senior housing units to non-restricted market rate housing units, built to condo specifications consistent with the condominium standards set forth in Chapter 33, Article 49 of the Escondido Municipal Code, and to require the Buyer to submit completed applications for entitlements within forty five (45) days from the date of the final signature on the Amendment.

All other terms of the Purchase Agreement would remain in full force and effect.

Respectfully submitted,



Debra Lundy  
Real Property Manager

RESOLUTION NO. 2015-105

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 PURCHASE AGREEMENT FOR THE SALE OF 1201 EAST WASHINGTON AVENUE TO PASEO ESCONDIDO, LLC

WHEREAS, the City owns certain real property, addressed as 1201 East Washington Avenue, which is an unimproved 4.57 acre parcel located on the corner of Washington Avenue and Ash Street in Escondido (the "Property"); and

WHEREAS, the Phair Company/Paseo Escondido, LLC ("Buyer") and the City entered into a Purchase Agreement on December 9, 2014, for the purchase and development of a senior housing mixed use development on the Property ("Original Agreement"); and

WHEREAS, the Buyer believes that a senior housing project will not be successful at this location due to an abundance of senior housing product in the area and desires instead to develop non-restricted, market rate apartments built to condominium specifications (Escondido Municipal Code Chapter 33, Article 49); and

WHEREAS, the parties desire to amend the Original Agreement to reflect a new mixed use product type accordingly, and to grant the Buyer 45 days from the final signature on the Amendment by which to submit completed applications for entitlements; and



WHEREAS, all other terms and conditions of the Original Agreement shall remain in full force and effect; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve the First Amendment to the Purchase 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 Purchase Agreement and Escrow Instructions attached to this resolution as Exhibit "1" and incorporated by this reference.

**FIRST AMENDMENT TO PURCHASE AGREEMENT  
(1201 E. Washington Ave.)**

This FIRST AMENDMENT TO LEASE AGREEMENT is effective as of \_\_\_\_\_,  
2015

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

And: Paseo Escondido, LLC  
c/o The Phair Company  
3330 Bonita Road  
Chula Vista, CA 91910  
("Developer")

WITNESSESS THAT WHEREAS:

- A. City and Developer entered into a Purchase Agreement dated December 9, 2014 ("Agreement") for the purchase of 1201 E. Washington Ave. ("Property") for the purpose of developing an active senior living apartment mixed use project; and
- B. Developer desires to amend the Agreement to revise the product type to non-restricted housing and commit to the submittal of a complete entitlement application to City within forty five (45) days from execution of this Amendment.

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

- 1. Paragraph 1.2 of the Agreement shall be deleted in its entirety and replaced as follows:

"Developer desires to purchase the Property for the sole purpose of developing a mixed use Planned Development consisting of luxury apartments, particular commercial space including general retail and eating and drinking establishments, together with all needed public improvements, on the terms and conditions set forth below. The luxury apartments must be consistent with the condominium standards in Chapter 33, Article 49 of the Escondido Municipal Code with 120 to 140 units. The commercial space must consist of at least 75% general retail and eating and drinking establishments with a total commercial square footage of approximately 10,000 square feet."

---

2. Paragraph 2.6 of the Agreement is deleted in its entirety and replaced as follows:

“Closing Date” shall be the date scheduled for Close of Escrow, and unless otherwise agreed to in writing the by City and Developer or as otherwise set forth in this Agreement, the Closing Date shall be no later than 180 days from submission of completed applications or 45 days following any City issuance of building permits as described in Section 4.3, whichever is earlier.

3. Paragraph 4.3 of the Agreement is deleted in its entirety and replaced as follows:

“Developer will submit to the City completed applications for the Property to permit the construction and operation of the Project as described in **Exhibit D** within forty five (45) days from the execution of this Amendment. Developer agrees to use its best efforts to process and obtain the City’s approval of the Entitlements as soon as possible. Nothing in this Agreement shall be construed to require the City to approve such Entitlements. If, despite Developer’s best efforts, the Entitlements are not approved by the City at least five (5) business days before the Closing Date, then Developer shall have the right to terminate this Agreement by delivery of written notice thereof to City on or before the date which is two (2) business days prior to the Closing Date. Should this Agreement be terminated as a result of Developer’s failure to obtain approval of the Entitlements, then Developer and City shall each execute escrow cancellation instructions whereby Developer and City terminate this Agreement and release one another, the Property and Escrow Holder from any obligations under this Agreement with respect to the Property, except those indemnity and corrective obligations of Developer relating to Developer’s inspection of the Property and any other agreements expressly intended to survive such termination. If Developer terminates this Agreement as provided herein, Developer’s second deposit shall be promptly returned to Developer following the execution of the escrow cancellation instructions described above and the return by Developer to City of the Due Diligence Materials.

4. Exhibit “D” of the Agreement is hereby replaced with the attached Exhibit “D.”
5. All other terms and condition of the Agreement shall remain in full force and effect.
6. This FIRST AMENDMENT and the 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.

(Signatures appear on the following page)

IN WITNESS WHEREOF, the parties have executed this agreement on the day and date written below.

CITY OF ESCONDIDO

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

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

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

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

PASEO ESCONDIDO, LLC

Date: 6-8-15

By: Jeffrey D. Phair  
Jeffrey D. Phair, President and CEO

Approved as to Form:  
Office of the City Attorney  
JEFFERY R. EPP, City Attorney

By: \_\_\_\_\_  
Deputy City Attorney

## Exhibit D

- The Project must be a mixed use Planned Development consisting of luxury apartments, particular commercial space including general retail and eating and drinking establishments, together with all needed public improvements, on the terms and conditions set forth above. The luxury apartments must be consistent with the condominium standards in Chapter 33, Article 49 of the Escondido Municipal Code with 120 to 140 units. The commercial space must consist of at least 75% general retail and eating and drinking establishments with a total commercial square footage of approximately 10,000 square feet.
- 120-140 Luxury Apartment units, built to condo specifications.
- Paseo Escondido's Class "A" apartments will have upscale interiors (stainless steel kitchen appliances, granite countertops, jetted tubs, wireless connectivity).
- Paseo Escondido will be built with energy-efficient and sustainable building practices and materials (wall & window insulation, energy-efficient appliances, energy-saving light fixtures, programmable thermostats, low-flow water plumbing faucets). Carpet and floor-tile will be installed without formaldehyde glues, and paint will be non-VOC, both of which impact air quality. During construction, waste materials (i.e., wood, metal) will be recycled rather than going into the landfill.
- Paseo Escondido will incorporate the latest in drought-tolerant low water use xeriscape landscaping.
- Paseo Escondido will have an on-site recycling program for the tenants and the facility itself.
- Paseo Escondido will have a dedicated and secure bicycle storage area, so that tenants don't have to take their bikes up to their apartments.
- Paseo Escondido will have free electric recharging stations in the parking areas for electric vehicles.
- Paseo Escondido's Class "A" apartments will offer many "lifestyle" amenities:
  - A community room with a big-screen TV and surround sound
  - A gym/yoga/fitness center with free instruction and training programs
  - A resort-style pool with spa and barbecue area
  - A sand volleyball court
  - A business center with wi-fi and copier access
  - A community kitchen for special events (i.e., birthdays, holidays, St. Patrick's Day parties)
- Paseo Escondido is located only a few miles from jobs in the medical services, brewery, and high-tech R&D industries to the west (including high-paying jobs in the upscale shopping centers and auto dealerships). Renters at Paseo Escondido can take the bus route on Washington Avenue or ride a bike to work in less than 15 minutes. Improving the appearance of the drainage channel will enhance that biking experience.
- Paseo Escondido will have its own mini restaurant row of cafes, pubs, and restaurants with an outdoor entertainment venue.

Paseo Escondido will be designed to incorporate all of the smart planning urban in-fill components specified herein. It is our belief that this project will act as a catalyst for other revitalizing development in the residential and business neighborhoods around Washington & Ash. The Phair Company is committed to quality development that enhances the community's quality of life.

# CITY COUNCIL

For City Clerk's Use:

**APPROVED**       **DENIED**

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

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

**Agenda Item No.: 9**

**Date: June 24, 2015**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Debra Lundy, Real Property Manager  
**SUBJECT:** Lease Agreement with Wickline Bedding at 455 North Quince Street

**RECOMMENDATION:**

It is requested that Council adopt Resolution No. 2015-78 authorizing the Real Property Manager and City Clerk to execute, on behalf of the City of Escondido ("City"), a Lease Agreement with Wickline Bedding at 455 North Quince Street.

**FISCAL ANALYSIS:**

Monthly payments in the amount of \$17,572.15 will be deposited into the City's General Fund.

**PREVIOUS ACTION:**

On September 12, 2012, City Council authorized the Lease Agreement between the City and Wickline Bedding via Resolution No. 2012-153.

**BACKGROUND:**

The City acquired 455 North Quince Street for its ballpark/industrial park project and assumed the lease of the existing tenant Wickline Bedding. The assumed lease expired on December 31, 2011, and a new lease was subsequently entered into between Wickline and the City, which expires on September 16, 2015.

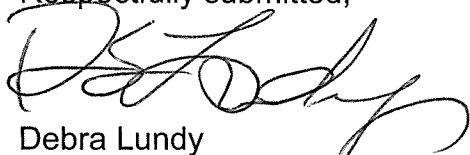
As of January 7, 2015, City Council has directed staff to prioritize the relocation of the Public Works Yard out of the Crossroads Business Park redevelopment area. Due to the anticipated lead time for performing the relocation of the Yard, the City is now able to consider this proposed lease with Wickline, which will allow Wickline a new three (3) year term for continued operations of its mattress manufacturing business. The proposed Lease contains a provision that the parties may terminate the lease early without cause by providing the other with a 180-day notice.

The existing lease with Wickline is below fair market value due to the poor condition of the structure (roof leaks, nonfunctioning HVAC). The tenant will be responsible for 100% of the maintenance and

Wickline Bedding Lease Agreement  
June 24, 2015  
Page 2

repairs of the premises. The roof and HVAC repairs are anticipated to cost several thousand dollars, which the City avoids paying by continuing to rent to the existing tenant under the proposed absolute triple net lease structure. The proposed lease will gradually increase Wickline's rent over the course of three years, such that by term three, the tenant will be paying fair market rent for comparable properties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Debra Lundy', written in a cursive style.

Debra Lundy  
Real Property Manager

RESOLUTION NO. 2015-78

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 OF ESCONDIDO,  
A LEASE AGREEMENT WITH STYLUTION  
USA, DBA WICKLINE BEDDING COMPANY

WHEREAS, the City of Escondido ("City") owns certain real property located at 455 North Quince Street (the "Property"); and

WHEREAS, the City assumed a lease agreement with Wickline Bedding when the City acquired the Property in June 2011 and said lease expired on December 31, 2011; and

WHEREAS, the City and Wickline entered into a Lease Agreement on September 17, 2012, which lease expires on September 16, 2015; and

WHEREAS, the City and Wickline Bedding desire to enter into a new lease agreement ("Lease Agreement") to allow Wickline Bedding continued occupancy at the Property for assembling, manufacturing and warehousing of bedding and furniture facilities; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve 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. That the Real Property Manager and City Clerk are authorized to execute, on behalf of the City, the Lease Agreement with Stylution USA, dba Wickline Bedding, which is attached hereto as Exhibit "1" and incorporated by this reference.



## 455 N. Quince LEASE AGREEMENT

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**Lessee: Stylution USA, dba Wickline Bedding**

**Term: Three (3) Years**

**Premises: 455 N. Quince, Escondido, CA**

**Effective Date: September 17, 2015**

Lease Agreement between the City of Escondido and Stylution USA, dba Wickline Bedding for use of the property at 455 N. Quince Street, Escondido, CA 92025 for specific purposes as set forth below.



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## CITY OF ESCONDIDO LEASE AGREEMENT

This Lease Agreement is made as of \_\_\_\_\_, 2015 between the City and Stylution USA, dba Wickline Bedding.

### Section 1 Definition of Terms

The following words in this Lease Agreement shall have the significance attached to them in this Section unless otherwise apparent from their context.

**City.** The City means the City of Escondido, a California general law City.

**Lease.** Lease means this Lease Agreement.

**Lease Administrator.** The Lease Administrator means the City of Escondido Real Property Manager or, upon written notice to Lessee, such other person as shall be designated from time to time by City.

**Lessee.** Lessee means Stylution USA, dba Wickline Bedding, and does not include its heirs, assigns, or successors-in-interest.

**Premises.** Premises means the real property commonly known as 455 N. Quince Street, Escondido, CA.

### Section 2 Administration

This Lease will be administered on behalf of City by the Lease Administrator, whose address is:

City of Escondido  
Attn: City Manager's Office – Real Property Manager  
201 North Broadway [First Floor]  
Escondido, CA 92025

and on behalf of Lessee by Ed Scott, whose address is:

Stylution USA, dba Wickline Bedding  
Attn: Ed Scott  
455 N. Quince Street  
Escondido, CA 92025

### Section 3 Term

**3.1** The term of this Lease shall be **three (3) years**, commencing on September 17, 2015.

**3.2 Hold Over.** The occupancy of the Premises by Lessee, after the expiration of the Term shall be construed as a month to month tenancy, and all other terms and conditions of this Lease Agreement shall continue in full force and effect, on a month to month basis. The City shall have the right to terminate the month to month tenancy without cause and for any reason by giving ninety (90) days prior notice to Lessee.

## **Section 4 Termination of Lease**

**4.1** Each party shall have the right to terminate this Lease early without penalty by providing the other with a written notice 180 days in advance.

**4.2 Default.** If the City discovers at any time during the Lease Term that the Lessee or any other party has used, is using, or will use the Premises in an unlawful manner or for an unlawful purpose the City may terminate the lease immediately. If the City discovers that Lessee has used, is using, or will use the Premises in any manner that is inconsistent with any provision of this Lease, City may notify Lessee of the failure to perform and terminate the Lease in accordance with this Section.

**4.3 Right to Cure.** Lessee must cure any failure to perform any of the terms, conditions, or covenants of this Lease to be observed or performed by Lessee within thirty (30) days after receiving notice from the City of the default. The City may grant additional time to cure any failure to perform as may be reasonably required, as determined by the City which must be in writing. This provision is not applicable to default that arises from unlawful or illegal activity.

**4.4 Termination upon Default.** Upon the occurrence and failure to cure a default of the Lease within the time period in Section 4.3, the City may, at its option, and in addition to any and all other rights to which it may be entitled under this Lease or applicable law, elect to terminate this Lease. Any such termination will be effective as of the date specified in such election. This section is not applicable to default that arises from unlawful or illegal activity.

## **Section 5 Options to Renew**

Not applicable to this Lease.

## **Section 6 Vacation of Premises**

Upon termination of this Lease for any reason, Lessee shall peaceably vacate and deliver the Premises to City.

Upon such termination, Lessee shall immediately:

- A. Arrange and pay for the disconnection of all utilities and services ordered by Lessee;

- B. Provide a written statement to the Lease Administrator of Lessee's new address for purpose of refunding monies, if any, due Lessee under this Lease; and
- C. Deliver any keys for the Premises to the Administrator or send said keys by certified mail to the City.

## **Section 7 Rent**

**7.1 Base Rental Rate.** In consideration of the possession and use of the Premises, Lessee shall deliver and pay rent to City in the amount of **\$17,572.15** on or prior to the first day of each month beginning on the Effective Date.

**7.2 Rent Adjustment.** The base rental rate shall increase 105% annually on the anniversary of the Effective Date.

**7.3 Hold Over Rental Rate.** The rent payments for any Hold Over will be equal to the previous year's Rental Rate plus ten percent (10%).

## **Section 8 Security Deposit**

A security deposit has already been paid by Lessee in the amount of \$15,300.

## **Section 9 Late Payment**

Rent payments received after the 5<sup>th</sup> day of any month will be charged an additional 20% late payment fee.

## **Section 10 Utilities Payments**

Lessee agrees to provide and pay for all utilities and services necessary for the occupancy and use of the Premises, including, but not limited to: gas, water, electricity, sewage charges or septic service, trash and any telecommunications services.

## **Section 11 Taxes, Assessments and Fees**

The terms of this Lease may result in the creation of a possessory interest. If such a possessory interest is vested in Lessee, Lessee may be subjected to the payment of personal property taxes levied on such interest. Lessee shall be responsible for the payment of, and shall pay before delinquent, all taxes, assessments, and fees assessed or levied upon Lessee, on said Premises or any interest therein, on any buildings, structures, machines, appliances, or other improvements of any nature whatsoever, or on any interest therein.

Lessee further agrees not to allow such taxes, assessments, or fees to become a lien against said premises or any improvement thereon. Nothing herein contained shall be

deemed to prevent or prohibit Lessee from contesting the validity of amount of any such tax, assessment, or fee in any manner authorized by law.

## **Section 12 Acceptance and Maintenance**

Lessee hereby acknowledges that Lessee has inspected the Premises, that Lessee accepts said Premises "as is" and "where is," that the Premises are in a good and sanitary order, condition, and repair and suitable for the uses as specified in this Lease.

Lessee agrees to maintain the Premises in good condition and in compliance with all applicable property maintenance and related laws. Lessee releases the City from the obligation to maintain any portion of the Premises. Said release is part of the consideration for the rental of the Premises, and Lessee therefore waives all rights it may otherwise have under Sections 1941 and 1942 of the Civil Code.

In the event Lessee fails to properly maintain the premises as required by City, City may notify Lessee in writing of said failure. In the event Lessee fails to perform said maintenance within thirty (30) days after such notice by City, City may perform such maintenance, and any costs including, but not limited to, the cost of labor, material, and equipment, shall be paid by Lessee to City within ten (10) days from receipt by Lessee of an invoice from City.

## **Section 13 Alterations**

Lessee shall not paint, alter, cut, add to, or otherwise change the appearance, structure, or condition of the Premises without the prior written consent of the Lease Administrator and only after obtaining applicable permits.

Any tenant improvements, and additional improvements made with the consent of the Lease Administrator shall become a fixture to the realty and shall remain on and be surrendered with the Premises upon termination of this Lease.

Lessor or its representatives shall have the right to go upon and inspect the Demised Premises at all reasonable times and shall have the right to post and keep posted thereon notices of nonresponsibility, or such other notices which the Lessor may deem to be proper for the protection of the Lessor's interest in the Demised Premises.

## **Section 14 Use**

Lessee agrees to use the Premises for assembly, manufacturing and warehousing of bedding and furniture in accordance with the provisions and requirements contained in any permits required by the City of Escondido. Lessee shall not use, nor permit the use of, the Premises other than as described. In any case where Lessee is, or should reasonably be, in doubt as to the propriety of any particular use, Lessee may request, and will not be in breach or default if Lessee abides by, the written determination of the

Lease Administrator that such use is or is not permitted.

### **Section 15 Occupancy, Assignment and Subletting**

The Premises shall only be occupied by Lessee except with prior written consent of the Lease Administrator. Lessee may not assign or sublease any interest in this Lease to any other party, at any time, including a transferee of a controlling interest in Lessee without written consent from the Lease Administrator.

### **Section 16 Conduct**

Lessee and guests of Lessee shall at all times conduct themselves in a quiet and dignified manner so as to cause no annoyance or inconvenience to neighbors of Lessee.

Lessee shall not violate, or permit the violation of, any City or County ordinance, or state or federal law, in or about the Premises.

Noncompliance by Lessee with any provision of this Section shall allow the Lease Administrator to terminate this Lease.

### **Section 17 Pets**

No pets or livestock of any kind may be kept on the Premises without the prior written consent of the Lease Administrator.

### **Section 18 Notices**

Any notice required or permitted to be given by this Lease must either be personally served on the other party or served by certified mail, return receipt requested, to the addressee. Notices served by mail shall be sent to the address listed above. A change of either party's address must also be immediately served in the manner described above.

### **Section 19 Right of Inspection**

City reserves the right for its agents or employees to enter upon and inspect the Premises at any reasonable time to ascertain if Lessee is complying with the provisions of this Lease.

### **Section 20 Insurance**

Lessee must have insurance in the following amounts at all times during this Agreement:

- A. General liability insurance with at least \$2 Million combined single-limit coverage per occurrence for bodily injury and property damage.



- B. Automobile liability insurance of \$1 Million combined single-limit per accident for bodily injury and property damage for any and all vehicles that are owned by the Lessee (if applicable).
- C. Workers' compensation and employer's liability insurance as required by the California Labor Code, as amended, or certificate of sole proprietorship.
- D. Commercial property insurance in an amount commensurate with the value of the improvements on the Premises.
- E. During the construction of Tenant Improvements, insurance in an amount no less than to cover construction risks, etc.

Each insurance policy required above must be acceptable to the City Attorney:

- F. Each policy must name the City specifically as an additional insured under the policy on a separate endorsement page, with the exception of the workers' compensation policy.
- G. Each policy must provide for written notice within no more than thirty (30) days if cancellation or termination of the policy occurs. Insurance coverage must be provided by an A.M. Best's A-rated, class V carrier or better, admitted in California, or if non-admitted, a company that is not on the Department of Insurance list of unacceptable carriers.
- H. All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.

Lessee agrees to deposit with City, on or before the effective date of this Lease, one certificate of insurance for each of the policy or policies necessary to satisfy the insurance provisions of this Lease and to keep such insurance in effect during the entire term of this Lease. This certificate must be reviewed by, and acceptable to, the City Attorney, prior to commencement of the Lease Term. Lessee will also deposit with the City within 60 days of the Effective Date of this Lease, an additional insured endorsement naming City specifically and separately as an "additional insured", with the exception of the worker's compensation policy. The appropriate endorsements described above shall follow within sixty (60) days. Noncompliance by Lessee with any provision of this Section shall allow the Lease Administrator to terminate this Lease.

City shall retain the right at any time to review the coverage, form and amount of the insurance required hereby. If, in the opinion of the Lease Administrator, the

insurance provisions in this Lease do not provide adequate protection for City and for members of the public using the Premises, City may require Lessee to obtain insurance sufficient in coverage, form and amount to provide adequate protection from and against the kind and extent of risks which exist or are foreseeable at the time a change in insurance is required. City's requirements shall be reasonable, but shall be designed to assure adequate protection of the City's interests. The Lease Administrator shall notify Lessee in writing of changes in the insurance requirements and, if Lessee does not deposit with City within sixty (60) days of receipt of such notice a new Certificate of Insurance for each policy or policies of insurance incorporating such changes, this Lease shall be deemed in default without further notice to Lessee and may be forthwith terminated by the Lease Administrator.

The procuring of such required policy or policies of insurance shall not be construed to limit Lessee's liability hereunder nor to fulfill the indemnification provisions and requirements of this Lease. Notwithstanding said policy or policies of insurance, Lessee shall be obligated for the full and total amount of any damage, injury or loss attributable to any act or omission of it or its agents, customers or guests in connection with this Lease or with use or occupancy of the Premises.

Noncompliance by Lessee with any provision of this Section shall allow the Lease Administrator to terminate this Lease.

## **Section 21 Indemnification**

Lessee shall defend, indemnify, and hold harmless City, its officers, agents, and employees from and against any and all claims, demands, and liabilities for loss of any kind or nature which City, its officers, agents, or employees may sustain or incur or which may be imposed upon them or any of them for injury to or death of persons or damage to property as a result of, arising out of, or in any manner connected with this Agreement or with the occupancy and use of the Premises by Lessee, its invitees, visitors, or any other persons whatsoever. Lessee further agrees to pay any and all costs and expenses, including, but not limited to, court costs and reasonable attorney's fees incurred by City on account of any such claims, demands, or liabilities. However, the provisions of this Agreement shall not be construed to indemnify City for claims or acts arising from City's sole negligence.

## **Section 22 Attorney's Fees, Costs and Expenses**

In the event legal action is brought to enforce the terms of or to declare a termination of this Lease for reason of breach thereof, the unsuccessful party shall pay all of the successful party's costs of such action, together with reasonable attorney's fees, in an amount to be fixed by the court.

**Section 23 Non-Discrimination**

Lessee covenants that this Lease is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of physical or mental disabilities, race, color, creed, religion, sex, marital status, national origin or ancestry in the use, occupancy, tenure or enjoyment of the leased premises. Lessee shall not establish or permit any such practice of discrimination or segregation with reference to the selection, location, number, or use of occupancy by customers, tenants or vendees in the leased premises.

**Section 24 Supersedure**

This Lease, upon becoming effective, shall supersede any leases or rental agreements heretofore made or issued for the Premises between the City and Lessee.

**Section 25 Hazardous and/or Contaminated Soil and Material**

Lessee will not place or permit to be placed materials and/or contaminated soils on the premises which under federal, state, or local law, statute, ordinance, or regulations require special handling in collection, storage, treatment, and/or disposal. Lessee also hereby covenants and agrees that, if at any time it is determined there are materials and/or contaminated soils located on the premises which under any environmental requirement require special handling in collection, storage, treatment, or disposal, Lessee shall notify City. Within thirty (30) days after written notice to City or from City, Lessee shall commence to take and thereafter diligently complete, at Lessee's sole expense, such actions as may be necessary to comply with environmental requirements.

**Section 26 Law to Govern; Venue**

This Agreement is governed by the laws of the State of California. Venue for all actions arising from this Agreement must be exclusively in the North County Division of the San Diego County Superior Court or federal courts located in San Diego County, California.

**Section 27 Special Provisions**

Lessee hereby acknowledges that Lessee waives all rights to any form of relocation assistance provided for by local, state, or federal law to which Lessee may be entitled by reason of this Lease.

**Section 28 Americans with Disabilities Act**

It is the duty of the Lessee while operating under this Lease to comply with all local, state, and federal laws, including, but not limited to, the Americans with Disabilities Act and to indemnify City from any violation of any such law. Failure to comply with a



provision of local, state, or federal law is grounds for the Lease Administrator's immediate termination of this Lease.

**Section 29 Amendment**

This Agreement may not be amended, modified, or supplemented except by a writing executed both Parties.

**Section 30 Waiver**

No waiver by a Party of any provision of this Agreement shall be considered a waiver of any other provision or any subsequent breach of the same or any other provision. The exercise by a Party of any right or remedy provided in this Agreement or provided by law shall not prevent the exercise by that Party of any other remedy provided in this Agreement or under the law.

IN WITNESS WHEREOF, the parties below are authorized to act on behalf of their organizations, and have executed this Agreement as of the date set forth below.

**CITY OF ESCONDIDO**

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

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

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

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

**STYLUTION USA, DBA WICKLINE BEDDING**

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

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

\_\_\_\_\_  
(Print Name/title)

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY  
JEFFREY R. EPP, City Attorney

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

# CITY COUNCIL

For City Clerk's Use:

APPROVED  DENIED

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

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

Agenda Item No.: 10

Date: June 24, 2015

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

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

**SUBJECT:** Budget Adjustment for Property Management Expenses Associated with the Demolition of Housing Successor Agency Asset: 509 W. 2<sup>nd</sup> Avenue (Lopez Market)

**RECOMMENDATION:**

It is requested that Council approve a budget adjustment to increase the Housing Successor Agency professional services budget in the amount of \$55,000 for property management expenses associated with the demolition of 509 W. 2<sup>nd</sup> Avenue.

**FISCAL ANALYSIS:**

The Housing Successor Agency Budget will be increased by \$55,000 to cover demolition and related costs of Housing Successor Agency asset at 509 W. 2nd. The professional services budget increase will be offset by the proceeds from the recent sale of a Housing Successor Agency asset (1750 W. Citracado, #169) in the amount of \$86,685.70.

**BACKGROUND:**

The City purchased the former Lopez Market with Neighborhood Stabilization Program (NSP) grant funds in 2010. In order to remove NSP obligations, Low-Mod Set-Aside funds were used to repay grant funds. With the dissolution of redevelopment in California, this asset has since been declared to be a Housing Successor Agency asset. The property was vacant when the City purchased it and has remained vacant since that time. The structure on site has repeatedly been the target of graffiti and illegal dumping behind the structure. Razing the structure will increase the property value, improve the marketability of the real property asset with its highest and best use for new development, and decrease property maintenance expenses.

The City sought bids for demolition and selected Southland Paving to perform the Lead/Asbestos testing, abate any lead/asbestos identified in the report and demolish the building in accordance with City standards. This Budget Adjustment will cover the expenses related to the demolition of the former Lopez Market, which expenses will be offset by the proceeds from the recent sale of Housing Successor Agency asset 1750 W. Citracado, Lot #169, in the amount of \$86,685.70.

Respectfully submitted,

  
Debra Lundy  
Real Property Manager



CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST

Date of Request: 6/15/2015
Department: City Manager's Office
Division: Economic Development/Real Property
Project/Budget Manager: Debra Lundy x4034
Council Date (if applicable): 6/24/2015

For Finance Use Only
Log #
Fiscal Year
Budget Balances
General Fund Accts
Revenue
Interfund Transfers
Fund Balance

Table with 4 columns: Project/Account Description, Account Number, Amount of Increase, Amount of Decrease. Contains entries for Professional Services and Sale of City Property.

Explanation of Request:

Increase the Housing Successor Agency Professional Services Budget to abate lead/asbestos and demolish the structure at 509 W. 2nd Avenue (Lopez Market) in order to increase the marketability of the property...

APPROVALS

Signature of Barbara Peddy, Department Head, Date 6-10-15, City Manager. Signature of Josh Goo, Finance, Date 6/10/15, City Clerk.

Distribution (after approval): Original: Finance

# CITY COUNCIL

For City Clerk's Use:

**APPROVED**       **DENIED**

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

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

**Agenda Item No.: 11**

**Date: June 24, 2015**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Craig Carter, Chief of Police  
**SUBJECT:** FY 2015-16 Department of Alcoholic Beverage Control Local Law Enforcement Grant

**RECOMMENDATION:**

It is requested that Council adopt Resolution No. 2015-111 authorizing the Chief of Police to receive a \$54,422 grant award from the California Department of Alcoholic Beverage Control (ABC); authorize the Chief of Police and Police Department staff to execute contract documents on behalf of the City; and approve budget adjustments needed to spend grant funds.

**FISCAL ANALYSIS:**

This action will have no impact on the General Fund Budget. Grant funds allocated to the City will be used to pay overtime expenses related to grant operations.

**PREVIOUS ACTION:**

City Council adopted Resolution 2013-84 approving a \$54,526 Department of Alcoholic Beverage Control Local Law Enforcement Grant on June 26, 2013.

**BACKGROUND:**

The California Department of Alcoholic Beverage Control (ABC) has awarded the Escondido Police Department a \$54,422 grant to:

- Target alcohol establishments who participate in narcotics sales or prostitution;
- Reduce alcohol related crimes and accidents through education, public awareness, enhanced officer training and enforcement;
- Identify disorderly alcoholic beverage retailers illegally selling to minor patrons;
- Educate ABC licensees on the proper, legal and responsible manner of business expected by the ABC and the City of Escondido.

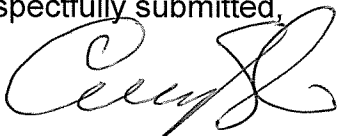
Grant projects must incorporate ABC enforcement strategies into a comprehensive local program.

ABC programs include:

1. License Education of Alcohol and Drugs (LEAD) – A free voluntary prevention and education program for retail licensees, employees and applicants;
2. Informed Merchants Preventing Alcohol-Related Crime Tendencies (IMPACT) – A prevention and education program to teach licensees how to help reduce alcohol-related crime. IMPACT partners an ABC investigator with a law enforcement officer to visit licensed outlets in a marked vehicle. IMPACT teams educate licensees and view premises for compliance with laws;
3. Shoulder Tap – A program in which a minor decoy, under the supervision of law enforcement officers, solicits adults outside licensed stores to purchase alcohol. Individuals who furnish alcohol to minors are arrested. Shoulder Tap is typically implemented in locations where complaints have been received about minors shoulder tapping adults to purchase alcohol;
4. Public Awareness – Operation results and subsequent prosecutions will be publicized through press releases, media ride-alongs and social media outlets;
5. Officer Training – Officers and Detectives will enhance on-going training to focus on ABC violations and regulations, DUI enforcement, public intoxication and alcohol consumption by minors.

If approved by your action today, the Police Department will use this allocation to fund police officer overtime related to enforcement operations. During the grant period, July 1, 2015 to June 30, 2016, these funds will increase enforcement efforts and enhance public awareness campaigns to promote safety in the community.

Respectfully submitted,



Craig Carter  
Chief of Police





CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST

Date of Request: June 15, 2015
Department: Police
Division: Administration
Project/Budget Manager: Lisa Rodelo 4905
Council Date (if applicable): June 24, 2105
(attach copy of staff report)

For Finance Use Only
Log #
Fiscal Year
Budget Balances
General Fund Accts
Revenue
Interfund Transfers
Fund Balance

Table with 4 columns: Project/Account Description, Account Number, Amount of Increase, Amount of Decrease. Includes entries for Revenue (4127-451-New Project Number, \$54,422) and Police Grants (451-New Project Number, \$54,422).

Explanation of Request:

Budget adjustments are needed to receive grant funds and establish a spending account for expenses related to the FY 2015-16 Department of Alcoholic Beverage Control Local Law Enforcement Grant.

APPROVALS

Department Head [Signature] Date 6-16-15
Finance [Signature] Date 6/16/15
City Manager \_\_\_\_\_ Date \_\_\_\_\_
City Clerk \_\_\_\_\_ Date \_\_\_\_\_

Distribution (after approval): Original: Finance

RESOLUTION NO. 2015-111

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE CHIEF OF POLICE TO RECEIVE A \$54,422 GRANT FROM THE DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL (ABC) AND TO EXECUTE CONTRACT DOCUMENTS RELATED TO THE GRANT

WHEREAS, the City of Escondido desires to reduce alcohol-related problems in the community; and

WHEREAS, the Escondido Police Department desires to conduct specific programs to address this goal including the 2015-16 ABC Project; and

WHEREAS, the 2015-16 ABC Project will be funded in part through the Grant Assistance to Local Law Enforcement Agencies Project administered by the Department of Alcoholic Beverage Control, hereafter referred to as ABC.

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

1. That the above recitations are true.
2. That the City Council authorizes the City of Escondido Chief of Police to receive a \$54,422 grant from the ABC and execute, on its behalf, grant contract documents, including any extensions or amendments thereof, and any subsequent contract with the State in relation thereto.

IT IS AGREED that any liability arising out of the performance of this contract, including civil court actions for damages, shall be the responsibility of the grant recipient

and the authorizing agency. The State of California and ABC disclaim responsibility for any such liability.

BE IT FURTHER RESOLVED that grant funds received hereunder shall not be used to supplant expenditures controlled by this body.

IT IS ALSO AGREED that this award is not subject to local hiring freezes.

**CITY COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

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

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

**Agenda Item No.:** 12

**Date:** June 24, 2015

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Craig Carter, Chief of Police  
**SUBJECT:** Federal Bureau of Investigation (FBI) – San Diego Integrated Narcotic Task Force (NTF) Funding

RECOMMENDATION:

It is requested that Council accept San Diego Integrated Narcotic Task Force (NTF) funding from the FBI; authorize the Chief of Police or his designee to execute agreement documents on behalf of the City; and authorize future budget adjustments based solely on the increase or decrease of associated funding.

FISCAL ANALYSIS:

This action will have no impact on the General Fund Budget. Funds allocated to the City will be used to cover overtime expenses related to task force operations.

PREVIOUS ACTION:

None

BACKGROUND:

The Escondido Police Department (EPD) and the Federal Bureau of Investigation (FBI) have entered into an agreement to work cooperatively on the San Diego Integrated Narcotic Task Force (NTF). The mission of this task force is to investigate, identify and arrest individuals involved in illicit drug trafficking within San Diego County. This agreement covers overtime related to Narcotic Task Force activities.

Respectfully submitted,

Craig Carter  
Chief of Police



**CITY COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

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

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

Agenda Item No.: 13

Date: **June 24, 2015**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Craig Carter, Chief of Police  
**SUBJECT:** Federal Bureau of Investigation (FBI) – North County Regional Gang – Safe Streets Task Force Funding

RECOMMENDATION:

It is requested that Council accept North County Regional Gang – Safe Street Task Force funding from the FBI; authorize the Chief of Police or his designee to execute agreement documents on behalf of the City; and authorize future budget adjustments based solely on the increase or decrease of associated funding.

FISCAL ANALYSIS:

This action will have no impact on the General Fund Budget. Funds allocated to the City will be used to cover overtime expenses related to task force operations.

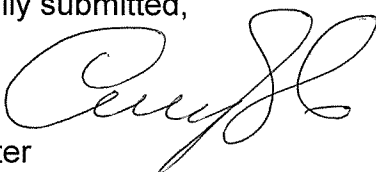
PREVIOUS ACTION:

None

BACKGROUND:

The Escondido Police Department (EPD) and the Federal Bureau of Investigation (FBI) entered into an agreement to work cooperatively on the North County Regional Gang - Safe Streets Task Force. The mission of this task force is to identify and target groups responsible for drug trafficking, money laundering, alien smuggling, and crimes of violence. The FBI provided a vehicle that is used by the EPD Detective assigned to the task force. The agreement also covers funding for overtime, overtime overhead, travel, training, vehicle fuel, supplies, and equipment related to Safe Streets Task Force activities.

Respectfully submitted,



Craig Carter  
Chief of Police

**CITY COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

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

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

Agenda Item No.: 14

Date: **June 24, 2015**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Craig Carter, Chief of Police  
**SUBJECT:** Federal Bureau of Investigation (FBI) – San Diego Child Exploitation Task Force Funding (SDCETF)

RECOMMENDATION:

It is requested that Council accept San Diego Child Exploitation Task Force funding from the FBI; authorize the Chief of Police or his designee to execute agreement documents on behalf of the City; and authorize future budget adjustments based solely on the increase or decrease of associated funding.

FISCAL ANALYSIS:

This action will have no impact on the General Fund Budget. Funds allocated to the City will be used to cover overtime expenses related to task force operations.

PREVIOUS ACTION:

None

BACKGROUND:

The Escondido Police Department (EPD) and the Federal Bureau of Investigation (FBI) have entered into an agreement to work cooperatively with the San Diego Child Exploitation Task Force (SDCETF). The mission of this task force is to investigate, identify and arrest individuals involved in the interstate recruitment, transportation, prostitution, advertising and sexual exploitation of victim minors within San Diego County. The agreement covers overtime expenses related to task force activities and two vehicles that are shared by three EPD Detectives assigned to the San Diego Child Exploitation Task Force.

Respectfully submitted,



Craig Carter  
Chief of Police

# CITY COUNCIL

For City Clerk's Use:

**APPROVED**       **DENIED**

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

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

Agenda Item No.: 15

Date: **June 24, 2015**

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

**FROM:** Craig Carter, Chief of Police

**SUBJECT:** United States Marshals Service (USMS) – Regional Fugitive Task Force Funding

RECOMMENDATION:

It is requested that Council accept Regional Fugitive Task Force funding from the USMS; authorize the Chief of Police or his designee to execute agreement documents on behalf of the City; and authorize future budget adjustments based solely on the increase or decrease of associated funding.

FISCAL ANALYSIS:

This action will have no impact on the General Fund Budget. Funds allocated to the City will be used to cover overtime expenses related to task force operations.

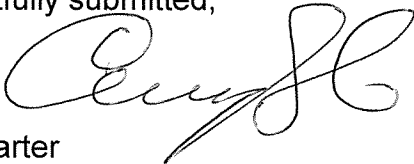
PREVIOUS ACTION:

None

BACKGROUND:

The Escondido Police Department (EPD) and the United States Marshals Service (USMS) entered into an agreement to work cooperatively on the Regional Fugitive Task Force. The mission of this task force is to increase public safety by investigating and arresting persons who have active state and federal warrants. USMS provided a vehicle that is used by the EPD Detective assigned to the Regional Fugitive Task Force. The agreement also covers overtime, overtime overhead, travel, training, vehicle fuel, supplies, and equipment related to Regional Fugitive Task Force activities.

Respectfully submitted,



Craig Carter  
Chief of Police

# CITY COUNCIL

For City Clerk's Use:

**APPROVED**       **DENIED**

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

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

**Agenda Item No.: 16**

**Date: June 24, 2015**

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

**FROM:** Sheryl Bennett, Director of Administrative Services  
Jodi Vinson, Risk & Safety Manager

**SUBJECT:** Contract for a Third-Party Administrator to Provide Claims Administration Services for the City's Workers' Compensation Program

## RECOMMENDATION:

It is requested that Council adopt Resolution No. 2015-112 authorizing the Mayor and City Clerk to execute a one-year renewable contract with AdminSure to provide third-party administrator services for the City of Escondido Workers' Compensation Program.

## FISCAL ANALYSIS:

The new agreement with AdminSure stipulates an annual flat fee of \$240,000 for claims management services. This results in an annual flat fee savings of \$130,907 over the City's current agreement for services with Tristar Risk Management.

## PREVIOUS ACTION:

On May 11, 2011, Council adopted Resolution 2011-51 authorizing the Mayor and City Clerk to execute an agreement with Tristar Risk Management to provide third-party administrator services for the City's Workers' Compensation Program on a year-to-year renewable basis.

## BACKGROUND:

On February 27, 2015, the Risk & Safety Division issued a Request for Proposal from qualified organizations to perform workers' compensation third party administrator services. The City of Escondido received proposals from statewide organizations with varying levels of experience, expertise and pricing. Based on an evaluation matrix, eight vendors whose proposals best met the criteria for Escondido's scope of services were invited to make an initial presentation to an interview panel. Of the eight vendors interviewed, the panel recommended two finalists to advance to the final selection panel. References were conducted for the two finalists as well.



Contract for a Third-Party Administrator to provide claims administration services for the City's workers' compensation program.

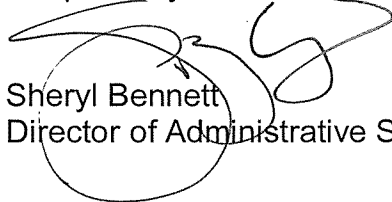
June 24, 2015

Page 2

Based on the information provided in the Request for Proposal, the oral presentations, and the recommendations of the selection panel, it has been determined to be in the City's best interest to appoint AdminSure for the City of Escondido's workers' compensation third party administrator and bill review vendor.

Therefore, staff recommends that the City Council adopt Resolution No. 2015-112 authorizing the Mayor and City Clerk to execute a contract with AdminSure as the City of Escondido's workers' compensation third-party administrator beginning August 1, 2015, with the option of extending the agreement for four additional years.

Respectfully submitted,



Sheryl Bennett  
Director of Administrative Services



Jodi Vinson  
Risk & Safety Manager

RESOLUTION NO. 2015-112

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE, ON BEHALF OF THE CITY, A CONTRACT WITH ADMININSURE TO PROVIDE THIRD PARTY ADMINISTRATOR SERVICES FOR THE CITY OF ESCONDIDO'S WORKERS' COMPENSATION PROGRAM

WHEREAS, it has been determined to be in the City's best interest to retain a third party administrator to administer the City of Escondido workers' compensation program and bill review services; and

WHEREAS, the City sought proposals from qualified organizations to provide third party administrator services for its workers' compensation and bill review program beginning in February 2015; and

WHEREAS, based on the information provided in the responses to the Request for Proposal, oral presentations made to the interview committee and recommendations made by the selection panel, it is deemed that the most qualified and responsive proposal from a third party administrator for administering the City's workers' compensation program and bill review services was AdminSure;

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

1. That the above recitations are true.
2. That the Mayor and the City Clerk are authorized to execute, on behalf of the City, a renewable one-year contract with AdminSure to provide third party

administrator and bill review services for the City of Escondido workers' compensation program. A copy of the proposed contract is attached to this Resolution as Attachment "1" and is incorporated by this reference.



CITY OF ESCONDIDO  
AGREEMENT FOR WORKERS' COMPENSATION CLAIMS ADMINISTRATION

This Agreement is made this \_\_\_\_\_ day of \_\_\_\_\_.

Between: City of Escondido  
a Municipal Corporation  
201 N. Broadway  
Escondido, California 92025  
Attn: Jodi Vinson  
760-839-4869  
("CITY")

And: Admsure Inc.  
1470 South Valley Vista Drive, Suite 230  
Diamond Bar, CA 91765  
Attn: Alithia Vargas-Flores  
909-396-5814  
("TPA")

Witness that whereas:

- A. It has been determined to be in the CITY'S best interest to retain the professional services of a Third Party to Administrator ("TPA") for the City's Workers' Compensation Program.
- B. The TPA is considered competent to perform the necessary professional services for CITY;

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

- 1. Services. The TPA will furnish all of the services as described in Exhibit "A" which is attached and incorporated by this reference. Services are effective August 1, 2015 for a period of one year, and at the option of the City, may be extended year to year for up to a total of four (4) additional years. Agreement shall automatically renew unless City provides 60 days advance written notice of non-renewal.
- 2. Compensation. The CITY will compensate the TPA in the amount and according to the conditions contained in Exhibit "B" which is attached and incorporated by this reference. Any breach of this Agreement will relieve CITY from the obligation to pay TPA, if TPA has not corrected the breach after CITY provides notice and a reasonable time to correct it.
- 3. Scope of Compensation. The TPA will be compensated for performance of tasks specified in Exhibit "A" only. No compensation will be provided for any other tasks without specific prior written consent from the CITY.

4. Duties. TPA will be responsible for the professional quality, technical accuracy, timely completion, and coordination of all reports and other services furnished by the TPA under this Agreement, except that the TPA will not be responsible for the accuracy of information supplied by the CITY.
5. Personnel. The performance of services under this Agreement by certain professionals is significant to the CITY. TPA will assign persons to perform the services described herein. TPA will not subcontract any tasks under this Agreement without obtaining the advance consent of the CITY.
6. Termination. Either TPA or the CITY may terminate this Agreement with sixty (60) days advance written notice. Upon the effective date of termination of this Agreement, or the date on which records are transferred to another custodian, whichever occurs first, the TPA shall no longer have the authority or responsibility to administer claims or perform any service on behalf of the City. Additionally, CITY may immediately terminate this Agreement if the TPA violates the Availability of Personnel requirements found in Exhibit "A", paragraph 35. In the event of a termination, a final accounting shall be made. Funds due either the City or the TPA shall be paid as soon as administratively possible. Any pending files and/or losses are to become the responsibility of the City or their named agent.
7. City Property. All original documents, drawings, electronic media, and other material prepared by the TPA under this Agreement immediately becomes the exclusive property of the CITY, and may not be used by TPA for any other purpose without prior written consent of the CITY.
8. Nondisclosure of Confidential Information.

TPA agrees that neither it nor any of its subsidiaries, divisions, employees, agents or other persons or organizations over which it has control, if, at any time during the term of its relationship with CITY, directly or indirectly make use of or disclose any information furnished to TPA by CITY or at the request of CITY (the "Information") for any purposes other than in furtherance of the workers' compensation claims and related services being provided by TPA. It is understood by the parties hereto that TPA may make in-house use of the information, and, in the ordinary course of rendering services to CITY, may release to third parties all or any portion of the information that is relevant to handling the processing of claims.

Upon the request of CITY, TPA agrees that all documents and records in its possession containing the Information, including copies thereof, whether prepared by it or others, will be returned to CITY. TPA may, however, retain copies of documents and records which CITY has agreed (which will not be unreasonably withheld) are necessary for the conduct and proper recordkeeping of TPA's business in accordance with TPA's standard operating procedure.

TPA will not disclose the Information to third parties or use the Information other than as set forth herein and/or as required by state or federal laws. However, this Agreement shall not apply to any information:

- a. Which at the time disclosed or obtained is in the public domain;

- b. Which becomes part of the public domain through no act, omission or fault of TPA;
- c. Which TPA demonstrates was received by it from a third party, who had no confidentiality obligations to the CITY with respect thereto; or
- d. Which the law requires be disclosed by statute, regulations enacted pursuant to statute, the terms of a court-issued subpoena or other similar document; however. TPA shall use its best efforts to give prior timely notice of such disclosure to the CITY. Such prior timely notice will be a minimum of ten (10) days unless ordered to turn over such information in less than ten (10) days by an administrative or judicial body of appropriate jurisdiction, in which case timely notice will be as soon as practicably possible.

9. Insurance.

- a. The TPA must have insurance in the following amounts at all times during this Agreement, which insurance shall be primary to any issuance of the CITY; but only for claims arising solely from TPA's provisions of services hereunder:
  - (1) General liability insurance with \$1 Million per occurrence/\$2 Million aggregate limit for bodily injury and property damage; and
  - (2) Automobile liability insurance of \$1 Million combined single-limit per accident for bodily injury and property damage; and
  - (3) Workers' compensation and employer's liability insurance as required by the California Labor Code, as amended, or certificate of sole proprietorship; and
  - (4) Errors and Omissions professional liability insurance with minimum coverage of \$1 Million, unless waived or reduced by the City Attorney.
- b. Each insurance policy required above must be acceptable to the City Attorney:
  - (1) Each policy must provide for written notice within no more than thirty (30) days if cancellation or termination of the policy occurs. Insurance coverage must be provided by an A.M. Best's A-rated, class V carrier or better, admitted in California, or if non-admitted, a company that is not on the Department of Insurance list of unacceptable carriers.
  - (2) All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.
  - (3) Both the General Liability and the Automobile Liability policies must name the CITY specifically as an additional insured under the policy on a separate endorsement page. The CITY includes its officials, employees, and volunteers. The endorsement must be ISO Form CG 20 10 11 85 edition or its equivalent for General Liability endorsements and CA 20 01 for Automobile endorsements.
  - (4) The General Liability policy must include coverage for bodily injury and property damage arising from CONSULTANT's work, including its on-going operations and products-completed operations hazard.
  - (5) The General Liability policy must be primary and noncontributory and any insurance maintained by CITY is excess.

- c. In executing this Agreement, TPA agrees to have completed insurance documents on file with the CITY within 60 days after the date of execution. Failure to comply with insurance requirements under this Agreement will be a material breach of this Agreement, may result in immediate termination at CITY's option.
10. Indemnification. TPA (which includes its agents, employees and subcontractors, if any) agrees to indemnify, defend, and hold harmless the CITY from all claims, lawsuits, damages, judgments, loss, liability, or expenses, including attorneys' fees, for any of the following:
- a. Any personal injuries, property damage or death that TPA may sustain while using CITY-controlled property or equipment, while participating in any activity sponsored by the CITY, or from any dangerous condition of property;
  - b. Any injury or death which results or increases by any action taken to medically treat TPA; or
  - c. Any claim of liability arising out of the negligence or any acts or omissions of TPA in the performance of this Agreement.
11. Anti-Assignment Clause. The TPA may not assign, delegate or transfer any interest or duty under this Agreement without advance written approval of the CITY.
12. Costs and Attorney's Fees. In the event that legal action is required to enforce the terms and conditions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs.
13. Independent Contractor. TPA is an independent contractor and no agency or employment relationship, express or implied, is created by the execution of this Agreement.
14. Merger Clause. This Agreement and its Attachments, if any, are the entire understanding of the parties, and there are no other terms or conditions, written or oral, controlling this matter.
15. Anti-Waiver Clause. None of the provisions in this Agreement will be waived by CITY because of previous failure to insist upon strict performance, nor will any provision be waived by City because any other provision has been waived, in whole or in part.
16. Severability. The invalidity in whole or in part of any provision of this Agreement will not void or affect the validity of any other provisions of this Agreement.
17. Choice of Law. This Agreement is governed by the laws of the State of California. Venue for all actions arising from this Agreement must be exclusively in the state or federal courts located in San Diego County, California.
18. Multiple Copies of Agreement/Counterparts. Multiple copies and/or counterparts of this Agreement may be executed, including duplication by photocopy or by computerized scanning device. Each duplicate will be deemed an original with the same effect as if all the signatures were on the same instrument. However, the parties agree that the Agreement on file in the office of the Escondido City Clerk is the copy of the Agreement that shall take precedence should any differences exist among copies or counterparts of the document.

19. Provisions Cumulative. The foregoing provisions are cumulative and in addition to and not in limitation of any other rights or remedies available to the CITY.
20. Notices to Parties. Any statements, communications or notices to be provided pursuant to this Agreement must be sent to the attention of the persons indicated below. Each party agrees to promptly send notice of any changes of this information to the other party, at the address first above written. All notices, demands, requests, or approvals which are required under this Agreement, or which either the City or the TPA may desire to serve upon the other, shall be in writing and shall be conclusively deemed served when delivered personally, or forty-eight (48) hours after the deposit thereof in the United States Mail with postage pre-paid.
21. Business License. The TPA is required to obtain a City of Escondido Business License no later than August 1, 2015 and obtain annually thereafter.
22. Compliance with Applicable Laws; Permits and Licenses. TPA shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this AGREEMENT. This shall include, but not be limited to, all California Labor Code provisions and all OSHA regulations. TPA shall obtain any and all licenses, permits and authorizations necessary to perform the services set forth in this AGREEMENT. Neither CITY, nor any elected nor appointed boards, officers, officials, employees or agents of CITY, shall be liable, at law or in equity, as a result of any failure of TPA to comply with this section.
23. Immigration Reform and Control Act of 1986. TPA shall keep itself informed of and comply with the Immigration Reform and Control Act of 1986. TPA affirms that as an employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will be employed on this public project. TPA agrees to comply with such provisions before commencing and continuously throughout the performance of this Agreement.

SIGNATURE PAGE FOLLOWS



IN WITNESS WHEREOF, the parties below are authorized to act on behalf of their organizations, and have executed this Agreement as of the date set forth below.

City of Escondido

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

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

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

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

Adminsure Inc.

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Alithia Vargas-Flores  
V.P. of Operations

*(The above signature must be notarized)*

APPROVED AS TO FORM:  
OFFICE OF THE CITY ATTORNEY  
JEFFREY R. EPP, City Attorney

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

THE CITY OF ESCONDIDO DOES NOT DISCRIMINATE AGAINST QUALIFIED PERSONS WITH DISABILITIES.

## **SCOPE OF WORK Exhibit "A"**

The following performance standards establish the minimum requirements and level of service to be provided by the TPA in delivering claims adjusting services and related activities to the City. The TPA agrees that all duties and responsibilities contained within this scope of work will be provided to the City at no additional cost beyond the proposed fees unless otherwise specifically noted herein and agreed to by both parties.

### **1. Caseload**

Each examiner shall have a caseload within a range of one-hundred-fifty (150) to one-hundred-sixty-five (165) open indemnity claims, which includes future medical claims. If the caseload contains medical only claims, two (2) medical only claims shall equal one (1) active indemnity claim.

### **2. Claim File Set Up**

Upon receipt of the Employer's Report of Occupational Injury or Illness or Application for Adjudication of Claim, the TPA will prepare an individual claim file within two (2) business days for each claim. Preparation of the claim file shall include reviewing the claim entered into the computer system by the City's Risk Management staff and establishing appropriate initial reserves. Initial reserves will be set based on the facts known at the time the case is entered into the computer and clearly documented in the computer system. The file shall be available to the City of Escondido, including their representatives, claims auditors and agents for inspection, and contain all medical and factual information on each claim reported.

### **3. Coverage**

The TPA shall verify coverage was provided to the City of Escondido on the date of injury or illness in accordance with EIA program dates and governing documents. If applicable, the TPA shall exercise due diligence in joining applicable co-defendants. All activity to verify coverage and join co-defendants shall be clearly documented in the computer system.

### **4. ISO and EDEX**

The TPA shall subscribe to the ISO, or other recommended organizations, in order to obtain background history on individual claims. Costs to subscribe to these services shall be included in the pricing structure. The examiner shall request a report from ISO, or other recommended organizations, on all new indemnity claims. Subsequent requests should be made every six (6) to twelve (12) months thereafter on all active indemnity claims.

### **5. Employer Contact**

The TPA shall request the Employer's Report of Occupational Injury or Illness form within two (2) business days when or if notification of any injury or illness by any source is received first.

If the DWC-1 has not been received by the TPA within two (2) business days after receiving the Employer's Report of Occupational Injury or Illness, the examiner will contact the City to ensure the DWC-1 was given to the employee within one (1) business day of knowledge of the injury. If a DWC-1 has not been given to the injured employee, the TPA shall immediately send the DWC-1 directly to the employee.

The TPA shall contact the City within two (2) business days of receipt of notice of a claim by any source to conduct an initial and meaningful investigation. Such contact with the City shall be clearly documented in the computer system.

When a claim reaches one-half (1/2) of the City of Escondido's self-insured retention (SIR), the TPA shall report to the City every ninety (90) calendar days regarding the status of the claim. Such report shall include a current status of the claim, the examiner's plan of action for future handling of the claim, and the current paid to date and total incurred amounts listed by indemnity, vocational rehabilitation, medical and expense categories.

The TPA will provide on-site file reviews on a quarterly and annual basis. Other periodic on-site files reviews will be scheduled based upon the needs of the City of Escondido. The TPA is expected to send claims staff and supervisory personnel to attend claims reviews at no charge to the City.

Returned phone calls and email to the City will be accomplished no later than one (1) business day. Same day is desired.

The TPA shall notify the City immediately upon notice of an injured worker's hospitalization as a result of the work injury regardless of the date of injury. Such contact with the City shall be clearly documented in the computer system.

## **6. Employee Contact**

In all non-litigated, lost-time cases, where the employee has not returned to work, telephone or personal contact will be established with the injured employee within two (2) business days of receipt of notice of claim. Such contact will continue as often as necessary, but at least monthly. Such contact with the employee shall be clearly documented in the computer system.

Returned phone calls to employees will be accomplished within one (1) business day. Same day is preferable. All written correspondence from employees will be responded to within five (5) calendar days of receipt.

## **7. Compensability**

The TPA shall obtain authority from the City of Escondido to delay or deny a claim. The City's authorization shall be clearly documented in the applicable claim file or in the computer system. The compensability determination (accept claim, deny claim, or delay acceptance pending the results of additional investigation) and the reasons for such determination will be made and clearly documented in the file within fourteen (14) business days of the receipt of the notification of the loss. Delay of benefit notices shall be mailed in compliance with the Division of Industrial Relations' guidelines. Copies of benefit notices will be maintained in the applicable claim file or stored in an electronic file. In no case shall a final compensability decision be extended beyond ninety (90) calendar days from the City's knowledge of the claim.

## **8. Investigations**

The TPA shall promptly initiate investigation of issues identified as material to potential litigation. The City shall be alerted to the need for an outside investigation as soon as possible and the City will appoint an investigator. The City shall be kept informed on the scope and results of all investigations. All activities shall be clearly documented in the computer system.

## **9. Reserves**

Reserves shall be established based on the facts of the claim and the ultimate probable cost of each claim. A reserve rational for each reserve change shall be clearly documented in the file notes. All reserve categories shall be reviewed by the examiner on a regular basis but not less than at least every forty-five (45) calendar days. The use of a paper or electronic reserve worksheet is required on all claims and shall be maintained in the applicable claim file.

## **10. Provision of Benefits**

The TPA shall provide all compensation and medical benefits in a timely manner and in compliance with the statutory requirements of the California Labor Code. The TPA shall compute and pay temporary disability benefits to injured employees based upon earnings information and authorized disability periods. The TPA shall review, compute and pay all informal ratings, death benefits, life pensions, Findings and Awards or Compromise and Release settlements. Copies of all benefit notices shall be sent to the City of Escondido.

## **11. Initial Indemnity Payment**

The initial indemnity payment or voucher will be issued and mailed to the injured employee together with a properly completed DWC benefit notice within fourteen (14) calendar days of the first day of disability. Copies of benefit notices will be maintained in the applicable claim file.

Late payments must include the self-imposed 10% penalty in accordance with Labor Code Section 4650. If late due to TPA, TPA assumes all late payment penalties.

## **12. Subsequent Indemnity Payments**

All indemnity payments or vouchers subsequent to the first payment will be verified, except for those payments where disability is expected beyond ninety (90) calendar days in which case payments will be verified in ninety (90) day increments. All disability payments will be issued in compliance with Labor Code Section 4651.

Late payments must include the self-imposed 10% penalty in accordance with Labor Code Section 4650.

Copies of benefit notices issued with subsequent benefits will be maintained in the applicable claim file.

## **13. Medical Administration**

The TPA, shall provide Medical Provider Management Services which may include but are not limited to the following:

- a. Management of the City's Medical Provider Network (MPN), which meets the State of California Laws and Regulations and the Workers' Compensation Administrative Director requirements, per Labor Code 4616, and the needs of the City of Escondido. The TPA is expected to maintain the MPN. Management of the MPN includes the dispute of medical treatment processes, as well as MPN correspondence regarding transfer of care as required.
- b. Provide necessary documents to the City of Escondido so that the City can fulfill the requirements of notification to their employees.

- c. In the event an MPN modification is filed, the TPA will submit, on behalf of the City, the plan to the Administrative Director. The TPA will also act as the Division Liaison to the Administrative Director to ensure compliance with the modification plan approval process.
- d. The TPA will provide an updated MPN listing to the City upon update.
- e. The TPA will be responsible for filing an interim annual Self-Insured Report, necessary MPN filings and any other required State of California reports.

#### **14. Medical Payments**

Medical bills will be reviewed by the assigned claims examiner, or supervisor for correctness, approved for payment, and paid within time limits established by Labor Code Section 4603.2. If all or part of the bill is being disputed, the TPA will notify the medical provider, on the appropriate form letter, within time limits established by Labor Code Section 4603.2.

The TPA shall ensure that medical bills are reduced to the Official Medical Fee Schedule (OMFS), the Inpatient Hospital Fee Schedule (IHFS), apply discounts provided by Preferred Providers Organization (PPO) providers, and recommended rates established by the Administrative Director of Workers' Compensation. The use of a service contractor is acceptable provided approval is first obtained from the City. The City shall pay for the use and benefits of the services provided; however, fees charged by the service contractor shall have been approved by the City prior to the provision of and payment for services. Such fees will be charged to the applicable claim file and will be paid from the medical category.

#### **15. Transportation Expense**

Transportation reimbursement will be mailed within fifteen (15) calendar days of the receipt of the claim for reimbursement. Upon sufficient notice, advance travel payments will be mailed to the injured employee at least ten (10) calendar days prior to the anticipated date of travel.

#### **16. Return-to-Work**

The TPA shall provide assistance to the City in establishing a modified return-to-work program that is appropriate for injured employees while recovering and prior to their return to regular duties.

The TPA shall consult with the City within two (2) business days of becoming aware of work restrictions and shall remain in contact with the City bi-weekly until such time as return to work is achieved or vacated.

Should the City contract with a vendor to assist with return-to-work, the TPA shall cooperate with the assignment of cases or the provision of information in order to help facilitate a successful return-to-work program.

#### **17. Permanent Disability**

Upon specific City request, the TPA shall arrange for an informal disability rating such as "speed rating" whenever possible to avoid Workers' Compensation Appeals Board (WCAB) litigation. The TPA shall take advantage of any potential apportionment potential to prior claims, disabilities, and impairments. The TPA shall also advise the City of potential credits and penalties to permanent disability benefits should the City accommodate permanent/alternative work for at least twelve (12) months.

All permanent disability benefit notices shall be sent to the employee as required by the California Labor Code. Copies of benefit notices will be maintained in the applicable claim file.

## **18. Vocational Rehabilitation/Supplemental Job Displacement (SJD)**

In accordance with all applicable California laws in place at the date of injury, the TPA shall:

- a. Determine the Qualified Inured Worker/Non-Qualified Injured Worker status;
- b. Advise the injured worker of his/her right to rehabilitation or SJD benefits;
- c. Provide appropriate vocational rehabilitation/SJD benefits;
- d. Control rehabilitation and SJD costs;
- e. Attempt to secure the prompt conclusion of vocational rehabilitation benefits/SJD; and
- f. Provide notification to the City should work restrictions require a permanent or modified accommodation.

## **19. Diary Review**

All claim files shall be reviewed at least every forty-five (45) calendar days for active claims and at least every ninety (90) days for claims that have settled but are open for the employee's future medical care. The examiner shall distinguish the regular diary review from routine file documentation in the electronic notes. A plan of action will be included and separately labeled in the file notes during a diary review. The plan of action shall include, but not be limited to, the employee's current work status, medical status, review of reserves, and future activity to move the claim towards resolution. The TPA shall monitor the diary reviews by printing a "No Activity" report each month to identify any files that have fallen off the diary system.

The supervisor shall conduct a diary review within 14 days of receipt of a claim, a subsequent review within 90 days on all active indemnity claims, and every 180 days thereafter. Interval of review may be reduced based on the status of the claim.

## **20. Plan of Action**

Each claim file shall contain the examiner's plan of action for the future handling of that claim. Such plan of action shall be clearly stated including the reasoning for the plan. The initial plan of action will be clearly documented in the computer system within fourteen (14) calendar days of the initial claim set-up. The plan of action will be updated at least every ninety (90) calendar days and clearly identified in the computer system.

## **21. Claim Supervision**

The TPA shall provide supervisory staff that will regularly review the work product of the examiners. The supervisor shall review at least ten percent (10%) of each examiner's caseload each month to ensure each examiner is following the performance standards outlined in this Agreement. In addition, the supervisor shall conduct a regular quarterly review of all open indemnity claims with reserves in excess of \$100,000 and all problem or complex claims. Such reviews shall be labeled as "Supervisor Review" and clearly documented in the electronic notes. Future medical claims will remain current on the supervisory diary every 180 days.

## **22. Claim Reconciliation**

All claim files shall be reconciled to ensure all indemnity payments have been made correctly. The reconciliation should verify that payments were made in the correct amount and from the correct claim file. The physical file should be verified with the computer information. All open claim files

shall be reconciled at the time of a request for settlement authorization and at the time of submission for closure. Proof of the reconciliation should remain in the claim file and clearly documented in the computer system.

### **23. Settlements**

The TPA shall obtain the City's authorization on all settlements. The TPA or defense counsel shall forward settlement proposals to the City in a form acceptable to the City. All requests for settlement authority shall be clear and concise and include a written claim analysis, estimate of permanent disability, and the defense counsel's comments and recommendations. If the settlement exceeds the City's self-insured retention, the written settlement proposal shall also be directed to the excess carrier or designated representative to provide authority in addition to the City's authority.

### **24. Award Payment**

Payments on Awards, computations, or Compromise and Release agreements will be issued within ten (10) business days or sooner if necessary to ensure payment within twenty (20) calendar days of the WCAB approval date, following receipt of the appropriate document.

### **25. Future Medical Claims**

Claims that remain open to monitor future medical care shall remain open for two (2) years from the last payment of benefit. Reviews shall be documented in the claim notes to include settlement information, permanent work restrictions, future medical care outline, last date and type of treatment, name of excess carrier, excess carrier reporting level, and excess carrier reporting history. Reserves for future medical treatment will be reviewed every six (6) months and adjusted for use over a three (3) year average and the injured employee's life expectancy based on the latest version of the U.S. Life Table. The reason(s) and calculation(s) for the adjustment(s) shall be clearly documented in the electronic notes.

### **26. Subrogation**

The TPA will pursue all subrogation involving responsible third-parties and work closely with City staff to resolve subrogation issues. The TPA is not authorized to file litigation without consent of the City. The City must approve all settlements. The City will provide specific language to incorporate in any subrogation settlement. TPA is responsible for protecting any and all statute of limitations and must notify City staff in writing no later than 60 days prior to expiration of the statute. The City retains the right to handle any subrogation issue it deems appropriate. The City requires copies of all subrogation correspondence.

### **27. Litigated Cases**

The Office of the City Attorney is responsible for hiring and overseeing outside attorneys representing the City in litigated workers' compensation matters. The City will designate a panel of attorneys to handle litigated cases. In such cases, the City is the client and as such is entitled to direct the handling of the litigated claims and must receive all legal correspondence. Further, TPA will not communicate directly with outside counsel without inclusion of City Staff. TPA will follow all protocols required by the City regarding communication with defense attorney. City Attorney oversight of litigated cases includes, but is not limited to, oversight of legal services provided by outside counsel, bill review, approval and payment. The TPA will document all payments made by the City to each claim file.

The TPA must have approval from the City Attorney regarding representation of the City at WCAB hearings. The City retains the right to determine who will appear to represent the City.

The City must pre-approve all settlements or structured settlements prior to entering into any settlement discussions with claimants or applicant attorneys. The City has an established settlement process that must be adhered to. The settlement process is a written process and must be started well in advance of anticipated Mandatory Settlement Conferences or trials. The City retains the right to assign potential claims to a structured settlement broker.

## **28. Fraudulent Claims**

The City requires the claims administrator to aggressively control fraud and pursue restitution in all fraud cases. The City's Risk Manager shall be notified of all claims involving potential fraud and will initiate fraud investigation activities when determined necessary.

## **29. Excess Insurance**

Cases that have the potential to exceed the City's self-insured retention shall be reported in accordance with the reporting criteria established by the excess insurance policies. All cases that meet the established reporting criteria are to be reported within five (5) business days of the day on which it is known the criterion is met. TPA shall comply with all performance standards of the Client's excess insurer, if any. The TPA shall also comply with the TPA's Workers' Compensation Claims Administration Standards, but under no circumstances are they to be construed as having precedence over the performance standards of the City's excess insurer, if any.

## **30. Penalties**

Late payment of all benefits must include the self-imposed penalty in accordance with California law. The TPA will provide the City a monthly listing of any administrative penalties paid in the prior month which were the responsibility of the TPA, and a check from the TPA payable to the City for reimbursement. The check and report shall be submitted to the City by the 20<sup>th</sup> of the following month. The TPA shall reimburse the City for any incurred penalties out of an account not associated with the City of Escondido's financial account.

## **31. Case Closure**

The supervisor shall review all inactive medical only files open beyond ninety (90) days from the date of entry by the TPA for potential closure or conversion to indemnity status. Inactive is defined as those claims with no payment, reserve, or file note activity during the prior sixty (60) days. Claims with \$5,000 or more paid-to-date on any medical only claim open beyond 180 calendar days from the date of TPA entry shall be converted to indemnity status and a reasonable, precautionary indemnity reserve placed on the claim. All indemnity cases, where permanent disability is not an issue, will be closed within sixty (60) calendar days of the final financial transaction or final correspondence to the injured worker as required by law. All indemnity claims, where permanent disability is an issue, will remain open for two (2) years from the date of the last payment of benefit, then closed within sixty (60) calendar days of that date.

## **32. Claims Reporting**

The TPA will provide monthly statistical data/reports – content to be established between the TPA and the City. The TPA will provide other special reports required of the City of Escondido including, but not limited to, loss trend reports, claim abstract reports, reports required by actuaries, excess insurance carriers, etc., provided that such reports do not require data elements that have not previously been collected by the TPA. If new programming is required in order to provide such reports, the TPA shall pay at its own expense for new or special programming costs.



The TPA on behalf of the City, shall prepare and file all reports, forms and other documents in a timely manner which are now or will be required by the State of California or other governmental agencies relating to workers' compensation claims, including but not limited to the Self-Insurer's Annual Report. TPA will present all reports to the City 30 days in advance of their due date.

The TPA will comply with the Centers for Medicare & Medicaid Services' (CMS) mandatory reporting requirements per Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA). The TPA will act as the Reporting Agent for the City.

### **33. Records Retention**

All claim files shall be maintained in accordance with statutory time requirements and the City of Escondido's Record Retention Policy. The TPA shall establish and maintain electronic claim files, claim logs, transaction documents and all other records associated with the Program. These records shall be the property of the City. Closed files shall be stored by the TPA for five (5) years and shall then be transferred to the City. Upon termination or expiration of this Agreement, the City shall be responsible for maintaining and storing all records. The TPA shall not dispose of or destroy any records without the prior, written authorization of the City.

### **34. Computer Access**

The TPA shall provide online access at no additional charge to the City of Escondido and/or designated representatives. Such data shall be in a format accessible from the TPA's computers and will permit the TPA to print copies of the data on its printers. The TPA shall provide training for use of the computer system at no additional charge.

### **35. Availability of Personnel**

The TPA shall provide dedicated adjusters to handle the City of Escondido's claims. These adjusters shall be solely dedicated to the City's account and shall not work on another account. One adjuster must have at least five (5) years of California workers' compensation claims experience with an organization of similar size and complexity as the City. This adjuster must be a "senior" adjuster and must be state certified to administer self-insured workers' compensation claims. The second adjuster must have a minimum of two (2) years of California workers' compensation claims experience with an organization of similar size and complexity as the City.

The City must approve any change of an adjuster working on the City's account. The City has the right to request a change of adjuster and be involved in the selection and/or replacement of the adjuster. The City will not interfere with any progressive discipline and/or personnel issues that may warrant a change of adjusters. When the adjuster is off on an extended leave the City must be notified of who will cover the workload. In the event of a same day absence, the City must be notified of the absence by 9:00 AM the same day.

The TPA shall maintain at all times, one (1) or more of the adjusters assigned to the City's claims, or in their absence, the supervisor or management above the supervisory level, to be available by telephone for emergencies through a 24-hour emergency telephone number.

### **36. Employer Services**

The City requires coordination between the TPA and the Risk Management Division of Human Resources who oversees such programs as subrogation, return-to-work, Americans with Disabilities Act and CalPERS retirements. The TPA will be required to provide documentation and information as needed for the City to effectively manage these programs.

The TPA will provide an annual senior-level presentation to review/discuss the overall workers' compensation program. Presentation material will be reviewed by the Risk and Safety Manager and/or Administrative Services Director at least seven (7) days prior to the scheduled presentation.

During the first year of the Agreement, the TPA manager will meet monthly with the Risk and Safety Manager and Senior Human Resources Analyst to review the transition and ensure all aspects of the Agreement are appropriately implemented. Thereafter, meet as mutually agreed between the TPA and the City.

In the event of termination of the Agreement, the TPA will furnish all claim files, computer files, MPN documents, and financial information at no cost to the City.

### **37. Right to Audit or Review**

Every claim file is subject to audit by the City representatives at the City's expense. Notice of audit by the City's representative will be provided at least 10 calendar days prior to an audit. The City retains the right to audit any file with 24-hours' notice.

### **38. Conflict of Interest**

The TPA shall avoid all conflicts of interest or appearance of conflicts of interest in performance of the agreement. If, during any given year, the TPA receives compensation, in any form, from any party for services included in the agreement, such as bill review services, managed care or investigations, the TPA shall disclose total compensation received in the prior year. Such disclosure shall be in the form of a letter and shall be received by the City no later than April 1 of each year.

### **39. Confidentiality**

All data, documents, or other information developed or received, verbally or in writing, in performance of the agreement between the TPA and the City of Escondido are confidential and not to be disclosed to any person except as authorized by the City, the TPA or as required by law.

It is the TPA's responsibility to develop and implement processes and procedures relating to the protection of the City of Escondido's electronic data, including a suitable security and back-up system for all stored data and a written policy with respect to disaster recovery, physical and electronic data security, and electronic data retention.

**40. City Obligations:** City shall:

- a. Submit all reports of work injury to the TPA in a timely manner.
- b. Timely respond to the TPA's requests for information and authority.
- c. Provide information that is accurate.

**41. Trust Fund Account:** TPA shall:

- a. Establish and administer a Workers' Compensation Trust Fund Account on behalf of the beneficiary City for the sole purpose of paying medical/legal and other expenses incurred as a result of this Agreement. TPA shall administer the Trust Fund Account in a prudent and reasonable manner in accordance with federal and state law and City policy.
- b. Report to the City monthly, or as needed, all Trust Fund Account transactions and upon request provide the City copies of any document associated with the Trust Fund Account.
- c. Ensure sufficient money is in the Trust Fund Account, at a level determined by the City and TPA, to ensure adequate funds are available to meet all prompt payment standards required by law. TPA shall request that the City transfer additional funds to replenish the Trust Fund Account whenever the funds available balance drops below \$50,000. TPA shall also request that the City prefund any medical, settlement or other anticipated payments in excess of \$25,000 to minimize the cash flow impact on the Trust Fund Account.
- d. Collect any overpayment of benefits or expenses made to claimants, vendors or other parties.
- e. Not charge for any financial costs associated with establishing and administering the Trust Fund Account including any bank or check printing charges.

**42. Allocated Expenses**

The City shall pay for field investigations, investigations, defense attorneys, legal costs, photocopy services, engineering experts, accident reconstruction experts, process servers, messenger service, court reporters, SJDB/vocational rehabilitation consultants, structured settlement consultants, translators, and any other vendor services necessary to administer claim files.

## Scope of Compensation

### Exhibit "B"

1. In consideration of the services provided by TPA, City agrees to pay TPA monthly fees as follows:
  - a. Year 1. For the first year, August 1, 2015 through July 31, 2016, of this Agreement, the City shall pay the TPA \$20,000 per month for Claims Administration Services rendered under this Agreement.
  - b. Year 2. For the first option year, August 1, 2016 through July 31, 2017, of this Agreement, the City shall pay the TPA \$20,400 per month for Claims Administration Services rendered under this Agreement.
  - c. Year 3. For the second option year, August 1, 2017 through July 31, 2018, of this Agreement, the City shall pay the TPA \$20,808 per month for Claims Administration Services rendered under this Agreement.
  - d. Year 4. For the third option year, August 1, 2018 through July 31, 2019, of this Agreement, the City shall pay the TPA \$21,224 per month for Claims Administration Services rendered under this Agreement.
  - e. Year 5. For the fourth option year, August 1, 2019 through July 31, 2020, of this Agreement, the City shall pay the TPA \$21,649 per month for Claims Administration Services rendered under this Agreement.
2. The City shall allow the TPA to perform all Bill Review Services through MedReview. Bill review fees are at the rate of \$10 per bill. Preferred Provider Organization fees shall be at cost with no additional fees and shall not exceed 25% of savings when applicable. TPA shall not charge additional fees for online access, reports, or for transmission of medical billing information to Workers' Compensation Information System (WCIS) as required by state law; i.e. Medical Bill Review Electronic Data Interchange (EDI).
3. The City shall allow the TPA to perform all Utilization Review Services through MedReview. Utilization review fees are incorporated into medical bill review invoices at the rate of 4% of billed charges capped at \$750 or \$85 per decision. Utilization review by a physician is billed separately in 10-minute increments, at the rate of \$200 per hour. Prior City approval shall be obtained prior to a Physician's review that might exceed one hour. TPA shall pass through fees paid for a Physician's review with no add-on charges.
4. TPA shall not receive any compensation for the following:
  - a. Data conversion.
  - b. Transition and implementation.
  - c. On-line access for unlimited number of City users (includes all data and reports).
  - d. All reports and custom and ad hoc reports.
  - e. MMSEA, WCIA, ISO/EDEX and 1099s
  - f. Training and development of special account instructions/procedures, MPN management services. Banking fees charged by the City's bank shall be at cost and TPA shall not add on any fee for TPA's banking services.
  - g. All meetings, claim reviews, forms, posters, pamphlets and checks.

**CITY COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

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

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

**Agenda Item No.: 17**

**Date: June 24, 2015**

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

**FROM:** Sheryl Bennett, Director of Administrative Services  
Joan Ryan, Assistant Finance Director

**SUBJECT:** Bid Award for Water Meters

**RECOMMENDATION:**

It is requested that Council adopt Resolution No. 2015-103 to reject Inland Waterworks' bid in the amount of \$126,810.90 as nonresponsive and determine the bid submitted by HD Waterworks in the amount of \$160,493.40 to be the lowest responsive and responsible bidder. These water meters will be used for residential, commercial, new development, and replacement installations.

**FISCAL ANALYSIS:**

Sufficient funds are located in the warehouse inventory asset account for stocking water meters.

**BACKGROUND:**

On April 15, 2015, request for bids were mailed to thirteen vendors and five bids were received, opened, and evaluated on May 11, 2015. The bid results which include sales tax are outlined below:


<b>Vendor</b>	<b>Amount</b>
Inland Waterworks	\$126,810.90
HD Supply Waterworks	160,493.40
Ferguson Waterworks	178,497.00
National Meter & Automation	181,847.70
Mueller Systems	No Bid

After performing extensive volumetric meter testing on Inland Waterworks and HD Supply Waterworks meters, the apparent low bidder, Inland Waterworks, was found to be nonresponsive due to failing the volumetric test, not complying with City's bid specifications, and American Water Works Association (AWWA) standard requirements. The City has the right to award the bid to the next lowest and most responsive bidder who conforms to the City's bid specifications and passes all tests. Per the City's General Provisions, item number 8, Award of Contract, bids will be analyzed and an award made to the lowest and most responsive and responsible bidder whose bid conforms to the bid specifications, price, and other factors considered.

Water Meter Bid Award  
June 24, 2015  
Page 2

As a result, staff recommends rejecting Inland Waterworks' bid as nonresponsive and award the water meter bid to HD Supply Waterworks in the amount of \$160,493.40.

Respectfully submitted,



Sheryl Bennett,  
Director of Administrative Services



Joan Ryan  
Assistant Finance Director

June 2, 2015

TO: Blanca Wolf, Purchasing Supervisor

FROM: Lori Rountree, Deputy Director Utilities / Water

SUBJECT Utilities Department - Water Meter Bids

After a thorough review of submittals in response to the City of Escondido's Request for Bid for provision of water meters, I have determined that HD Waterworks submittal complies with the City's bid standards. Although HD Waterworks was the second lowest bidder, they complied with the American Water Works Association (AWWA) C700 and C708 water meter standards, which requires a meter to register not less than 98.5% and not more than 101.5% of the water that passes through it. The City's meter staff were in possession of two of the water meters from the lowest bidder, Inland Waterworks, and two meters from HD Waterworks. Upon the meters being sent to a third party for testing, one out of the two meters from Inland Waterworks failed the accuracy test, indicating a 50% failure rate on new meters. Both meters tested from HD Waterworks passed the accuracy test.

Therefore, it is my recommendation that the contract for the Utilities Department Water Meter Bid be awarded to HD Waterworks.

RESOLUTION NO. 2015-103

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AUTHORIZING CITY COUNCIL TO REJECT  
INLAND WATERWORKS' BID AND  
APPROVE THE BID AWARD TO HD SUPPLY  
WATERWORKS FOR WATER METERS

WHEREAS, sufficient funds are located in the Warehouse Inventory Asset account; and

WHEREAS, the City of Escondido duly published an invitation for bids for water meters to include detailed bid specifications; and

WHEREAS, request for bids for water meters were mailed to thirteen vendors on April 15, 2015; and

WHEREAS, five bids were received, opened, and evaluated on May 11, 2015; and

WHEREAS, Inland Waterworks' bid, in the amount of \$126,810.90, be rejected as nonresponsive due to failing the volumetric meter test, not complying with the City's bid specifications, and American Water Works Association ("AWWA") standard requirements; and

WHEREAS, the apparent bid, submitted by HD Supply Waterworks, was determined to be the most responsive bidder who passed the volumetric meter test, met the City's bid specifications, and American Water Works Association standard requirements; and



WHEREAS, staff recommends awarding the bid to HD Supply Waterworks in the amount of \$160,493.40 which includes California sales tax; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to award the bid to HD Supply Waterworks.

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

1. That the above recitations are true.
2. That the City Council determines the bid submitted by Inland Waterworks as nonresponsive.
3. That City Council accepts the recommendation of staff and finds HD Supply Waterworks to be the most responsive and responsible bidder who passed the volumetric meter test, met the City's bid specifications, and American Water Works Association standard requirements.
4. That the City Council authorizes the bid award to HD Supply Waterworks for water meters in the amount of \$160,493.40 which includes sales tax.

# CITY COUNCIL

For City Clerk's Use:

**APPROVED**       **DENIED**

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

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

**Agenda Item No.: 18**

**Date: June 24, 2015**

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

**FROM:** Sheryl Bennett, Director of Administrative Services  
Joan Ryan, Assistant Director of Finance

**SUBJECT:** Setting Special Tax Levy for Community Facilities District No. 2006-01 (Eureka Ranch)

**RECOMMENDATION:**

It is recommended that the City Council adopt Resolution No. 2015-93, setting the Special Tax Levy for Community Facilities District No. 2006-01 (Eureka Ranch) ( the "District") for Fiscal Year 2015/16.

**FISCAL ANALYSIS:**

A Special Tax is levied annually on land within Community Facilities District No. 2006-01 (Eureka Ranch) and collected through the County of San Diego Treasurer-Tax Collector's Office. The funds from the Special Tax are used to meet debt service obligations from the issuance of bonds for the District.

**PREVIOUS ACTION:**

The City Council approved the establishment of Community Facilities District No. 2006-01 (Eureka Ranch) on September 27, 2006, and has annually adopted a resolution setting the annual Special Tax Levy. Prior year's Resolution No. 2014-75 was adopted on June 25, 2014.

**BACKGROUND:**

At the request of the property owner/developer and pursuant to the City's Statement of Goals and Policies Regarding the Establishment of Community Facilities Districts, Community Facilities District No. 2006-01 (Eureka Ranch) was formed to provide street, storm drain and sewer improvements as well as utility undergrounding within the Eureka Ranch development and East Valley Parkway area. According to the Special Tax Report for Community Facilities District No. 2006-01 (Eureka Ranch), a Special Tax shall be levied annually on land within the District and collected in the same manner and at the same time as ordinary ad valorem property taxes. The City is responsible for annually determining the Special Tax liability for each parcel within the District and for providing this information to the County of San Diego in August of every year.

Special Tax Levy for Community Facilities District 2006-01 (Eureka Ranch)

June 24, 2015

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A Maximum Special Tax Rate was established for developed residential property and undeveloped property. Attached as Exhibit "A" of Resolution No. 2015-93 is the amount of the Maximum Special Tax and Proposed Actual Special Tax for Fiscal Year 2015/16.

A comparative analysis of the annual Special Tax Levy Calculation for Fiscal Year 2015/16 is also presented. As noted in the analysis, the 2015/16 Special Tax Levy requirement decreased by 12.4% percent in the amount of \$153,730, or an average of \$455 per parcel. Explanation of the levy decrease for the 2015/16 Fiscal Year is listed below:

- (1) Net available beginning cash resources for the 2015/16 levy calculation are \$4,079 more than the prior year.
- (2) Due to the June 2015 refunding of the CFD 2006-01 Eureka Ranch Special Tax Bonds Series 2006, the Debt Service Requirement for the 2015/16 levy calculation, which consists of required Principal and Interest payments for the period from September 2, 2015, through September 1, 2016, was decreased by a total of \$166,407.
- (3) Estimated Administrative Expenses and Delinquency Contingency provision for the 2015/16 levy calculation has been increased by a total of \$10,721. These increases were due to estimated increases in certain administrative expenses and realization of an increase in the actual Fiscal Year 2014/15 delinquency rate (from .8% to 1.7%).

Respectfully submitted,

  
Sheryl Bennett  
Director of Administrative Services

  
Joan Ryan  
Assistant Director of Finance

City of Escondido Eureka Ranch CFD 2006-1  
 Analysis of Special Tax Levy Requirement  
 Tax Year 2015/16

Calculation of Annual Special Tax Levy :

	Prior Tax Year Tax Year 2013-14	Prior Tax Year Tax Year 2014-15	Current Tax Year Tax Year 2015-16	\$ change from prior year	% change from prior year
<b>Annual Resource Requirements:</b>					
Debt Service on Bond Issue :					
Interest Due: 09/01	420,795.00	412,263.75	403,196.25		
Principal Due: 09/01	375,000.00	390,000.00	410,000.00		
Interest Due: 03/01	412,263.75	403,196.25	445,103.33		
Interest Due: 09/01	412,263.75	403,196.25	298,950.00		
Principal Due: 09/01	390,000.00	410,000.00	295,000.00		
<b>Total Principal and Interest Due for Annual Levy:</b>	<b>\$2,010,322.50</b>	<b>\$2,018,656.25</b>	<b>\$1,852,249.58</b>	<b>(\$166,406.67)</b>	<b>-8.24%</b>

Additions to /(Withdrawals from) required Reserve Fund account:

Reserve Requirement at year end:	1,218,820.00	1,218,820.00	0.00		
Origina 10% of the original principal	1,808,000.00	1,808,000.00	0.00		
Maximum annual debt service	1,218,820.00	1,218,820.00	0.00		
125% of average annual debt service	1,518,495.31	1,518,495.31	0.00		
Resulting Reserve Requirement:	1,218,820.00	1,218,820.00	0.00		
less: Current Reserve Fund account balance:	(1,218,820.00)	1,224,855.07	0.00		
<b>Reserve Requirement/(Surplus):</b>	<b>0.00</b>	<b>(6,035.07)</b>	<b>0.00</b>	<b>\$6,035.07</b>	<b>-100.00%</b>

Estimated Annual Administrative Expense	44,883.80	44,783.80	47,803.71	\$3,019.91	6.74%
Contingency for Delinquency	7,461.67	9,441.88	17,143.07	\$7,701.19	81.56%
<b>Total Estimated Annual Requirements:</b>	<b>\$2,062,667.97</b>	<b>\$2,066,846.86</b>	<b>\$1,917,196.36</b>	<b>(\$149,650.50)</b>	<b>-7.24%</b>

<b>Available Resources:</b>					
Estimated available Cash Account balances at start of tax year:	(851,711.87)	(831,186.83)	(835,266.11)	(\$4,079.28)	0.49%

<b>Annual Special Tax Levy Requirement:</b>	<b>\$1,210,956.10</b>	<b>\$1,235,660.03</b>	<b>\$1,081,930.25</b>	<b>(\$153,729.78)</b>	<b>-12.44%</b>
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Proposed Levy as allocated among applicable parcels:	\$1,210,955.38	\$1,235,658.86	\$1,081,929.16	(\$153,729.70)	-12.44%
Average Levy per Dwelling Unit	\$3,582.71	\$3,655.80	\$3,200.97	\$(454.82)	-12.44%

RESOLUTION NO. 2015-93

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ACTING AS LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2006-01 (EUREKA RANCH), PROVIDING FOR THE LEVY OF AN ANNUAL SPECIAL TAX FOR SUCH COMMUNITY FACILITIES DISTRICT FOR FISCAL YEAR 2015-16

WHEREAS, the City Council of the City of Escondido, California (the "Legislative Body"), has initiated proceedings, held a public hearing, conducted an election, and received a favorable vote from the qualified electors to authorize the levy of a Special Tax in a Community Facilities District, all as authorized pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act"). This Community Facilities District is designated as Community Facilities District No. 2006-01 (Eureka Ranch) (the "District"); and

WHEREAS, this Legislative Body, by the adoption of the Ordinance No. 2006-32 (the "Ordinance") pursuant to Section 53340 of the Government Code of the State of California, has authorized the levy of Special Taxes (as such term is defined in the Ordinance) within the District to finance authorized facilities; and

WHEREAS, Government Code Section 53340 provides that this legislative body may provide, by resolution, for the levy of the Special Taxes in the current tax year at the same rates or at a lower rate than the rate provided for in the Ordinance, if such resolution is adopted and a certified list of all parcels subject to the Special Tax levy including the amount of the Special Tax to be levied on each parcel for the current tax

year (the "Certified Parcel List") is timely filed by the clerk or other official designated by this legislative body with the Auditor of the County of San Diego (the "County Auditor") on or before August 10th of the applicable tax year.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, acting as the legislative body of Community Facilities District No. 2006-01 (Eureka Ranch), as follows:

1. That the above recitations are true.

2. That this legislative body hereby authorizes and provides for the levy of the Special Tax within the District on those Taxable Properties (as such term is defined in the Ordinance) within the District for Fiscal Year 2015-16 so long as the rates of such Special Tax are the same rates or lower rates than the rates provided for in the Ordinance. The Proposed Special Tax Rates for the District for Fiscal Year 2015-16 are contained on Exhibit "A" attached to this resolution and incorporated by this reference.

After adoption of this resolution, the Director of Administrative Services of the City, or Director of Administrative Service's designee, may make any necessary modifications to these Special Tax Rates to correct any errors, omissions or inconsistencies in the listing or categorization of parcels to be taxed or in the amounts to be charged to any category of parcels; provided, however, that any such modifications shall not result in an increase in the Special Tax applicable to any category of parcels and can only be made prior to the submission of the tax rolls to the County Auditor.

3. That the Director of Administrative Services is hereby designated and directed to prepare and submit a Certified Parcel List to the County Auditor on or before August 10th, or such later date to which the County Auditor may agree, setting forth the

amount of the Special Tax to be levied on each Taxable Property within the District calculated pursuant to the Ordinance and subject to the limitations set forth in Section 2 above.

4. That the Special Tax shall be collected in the same manner as ordinary ad valorem property taxes are collected, and shall be subject to the same penalties and same procedure and sale in cases of any delinquency for ad valorem taxes, and the Treasurer-Tax Collector of the County of San Diego is hereby authorized to deduct reasonable administrative costs incurred in collecting any said Special Tax. Any Special Taxes that may not be collected on the County of San Diego ( "County") tax roll shall be collected through a direct billing procedure by the Treasurer of the City of Escondido, acting for and on behalf of the District.

5. That the County Auditor is hereby directed to enter in the next County assessment roll on which taxes will become due, opposite each lot or parcel of land affected in a space marked "public improvements, special tax" or by any other suitable designation, the installment of the Special Tax.

6. That the County Auditor shall then, at the close of the tax collection period, promptly render to the District a detailed report showing the amount and/or amounts of such Special Tax installments, interest, penalties and percentages so collected and from what property collected, and also provide a statement of any percentages retained for the expense of making any such collection.

**Exhibit "A"**

**City of Escondido  
 Community Facilities District No. 2006-01  
 (Eureka Ranch)**

**Special Tax Rates for Fiscal Year 2015/16**

<b>Tax Class</b>	<b>Building Square Footage ("BSF")</b>	<b>Assigned Special Tax</b>	<b>Proposed Actual Special Tax *</b>
<b>Residential Property**:</b>			
Tax Class 1	> 3,600	\$1.214 per BSF	\$0.9472 per BSF
Tax Class 2	3,251 – 3,600	\$1.275 per BSF	\$0.9948 per BSF
Tax Class 3	2,851 – 3,250	\$1.350 per BSF	\$1.0534 per BSF
Tax Class 4	2,551 – 2,850	\$1.407 per BSF	\$1.0978 per BSF
Tax Class 5	≤ 2,550	\$1.526 per BSF	\$1.1907 per BSF
<b>Non-Residential Property**:</b>			
Tax Class 6	NA	\$20,750.00 per Acre	\$16,190.71 per Acre
Undeveloped Property	NA	\$20,750.00 per Acre	\$0.00 per Acre

\* Special Tax Rates shown above have been rounded to decimals shown, actual tax rates are not rounded.

\*\* The Proposed Actual Special Tax shown above is the authorized levy for the current fiscal year. The submitted actual levy may be reduced as directed by the Director of Administrative Services.





# CITY COUNCIL

For City Clerk's Use:

APPROVED  DENIED

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

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

**Agenda Item No.: 19**  
**Date: June 24, 2015**

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

**FROM:** Sheryl Bennett, Director of Administrative Services  
Joan Ryan, Assistant Director of Finance

**SUBJECT:** Setting Special Tax Levy for Community Facilities District No. 2000-01  
(Hidden Trails)

**RECOMMENDATION:**

It is recommended that the City Council adopt Resolution No. 2015-92, setting the Special Tax Levy for Community Facilities District No. 2000-01 (Hidden Trails) (the "District") for Fiscal Year 2015/16.

**FISCAL ANALYSIS:**

A Special Tax is levied annually on land within Community Facilities District No. 2000-01 (Hidden Trails) and collected through the County of San Diego Treasurer-Tax Collector's Office. The funds from the Special Tax are used to meet debt service obligations from the issuance of bonds for the District.

**PREVIOUS ACTION:**

The City Council approved the establishment of Community Facilities District No. 2000-01 (Hidden Trails) on September 20, 2000, and has annually adopted a resolution setting the annual Special Tax Levy. Prior year's Resolution No. 2014-74 was adopted on June 25, 2014.

**BACKGROUND:**

At the request of the property owner/developer and pursuant to the City's Statement of Goals and Policies Regarding the Establishment of Community Facilities Districts, Community Facilities District No. 2000-01 (Hidden Trails) was formed for the purpose of acquiring certain backbone facilities including street, water and sewer facilities which were constructed within the Hidden Trails development. According to the Special Tax Report for Community Facilities District No. 2000-01 (Hidden Trails), a Special Tax shall be levied annually on land within the District and collected in the same manner and at the same time as ordinary ad valorem property taxes. The City is responsible for annually determining the Special Tax liability for each parcel within the District and for providing this information to the County of San Diego in August of every year.

Special Tax Levy for Community Facilities District 2000-01(Hidden Trails)

June 24, 2015

Page 2

A Maximum Special Tax Rate was established for developed residential property and undeveloped property. Attached as Exhibit "A" of Resolution No. 2015-92 is the amount of the Maximum Special Tax and Proposed Actual Special Tax for Fiscal Year 2015/16.

A comparative analysis of the annual Special Tax Levy Calculation for Fiscal Year 2015/16 is also presented. As noted in the analysis, the 2015/16 Special Tax Levy requirement decreased by 2.39% in the amount of \$4,765.82 or an average of \$16.44 per parcel. Explanation of the levy decrease for the 2015/16 Fiscal Year is listed below:

- (1) The Debt Service Requirement for the 2015/16 levy calculation, which consists of required Principal and Interest payments for the period from September 2, 2015, through September 1, 2016, increased by a total of \$2,050.00 over the prior year.
- (2) Beginning cash resources used in the calculation for the 2015/16 levy are \$6,815.82 greater than the cash resources used in the prior year calculation. Actual cash resources available for the 15/16 levy are estimated to be approximately \$30,000 greater than the amount of \$158,381.45 used in the calculation of the 2015/16 tax levy. The additional \$30,000 of available cash is not used in the current year levy calculation, as the use of all available cash for the 2015/16 levy would result in very large variances in the levy from this year to next (a large levy decrease in current year (17.5%) and then a subsequent year large levy increase). The additional \$30,000 in available cash resources will be used in 1/3 equal installments in each of the next 3 tax year levy calculations. The increase in the available cash resources is primarily a result of the July 2013 refunding of the 2001 Series Bonds and arose due to additional interest earnings, elimination of the reserve fund and unexpended cost of issue funds.

Respectfully submitted,

  
Sheryl Bennett  
Director of Administrative Services

  
Joan Ryan  
Assistant Director of Finance

City of Escondido Hidden Trails CFD 2000-1  
Analysis of Special Tax Levy Requirement  
Tax Year 2015/16

Calculation of Annual Special Tax Levy :

	Prior Tax Year Tax Year 2013-14	Prior Tax Year Tax Year 2014-15	Current Tax Year Tax Year 2015-16	\$ change from prior Year	% change from prior Year
Annual Resource Requirements:					
Debt Service on Bond Issue :					
Interest Due: 09/01	76,825.00	45,565.63	44,615.63		
Principal Due: 09/01	75,000.00	95,000.00	100,000.00		
Interest Due: 03/01	63,413.04	44,615.63	43,615.63		
Interest Due: 09/01	45,565.63	44,615.63	43,615.63		
Principal Due: 09/01	95,000.00	100,000.00	100,000.00		
Total Principal and Interest Due for Annual Levy:	\$345,803.67	\$329,796.89	\$331,846.89	\$2,050.00	0.62%

Additions to (Withdrawals from) required Reserve  
Reserve Requirement at year end:  
less: Current Reserve Fund account balance:

	0.00	0.00	0.00		
	0.00	0.00	0.00		

Reserve Requirement/(Surplus):\*

	0.00	0.00	0.00	\$0.00	0.00%
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Estimated Annual Administrative  
Expense Requirements:

	25,529.00	20,808.00	20,808.00	\$0.00	0.00%
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Total Estimated Annual Requirements:

	\$371,332.67	\$350,604.89	\$352,654.89	\$2,050.00	0.58%
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Available Resources:

Estimated available Cash Account balances at start  
of tax year:

	(154,825.00)	(151,565.63)	(158,381.45)	(\$6,815.82)	4.50%
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Annual Special Tax Levy Requirement:

	\$216,507.67	\$199,039.26	\$194,273.44	(\$4,765.82)	-2.39%
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Proposed Levy as allocated among applicable parcels:

	\$216,506.70	\$199,038.48	\$194,272.00	(\$4,766.48)	-2.39%
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290 parcels

Average Levy per Dwelling Unit

	\$746.57	\$686.34	\$669.90	(\$16.44)	-2.39%
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RESOLUTION NO. 2015-92

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ACTING AS LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2000-01 (HIDDEN TRAILS), PROVIDING FOR THE LEVY OF AN ANNUAL SPECIAL TAX FOR SUCH COMMUNITY FACILITIES DISTRICT FOR FISCAL YEAR 2015-16

WHEREAS, the City Council of the City of Escondido, California (the "Legislative Body"), has initiated proceedings, held a public hearing, conducted an election, and received a favorable vote from the qualified electors to authorize the levy of a Special Tax in a Community Facilities District, all as authorized pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act"). This Community Facilities District is designated as Community Facilities District No. 2000-01 (Hidden Trails) (the "District"); and

WHEREAS, this Legislative Body, by the adoption of the Ordinance No. 2000-30 (the "Ordinance") pursuant to Section 53340 of the Government Code of the State of California, has authorized the levy of Special Taxes (as such term is defined in the Ordinance) within the District to finance authorized facilities; and

WHEREAS, Government Code Section 53340 provides that this legislative body may provide, by resolution, for the levy of the Special Taxes in the current tax year at the same rates or at a lower rate than the rate provided for in the Ordinance, if such resolution is adopted and a certified list of all parcels subject to the Special Tax levy including the amount of the Special Tax to be levied on each parcel for the current tax

year (the "Certified Parcel List") is timely filed by the clerk or other official designated by this legislative body with the Auditor of the County of San Diego (the "County Auditor") on or before August 10th of the applicable tax year.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, acting as the legislative body of Community Facilities District No. 2000-01 (Hidden Trails), as follows:

1. That the above recitations are true.
2. That this legislative body hereby authorizes and provides for the levy of the Special Tax within the District on those Taxable Properties (as such term is defined in the Ordinance) within the District for Fiscal Year 2015-16 so long as the rates of such Special Tax are the same rates or lower rates than the rates provided for in the Ordinance. The Proposed Special Tax Rates for the District for Fiscal Year 2015-16 are contained on Exhibit "A" attached to this resolution and incorporated by this reference. After adoption of this resolution, the Director of Administrative Services of the City, or Director of Administrative Service's designee, may make any necessary modifications to these Special Tax Rates to correct any errors, omissions or inconsistencies in the listing or categorization of parcels to be taxed or in the amounts to be charged to any category of parcels; provided, however, that any such modifications shall not result in an increase in the Special Tax applicable to any category of parcels and can only be made prior to the submission of the tax rolls to the County Auditor.
3. That the Director of Administrative Services is hereby designated and directed to prepare and submit a Certified Parcel List to the County Auditor on or before August 10th, or such later date to which the County Auditor may agree, setting forth the

amount of the Special Tax to be levied on each Taxable Property within the District calculated pursuant to the Ordinance and subject to the limitations set forth in Section 2 above.

4. That the Special Tax shall be collected in the same manner as ordinary ad valorem property taxes are collected, and shall be subject to the same penalties and same procedure and sale in cases of any delinquency for ad valorem taxes, and the Treasurer-Tax Collector of the County of San Diego is hereby authorized to deduct reasonable administrative costs incurred in collecting any said Special Tax. Any Special Taxes that may not be collected on the County of San Diego ("County") tax roll shall be collected through a direct billing procedure by the Treasurer of the City of Escondido, acting for and on behalf of the District.

5. That the County Auditor is hereby directed to enter in the next County assessment roll on which taxes will become due, opposite each lot or parcel of land affected in a space marked "public improvements, special tax" or by any other suitable designation, the installment of the Special Tax.

6. That the County Auditor shall then, at the close of the tax collection period, promptly render to the District a detailed report showing the amount and/or amounts of such Special Tax installments, interest, penalties and percentages so collected and from what property collected, and also provide a statement of any percentages retained for the expense of making any such collection.

**Exhibit "A"**

**City of Escondido Community  
Facilities District 2000-01  
(Hidden Trails)**

**Special Tax Rates for Fiscal Year 2015/16**

Land Use Categories	Description	Assigned Special Tax	Proposed Actual Special Tax*
Category 1**	Residential Property	\$0.39 per sq. ft.	\$0.24983 per sq. ft.
Category 2**	Other Property	\$2,861 per net acre	\$1,832.77 per net acre
Category 3	Undeveloped Property	\$3,290 per net acre	\$0.00 per net acre

\* Special Tax rates shown above have been rounded to decimals shown, actual tax rates are not rounded.

\*\* The Proposed Actual Special Tax shown above is the authorized levy for the current fiscal year. The submitted actual levy maybe reduced as directed by the Director of Administrative Services.

# CITY COUNCIL

For City Clerk's Use:

APPROVED  DENIED

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

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

Agenda Item No.: 20

Date: **June 24, 2015**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Sheryl Bennett, Director of Administrative Services  
**SUBJECT:** Memorandum of Understanding between the City of Escondido and the Maintenance and Operations Bargaining Unit, Teamsters' Local 911.

RECOMMENDATION:

City Council adopt Resolution No. 2015-115, approving the execution of a Memorandum of Understanding between the City of Escondido and the Maintenance and Operations Bargaining Unit for a three-year term commencing July 1, 2015 through June 30, 2018.

It is also requested that City Council approve a budget adjustment appropriating \$725,895 to cover increased contract costs. Of this estimated increase, \$77,000 is General Fund monies. The Fiscal Year 2015-16 General Fund Operating Budget did not allocate funds for contract increases, but it is anticipated that budgetary saving at year end will cover these increased costs.

FISCAL ANALYSIS:

Cost to the General Fund for Fiscal Years 2015-16, 2016-17 and 2017-18 is \$212,765. Funds to cover this expense have not yet been built into the General Fund multi-year Financial Plan.

PREVIOUS ACTION:

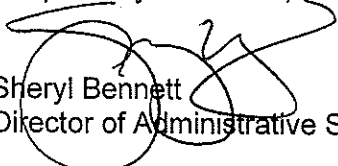
On September 12, 2012, the City Council voted to amend the Memorandum of Understanding between the Maintenance and Operations Bargaining Unit and the City of Escondido, for a two-year contract extension that expires on June 30, 2015.

BACKGROUND:

City staff has met with the Maintenance and Operations Bargaining Unit, Teamsters' Local 911, regarding terms and conditions of employment that expire on June 30, 2015. The attached resolution outlines changes to working conditions and compensation that has been agreed to during this negotiation process.

Tentative agreement on issues before the negotiating group was reached on June 8, 2015. Members of the Bargaining Unit have voted in support of the agreement.

Respectfully submitted,

  
Sheryl Bennett  
Director of Administrative Services



RESOLUTION NO. 2015-115

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AUTHORIZING THE EXECUTION OF A  
MEMORANDUM OF UNDERSTANDING WITH  
THE MAINTENANCE AND OPERATIONS  
BARGAINING UNIT, TEAMSTERS LOCAL 911

JULY 1, 2015 – JUNE 30, 2018

WHEREAS, negotiating teams from the City of Escondido and the Escondido Maintenance and Operations Bargaining Unit, Teamsters' Local 911, have been duly appointed and have been conducting meet-and-confer sessions with respect to matters affecting both parties; and

WHEREAS, a successor Memorandum of Understanding ("MOU") by the City of Escondido ("City") and the Maintenance and Operations Bargaining Unit, Teamsters' Local 911 ("Union") is necessary as a result of meeting and conferring in good faith concerning wages, hours, and other terms and conditions of employment; and

WHEREAS, it is the intent of the successor MOU to provide for continuation of the harmonious relationship between the City and the Union; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve a successor MOU and certain other modifications.

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 City's negotiating team is authorized to execute, on behalf of the City, a successor MOU term from July 1, 2015, through June 30, 2018, and also including terms as set forth in Exhibit "A," attached to this resolution and incorporated by this reference.

**City of Escondido  
Maintenance and Operations Bargaining Unit  
Teamsters Local 911  
Successor Memorandum of Understanding  
July 1, 2015– June 30, 2018**

1. **Term:** July 1, 2015 - June 30, 2018. None of the terms are retroactive. All changes take effect upon the agreed effective date after City Council adoption of the Memorandum of Understanding (MOU).

2. **Article IV – Compensation Policy, Section 1A., Wages, Salary Range Increases:**

Effective pay period beginning June 21, 2015, the base salary range for all represented classifications shall be increased by two percent (2.0%).

Effective pay period closest to and including July 1, 2016, the base salary range for all represented classifications shall be increased by two percent (2.0%).

Effective pay period closest to and including July 1, 2017, the base salary range for all represented classifications shall be increased by two percent (2.0%).

3. **Article IV – Compensation Policy, Section 1B., Wages, Utility Classification Equity Adjustments:**

The following Utility benchmark classifications that are below market median are eligible for equity adjustments:

- Control Systems Technician II
- Park Ranger II
- Plant Systems Technician II
- Wastewater Treatment Plant Operator II
- Water Distribution Technician II
- Water Meter Reader
- Water Service Representative
- Water Treatment Plant Operator III

Each benchmark classification will be reviewed by June 1, 2015, 2016, and 2017 to reassess market median using comparable agencies which were previously agreed to by both parties. For Wastewater classifications, Valley Center will not be used as a comparable agency. The surveyed market median data will include any salary increases that the Maintenance and Operations bargaining unit and comparable agencies will receive on the pay period closest to July 1, 2015, 2016, and 2017. The survey information will be provided to the bargaining unit for review and discussion as needed the month prior (June) to implementation.

Following agreed upon survey results, classifications below market median will be eligible for an increase of **2.5% or 5.0%** each pay period closest to and including July 1, 2015, 2016, and 2017. The salary adjustment will depend on the Utility classifications' salary proximity (variance) to the surveyed median results for comparable agency classifications. Utility classifications below median will be moved to the nearest salary grade (range) that results in an increase of 2.5% or 5.0%, and incumbents will remain on their current salary step. The change in salary grade will not have an effect on the incumbent's anniversary date or eligibility to move to the next merit step prior to the equity adjustment.

The salary adjustments will continue each pay period closest to and including July 1, 2015, 2016, and 2017 until the benchmark classifications are at or closer to median for the term of the contract. Utility classifications which are benchmarked from the above-stated classifications are also eligible for equity adjustments. Those classifications are:

- Cross Connection Technician
- Senior Cross Connection Technician
- Senior Plant Systems Technician
- Senior Wastewater Collection Technician
- Senior Wastewater Treatment Plant Operator
- Senior Water Distribution Technician
- Wastewater Collections Technician
- Wastewater Treatment Plan Operator-in-Training
- Water Treatment Plant Operator-in-Training

**4. Article IV – Compensation Policy, Section 1C., Wages, Salary Range Adjustments:**

For the term of the 2015 – 2018 contract, the salary grade (range) for Wastewater Treatment Plant Operator I, II and III will be adjusted to the equivalent salary grade as the Water Treatment Plant Operator I, II and III. This adjustment will increase the Wastewater Treatment Plant Operator I, II and III by 2.5%. This salary adjustment will be included in the salary survey of comparable agencies prior to final equity adjustments effective pay periods closest to July 1, 2015, 2016, and 2017.

The current salary variance between Wastewater Treatment Plant Operator III and Senior Wastewater Treatment Plant Operator will be maintained after the adjustment of the Wastewater Treatment Plant Operator salary grade as stated above.

For the term of the contract, the salary grade (range) for Senior Wastewater Collections Technician will be adjusted to the equivalent salary grade as the Senior Water Distribution Technician. This adjustment will increase the Senior Water Distribution Technician by 5.0%.

**5. Article IV – Compensation Policy, Section 19, Wastewater Treatment Plant Duty Operator Pay:**

Effective pay period beginning June 21, 2015, the following classifications are eligible for Duty Operator Pay:

- Wastewater Treatment Plant Operator II's with a State of California Grade III Certification or higher.
- Wastewater Treatment Plant Operator III's assigned as the Duty Operator.

Those classifications will receive a stipend (flat dollar amount) which is equivalent to 5.0% above the salary of a Wastewater Treatment Plant Operator III, Step 5, for all hours worked as a Duty Operator.

**6. NEW Article IV – Compensation Policy, Section 29, Concrete Crew Specialty Pay:**

Effective pay period beginning June 21, 2015, Maintenance Technicians will be eligible for an additional \$0.98 per hour for all hours assigned to the concrete crew. This specialty pay will not be granted during leave time such as sick leave, compensatory time off, or vacation.

**7. Article VI – Employee Benefits Program, Section 9D., Uniforms:**

Employees may receive a light jacket/windbreaker in lieu of receiving the annual seven t-shirts. The acceptable jackets will be agreed upon by Management and Teamsters representatives.

**8. Article VIII – Tuition Policy:**

Effective pay period beginning June 21, 2015, reinstate the Tuition Reimbursement Policy. A maximum of \$8,000 will be allotted each fiscal year for the use of tuition reimbursement for all Bargaining Unit employees, as outlined within Article VIII.

**9. MOU Language Clean-Up:**

General MOU Language clean-up was provided to the Maintenance and Operations Bargaining Unit for review and feedback, and subsequently agreed upon during negotiations.

**ORDINANCE NO. 2015-13**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, APPROVING A PRELIMINARY, MASTER AND PRECISE DEVELOPMENT PLAN, AND ZONE CHANGE FROM CG TO PD/MU 30.0 FOR APPROXIMATELY 1.8 ACRES OF LAND LOCATED ON THE EASTERN SIDE OF SOUTH ESCONDIDO BOULEVARD, SOUTH OF 15TH AVENUE, ADDRESSED AS 1556 SOUTH ESCONDIDO BOULEVARD

Planning Case Nos.: PHG14-0020 and ENV15-0004

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

SECTION 1. That proper notices of a public hearing have been given and a public hearing has been held before the City Council on this issue.

SECTION 2. On May 26, 2015, the Planning Commission recommended approval of the proposed Preliminary, Master and Precise Development Plan for Veterans Village of San Diego for a mixed-use development consisting of a 54-unit affordable multi-family residential apartment project for military veterans and their families; on-site administration offices, business center, club house and other support spaces for the residents; and a small, approximately 1,500 SF commercial component to support training opportunities offered at the facility. The residential component includes the construction of 48 new apartment units and preservation of six existing adobe apartment units. The project also includes a Zone Change to Planned Development-Mixed Use (PD-MU 30.0). 84 parking spaces would be provided consisting of tuck under tandem garage spaces and uncovered open spaces. The

**A COMPLETE COPY OF THIS 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.: 22**

**Date: June 24, 2015**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Barbara J. Redlitz, Director of Community Development  
**SUBJECT:** Amendment to the Zoning Code Pertaining to Air Space Condominiums and Community Apartments (AZ 15-0001)

**STAFF RECOMMENDATION:**

It is requested that Council introduce Ordinance No. 2015-14 approving the amendments to Zoning Code Article 49, Air Space Condominiums and Community Apartments, and certifying the environmental determination.

**PLANNING COMMISSION RECOMMENDATION:**

The Planning Commission recommended approval of the proposed amendment on May 26, 2015 (7-0).

**PROJECT DESCRIPTION:**

An update of Article 49 pertaining to air space condominiums and community apartments, to exempt industrial and commercial condominium projects (both new construction and conversions) from the requirement to obtain a condominium permit provided they comply with the Subdivision Map Act and City public noticing requirements. The amendment would increase the minimum contingency fund requirement for condominium conversions from \$500 per unit to \$1,000 per unit while eliminating the contingency fund requirement for new condominium projects; would allow for administrative approval of minor changes to a proposed condominium project on a case-by-case basis; and includes minor text changes. The proposal also includes the adoption of the environmental determination prepared for the project.

**LOCATION:**

Citywide

**FISCAL ANALYSIS:**

The proposed update would not impact the General Fund or any permit or impact fees. The contingency fund requirement for condominium projects would change from \$500/unit for any type of project to \$1,000/unit for conversion projects and \$0 for new projects. The City would continue to turn over contingency funds to the owners' association once a majority of the development is sold.

### CORRELATION TO THE CITY COUNCIL ACTION PLAN:

The 2013-2014 City Council Action Plan includes a goal to make Escondido more competitive in the marketplace, and lists several strategies to achieve this goal, including further streamlining the development review process. The "Working Together to Get to Yes" program was developed to implement this strategy. Revision of the condominium permit ordinance is an element of the "Get to Yes" program and the code amendment is consistent with the goals of the Action Plan.

### GENERAL PLAN ANALYSIS:

The proposed code amendment is consistent with the General Plan Small Business and Entrepreneurialship Policy 3.2, to identify and remove obstacles to the formation and expansion of local businesses, where appropriate. Eliminating the requirement for non-residential condominium projects to obtain a condominium permit will streamline the approval process and reduce costs for the applicant, making it faster and easier for these developments to be completed and occupied.

### ENVIRONMENTAL REVIEW:

A Notice of Exemption pursuant to CEQA Section 15061(b)(3), "General Rule" was prepared on May 21, 2015. The code amendment will not impact the environment since no physical improvements are involved. Future condominium permit applications will be subject to separate CEQA review.

### PREVIOUS ACTION:

An amendment to Article 49 was adopted in 2005 updated requirements for condominium conversion projects, including an increase in the contingency fund requirement to \$500 per unit, a requirement for projects to undergo design review, and expansion of notice and relocation assistance for tenants (Ordinance 2005-21(RRR)). Article 49 and several other articles in the Zoning Code were revised to consolidate the Design Review Board with the Planning Commission in 2011 (Ordinance 2011-19(R)).

### BACKGROUND:

Section 66426 of the Subdivision Map Act requires a tentative map and final map for all subdivisions creating five or more lots or condominium units. An exception is allowed for industrial or commercial developments having access to a public street with an approved street alignment and width. In those cases, a parcel map is required. Most condominium proposals in Escondido are related to residential development and therefore would not qualify for this exception. However, commercial and industrial condominium projects have been approved in the past through the standard process that includes approval of a tentative map and a condominium permit.

The City's zoning code establishes the process for considering condominium permits. Proposed projects must comply with applicable codes and regulations (zoning, building, fire, seismic, etc.), include architectural and site-planning features commonly found in developments with a majority of owner-occupied units, provide sufficient parking and well-designed open space, include an adequate and sustainable maintenance and repair program, and involve tenant notification as required by law.

To assist the council in making these findings, the ordinance requires condominium conversion applications to provide a physical element report describing the current condition of all property improvements, as well as the estimated useful life and replacement cost for structural and mechanical features. The code also requires applicants for new and converted projects to set up a contingency fund with an owners' association to cover emergency repairs and restoration to common areas, and for residential projects, it designates specific design standards for unit size and amenities.

ANALYSIS:

This code amendment would provide an exception from the condominium permit requirement for non-residential condominium projects (including conversions) that otherwise comply with the Subdivision Map Act. Each non-residential condominium project could still be conditioned to provide appropriate improvements through the tentative parcel map process. A project would be eligible for the exemption of a local condominium permit if it meets the following criteria:

- a) The project is not a mixed-use development that includes residential units;
- b) A maintenance/replacement program has been set up for required improvements to the satisfaction of the director of community development (for conversion projects only);
- c) A contingency fund deposit has been made (for conversion projects only);
- d) The developer has filed a declaration of codes, covenants, and restrictions pursuant to Section 33-1108; and
- e) Public notice of the project complies with Section 33-1300(b) and (c), involving the city's standard public noticing procedures.

The amendment will also increase the contingency fund requirement from \$500/unit to \$1000/unit (with flexibility to adjust the amount if appropriate) for condominium conversion projects only, while eliminating the contingency fund fee for new condominiums. The amendment will also allow approval of minor changes to a proposed condominium project administratively on a case-by-case basis (currently, planning commission approval is required). Minor text changes to update code references and organization titles, fix usage and punctuation issues, and clarify terms are also included.

The amendment will also boost the effectiveness of contingency funds for condominium conversion projects, which is important during the initial conversion period of a project, when new homebuyers may be faced with unexpected common area maintenance expenses. The increase in the fund requirement for conversion projects and the elimination of the requirement for new projects will not affect state-mandated map requirements or City public noticing requirements. A matrix of the major current and proposed provisions is provided in the table below.

	Industrial/Commercial (new)	Industrial/Commercial (conversion)	Residential (new)	Residential (conversion)
Condo permit required?	Current: Yes Proposed: No	Current: Yes Proposed: No	Current: Yes Proposed: Yes	Current: Yes Proposed: Yes
Contingency fund required?	Current: Yes (\$500/unit) Proposed: No	Current: Yes (\$500/unit) Proposed: Yes (\$1,000/unit)	Current: Yes, (\$500/unit) Proposed: No	Current: Yes (\$500/unit) Proposed: Yes (\$1,000/unit)



PLANNING COMMISSION RECOMMENDATION:

Staff presented the proposed amendment to the Planning Commission at the May 26, 2015 public hearing, where it was unanimously endorsed for approval. The Planning Commission broadened staff's initial proposal to include exempting condominium permits for non-residential condominium conversions, based on a suggestion by Commissioner Hale. Staff revised the proposal to incorporate this Planning Commission recommendation. No members of the public spoke at the hearing regarding the proposed update.

PUBLIC COMMENTS:

Staff has received no comments on the proposed code changes.

SUMMARY:

Staff has determined that the proposed code changes will support the City's goals to streamline the development permit process and facilitate business activity. The amendment also boosts the effectiveness of contingency funds for condominium conversion projects. Therefore, staff recommends approval.

Respectfully submitted,



Barbara J. Redlitz  
Director of Community Development



Ann Dolmage  
Associate Planner

**FACTORS TO BE CONSIDERED**  
**AZ 15-0001**  
**EXHIBIT "A"**

1. The public health, safety and welfare would not be adversely affected by the proposed Zoning Code amendment. The revised code would eliminate the requirement for new commercial and industrial condominium projects to obtain a condominium permit, but these projects would still be subject to the provisions of the Subdivision Map Act and City public noticing requirements. No physical improvements are proposed as part of this code amendment.
2. The proposed Zoning Code Amendment would not be detrimental to surrounding properties, since it is a citywide code that implements Small Business and Entrepreneurialship Policy 3.2 to identify and remove obstacles to the formation and expansion of local businesses, where appropriate. Commercial and industrial condominium projects would still be subject to the relevant building and fire codes, as well as to the development standards of the underlying zoning district (setbacks, floor area ratios, etc.)
3. The proposed amendment would be consistent with the General Plan, since no land uses or policies would be amended or impacted, and it would implement the Small Business and Entrepreneurialship Policy regarding removing obstacles to the formation and expansion of local businesses. The code amendment would also achieve a goal in the City's "Working Together to Get to Yes" program, which was developed to address one of the "Economic Development" items in the 2013-2014 City Council Work Program.

**EXHIBIT "B"**  
AZ 15-0001  
PROPOSED CODE CHANGES  
~~Deleted text~~ / Added text

**ARTICLE 49. AIR SPACE CONDOMINIUM AND COMMUNITY APARTMENT PROJECTS**

**Note**

\* Prior history: Zoning Code, Ch. 109, §§ 1097.01—1097.05 and 1097.10—1097.21 as amended by Ord. No. 93-14.

**Sec. 33-950. Applicability.**

The procedures set forth in this article shall be utilized for all new condominium projects in residential, commercial and industrial all zones within the City of Escondido. The conversion of residential units into condominium ownership shall be subject to supplemental standards as applicable. It shall apply to condominiums as defined in Section 783 of the Civil Code, community apartment projects and stock cooperatives as defined in Sections ~~1003.21~~ 11003.2 and 11004 of the Business and Professions Code, and to the conversion of existing structures to condominiums, community apartment projects or stock cooperatives. ~~Projects approved in conjunction with Article 19, planned development, and resident purchase of mobilehome parks pursuant to section 32-80(e) of Article 5 of Chapter 32, subdivisions, shall not be required to be processed through this article.~~ For the purpose of this article, community apartment projects and stock cooperatives shall be synonymous with the term condominium or condominium conversion, as appropriate. The requirements of this chapter are in addition to subdivision ordinance requirements contained in Chapter ~~94~~ 32. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-951. Condominium or condominium conversion application.**

(a) Permit required for new condominium projects and conversions to condominium ownership.

A condominium permit and design review shall be required for all condominiums to be constructed or for existing buildings to be converted to condominiums in the City of Escondido. Application for a condominium permit shall be made to the city council, through the planning division and planning commission in accordance with procedures set forth in this chapter. The director of community development shall prescribe the form and content of applications. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

(b) Exceptions to required permits. The following projects are not required to process a condominium permit through this article:

(1) Condominiums requested concurrently with a planned development application pursuant to Article 19.

- (2) Condominiums requested concurrently with resident purchase of mobilehome parks pursuant to section 32-401 of Article 4 of Chapter 32, subdivisions.
- (3) Condominiums requested for a non-residential development in conformance with the California Subdivision Map Act, and subject to the following provisions:
  - (A) The project is not a mixed-use development that includes residential units.
  - (B) A maintenance and replacement program, as well as a contingency fund is provided to adequately address required improvements to the satisfaction of the director of community development (for conversion projects only);
  - (C) The developer files with the city, a declaration of covenants, conditions and restrictions pursuant to section 33-1108.
  - (D) Public notice of the condominium project complies with section 33-1300(b) and (c).

**Sec. 33-952. Commission action.**

The planning commission shall review the application for a condominium permit and recommendation of the planning division. A public hearing on the application shall be held in accordance with Division 6 of Article 61 of this chapter, and a recommendation shall be forwarded to the city council. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05; Ord. No. 2011-19R, § 5, 1-11-12)

**Sec. 33-953. Findings of commission and council.**

In order to grant a condominium permit, the city council shall find that:

- (a) Except as specifically addressed in section 33-955 of this article, the project meets current zoning, design review, drainage, engineering, fire protection, seismic and building code requirements as if the project were newly constructed. However, the conversion of existing legal nonconforming multifamily residential developments to condominium units is exempt from current density requirements providing no increased density is proposed. Conversion requests may also utilize the same administrative adjustment procedures available to new construction as specified in the underlying zone;
- (b) Required upgrades or modifications correcting a nonconforming condition may be permitted notwithstanding the provisions of section 33-1243 of this code, if the project otherwise conforms to applicable criteria;
- (c) Residential projects will contain architectural and site-planning features commonly found in projects that maintain a majority of owner-occupied units;

(d) The project provides sufficient parking commensurate with its location and design;

(e) The project's open space is well-designed, properly distributed, and does not unreasonably restrict disabled access;

(f) The project conforms with the general plan and applicable zoning provisions. However, a conversion to residential condominiums may occur notwithstanding the fact that existing densities exceed currently permitted general plan densities provided no additional units are proposed;

(g) The project's maintenance and replacement program adequately addresses required improvements and appears to be sustainable;

(h) That all tenant notification and information, as required by the California Subdivision Map Act, this chapter, and the City of Escondido subdivision ordinance has been, or will be provided; and

(i) That provisions have been made for the timely release of security deposits and provision of rental payment history reports if requested by existing residential tenants. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-954. City council action.**

After the submission of a formal recommendation by the planning commission, the city council shall review the application and recommendation during a public hearing held in accordance with Division 6 of Article 61 of this chapter, and shall approve, modify or disapprove the action of the planning commission. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-955. Development standards.**

Condominiums approved and authorized by the city council shall be developed or upgraded to comply with the city's current design review, building, seismic, drainage, engineering, zoning and fire protection standards for new construction. Limited departures, in accordance with applicable building code provisions, may be granted for condominium conversions providing that proposed conditions will substantially conform to current requirements, feasible upgrades have been provided, and no health and safety issues will exist.

Condominium permit approvals shall comply with the findings outlined in section 33-953 of this article. Additionally, minimum standards for residential condominium units include the following:

(a) Minimum square footages as follows:	
Studio	600 square feet
One-bedroom units	700 square feet

Two-bedroom units	800 square feet
Three-bedroom units	1000 square feet
Additional bedrooms	150 square feet for each additional bedroom

(b) Washer and dryer hook-ups in each unit.

(c) Minimum of eighty (80) cubic feet of private storage area for each unit with minimum dimensions of at least two feet. Said storage shall be in addition to normally expected cabinets and closets. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-956. Physical element report.**

As part of the application submittal for any requested conversion to condominium ownership, a building and site evaluation report shall be submitted to the ~~community development department~~planning division, detailing compliance with current zoning, building, engineering, seismic, drainage and fire codes, the condition of existing improvements, and a schedule for recommended replacement and upgrades. Each report shall evaluate approved project plans as well as as-built conditions. It shall identify and assess any exceptions from current codes and recommend remedial measures. The report shall include estimated remaining useful life and replacement cost of roofs, driveways, foundations, plumbing, electrical, heating, air conditioning, and other mechanical and structural systems. The report shall also document the presence or absence of lead-based paint and asbestos and outline mitigation as appropriate. It shall also evaluate the potential for incorporating arc-fault circuit interrupters, GFCI outlets per the current California Electrical Code, and sleeping room egress door or window openings that conform to current code requirements. Each component of the report shall be prepared by a professional engineer or qualified professional licensed in each subject area they address.

Requests for condominium conversions shall not be deemed complete until the following has been completed:

(a) A copy of the completed physical inventory report has been distributed to existing tenants.

(b) A minimum two (2) week comment period has been provided.

(c) All copies of resident responses have been submitted to the city. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-957. Contingency fund deposit.**

The applicant is hereby required to establish a fund and deposit with the homeowners' association, a minimum sum of one thousand dollars ~~five hundred dollars (\$500.00)~~1,000.00 per unit in any condominium conversion project. Higher per unit deposits may be required based on the condition of the facility, ~~and~~the nature of the required improvements, and the number of

condominium units. Said deposit shall be used solely and exclusively as a contingency fund for emergencies which may arise relating to open space areas, exterior portions of ~~dwelling units~~, and such other restoration or repairs as may be assumed by the ~~homeowners'~~ association or management corporation. Said funds shall be administered by the city until the ~~home~~unit owners take majority control of the association. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-958. Improvement security.**

All required modifications and upgrades required of the condominium permit shall be secured and bonded or completed prior to recordation of the final subdivision map, to the satisfaction of the director of community development and city attorney. All necessary improvements shall be installed to the satisfaction of the director of community development prior to granting occupancy. The installation of improvements and grant of occupancy may be phased on a ~~building~~ building-by-by-building basis consistent with the associated final subdivision map. Required security may be released incrementally as building occupancies are granted. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-959. Covenants, conditions and restrictions.**

The developer shall be required to file with the city, a declaration of covenants, conditions and restrictions, ~~as provided for in Escondido Municipal Code~~ pursuant to section 33-1108. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-960. Expiration and extensions.**

The expiration or extension of a condominium permit shall be concurrent with the accompanying tentative map and in accordance with Chapter ~~94~~ 32 of this code. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-961. Modifications.**

Minor changes to a proposed condominium project may be approved administratively on a case-by-case basis based on the nature and scope of the proposed changes, or subject to by the planning commission approval, provided changes are consistent with the intent and purpose of the condominium permit approval. The director of community development shall determine the appropriate application type and fee. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-962. Filing fee.**

The filing fee for a condominium permit shall be in the amount established by resolution of the city council. Fees shall also include copying and distribution costs associated with providing copies of the project staff report to existing tenants. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-963. Reporting to planning commission and city council.**

The ~~community development department~~ planning division will include in its staff report on all condominium conversion applications, statistical information regarding the number of apartment units converted to condominiums, and the percentage of multiple residential housing unit stock that has been converted. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-964. Required notices to tenants.**

Condominium permits for the conversion of existing units are subject to all state-mandated notice requirements including: ~~A summary of notice requirements is as follows:~~

- (a) Current tenants of the apartments to be converted must be notified through mail, a minimum of sixty (60) days prior to the filing of the application;
- (b) Written notice of the proposed conversion, has been, and will continue to be given to all subsequent tenants;
- (c) Each tenant has received ten (10) days' written notification that an application for a public report will be, or has been, submitted to the Department of Real Estate;
- (d) Written notice of intent to convert has been, or will be provided to current residents for a minimum duration of one hundred eighty (180) days prior to terminating tenancy;
- (e) Notice must be provided to each tenant a minimum of ten (10) days prior to any public hearing on the conversion;
- (f) A copy of the staff report must be provided to each tenant a minimum of three (3) days prior to any scheduled public hearing involving the proposed conversion. The applicant shall pay all copying, mailing, and handling costs in an amount adopted by resolution of the city council;
- (g) Notice of the city council's decision must be provided to each tenant ten (10) days after the approval of a final map;
- (h) A ninety (90) day notice of exclusive right to purchase from date of issuance of the subdivision public report per Section 11018.2 of the Business and Professions Code.

In addition to the notice requirements listed in this section, tenants shall be given notice of preferential opportunities to purchase an alternate unit on a first-come, first-serve basis. Additionally, the notice of intent to convert may not be provided until after city council approval of the tentative subdivision map and condominium permit.

All notices must be personally delivered or sent via certified U.S. mail. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Secs. 33-965—33-969 Reserved.**



## PLANNING COMMISSION

Agenda Item No.: H.2  
Date: May 26, 2015

**CASE NUMBER:** AZ 15-0001

**APPLICANT:** City of Escondido

**LOCATION:** Citywide

**TYPE OF PROJECT:** Amendment to the Zoning Code

**PROJECT DESCRIPTION:** A proposed amendment to Article 49 of the Escondido Zoning Code regarding Air Space Condominium and Community Apartment Projects, to provide an exception from the condominium permit requirement for new commercial and industrial condominium projects that otherwise comply with Subdivision Map Act and City public noticing requirements. The amendment will also increase the minimum contingency fund requirement for condominium conversion projects and eliminate the fee requirement for new construction, allow for administrative approval of minor changes to proposed condo projects on a case-by-case basis, and include other minor text revisions for clarity purposes. The proposal includes the adoption of the environmental determination prepared for the project.

**STAFF RECOMMENDATION:** Approval

### **BACKGROUND/SUMMARY OF ISSUES:**

The Air Space Condominium and Community Apartment Projects Ordinance is codified within Article 49 of the Zoning Code, and has been amended several times since its initial adoption. Per the current ordinance, the city council has the authority to approve a condominium permit application with the findings that the project complies with applicable codes and regulations (zoning, building, fire, seismic, etc.), contains architectural and site-planning features commonly found in developments with a majority of owner-occupied units, provides sufficient parking and well-designed open space, includes an adequate and sustainable maintenance and repair program, and involves tenant notification as required by law. To assist the council in making these findings, the ordinance requires an applicant for a condominium conversion project to provide a physical element report describing the current condition of the property, as well as the estimated useful life and replacement cost for structural and mechanical features. It also requires applicants for new and converted projects to set up a contingency fund with an owners' association to cover emergency repairs and restoration to common areas, and for residential projects, it designates specific design standards for unit size and amenities.

Section 66426 of the Subdivision Map Act requires a tentative map and final map for all subdivisions creating five or more lots or condominium units. An exception is allowed for industrial or commercial developments having access to a public street with an approved street alignment and width. In those cases, a parcel map is required. Most condominium proposals in Escondido are related to residential development and therefore would not qualify for this exception. However, commercial and industrial condominium projects have been approved in the past through the standard process that includes approval of a tentative map and a condominium permit.

While the Subdivision Map Act streamlines the review process for commercial and industrial condominium proposals by allowing administrative approval of a tentative parcel map, the Zoning Code still requires a condominium permit which keeps the review process in the public hearing realm and negates any potential time savings. The proposed amendment would eliminate the condominium permit requirement for new commercial and industrial condominium projects. This would enhance the city's ability to streamline processing for these projects as allowed by state law and would be consistent with the City Council's Action Plan goals of making Escondido more competitive in part by streamlining the development review process.

Staff feels that the issues are as follow:

1. Whether the proposed changes are appropriate.

**REASONS FOR STAFF RECOMMENDATION:**

1. The elimination of the condominium permit requirement for new industrial and commercial condominium projects will streamline the approval process, which will help to promote the establishment of businesses in Escondido. The requirement to obtain parcel map approval will remain in place, as mandated by the Subdivision Map Act.
2. Allowing for administrative approval of minor changes to proposed condominium projects will also help to streamline the permit process, since it will eliminate the need for a hearing in some cases. The decision to approve a change administratively will be made on a case-by-case basis, which will give staff the discretion to seek planning commission approval when warranted.
3. The increase in the minimum contingency fund requirement from \$500 to \$1000 per unit will ensure that a condominium conversion project has sufficient reserves to pay for any emergencies or repairs that may arise within common areas of the development. This will enable Escondido to retain a supply of high-quality, well-maintained condominium projects. Staff has concluded the fee is not warranted for new condominium construction where there is no deferred maintenance and the establishment of a reserve fund is already mandated by the California Bureau of Real Estate.

Respectfully Submitted,



Ann Dolmage  
Associate Planner

## ANALYSIS

### A. ENVIRONMENTAL STATUS

1. A Notice of Exemption will be issued following approval of the code amendment, in accordance with CEQA Section 15061(b)(3), "General Rule."
2. In staff's opinion, no significant issues remain unresolved through compliance with code requirements.
3. The project will have no impact on fish and wildlife resources since no sensitive or protected habitat would be impacted by the proposed Zoning Code Amendment since no physical improvements are involved.

### B. CONFORMANCE WITH CITY POLICY/ANALYSIS

#### General Plan

The proposed code amendment is consistent with the General Plan Small Business and Entrepreneurialship Policy 3.2, to identify and remove obstacles to the formation and expansion of local businesses, where appropriate. Eliminating the requirement for new non-residential condominium projects to obtain a condominium permit will streamline the approval process and reduce costs for the applicant, making it faster and easier for these developments to be completed and occupied by local businesses.

#### 2013-2014 City Council Action Plan

The 2013-2014 City Council Action Plan includes a goal to make Escondido more competitive in the marketplace, and lists several strategies to achieve this goal, including the identification of process developments to further streamline the development review process. The "Working Together to Get to Yes" program was developed to implement this strategy. Revision of the condominium permit ordinance is an element of the "Get to Yes" program. Therefore, this code amendment is consistent with the goals of the Action Plan.

#### Proposed Changes

This code amendment would provide an exception from the condominium permit requirement for new construction of non-residential condominium projects that otherwise comply with the Subdivision Map Act. Eligible projects include those that can demonstrate that no building permits have been issued; the project is not a mixed-use development that includes residential units; a contingency fund and maintenance/replacement program have been set up for required improvements to the satisfaction of the director of community development; the developer files a declaration of codes, covenants, and restrictions pursuant to Section 33-1108; and public notice of the project complies with Section 33-1300(b) and (c)). Additionally, this amendment will increase the contingency fund requirement from \$500 per unit to \$1000 per unit (with flexibility to adjust the amount if appropriate) for condominium conversion projects only, while eliminating the contingency fund fee for new condominium projects, and will allow for administrative approval of minor changes to a proposed condominium project on a case-by-case basis (currently, planning commission approval is required). Finally, the amendment will make minor text changes to update code references and organization titles, fix usage and punctuation issues, and clarify terms.

Staff has determined that the proposed code changes will support the City's goals to streamline the development permit process and remove roadblocks for local businesses. Each proposed commercial or industrial condominium project could still be conditioned to provide appropriate improvements through the tentative parcel map process. The proposed amendment will also boost the effectiveness of contingency funds for condominium conversion projects during the initial conversion period when new homebuyers may be faced with unexpected common area maintenance expenses before the HOA controls the funds, and will not affect state-mandated map requirements or City public noticing requirements. Therefore, staff recommends approval.

**FACTORS TO BE CONSIDERED**  
**AZ 15-0001**  
**EXHIBIT "A"**

1. The public health, safety and welfare would not be adversely affected by the proposed Zoning Code amendment. The revised code would eliminate the requirement for new commercial and industrial condominium projects to obtain a condominium permit, but these projects would still be subject to the provisions of the Subdivision Map Act and City public noticing requirements. No physical improvements are proposed as part of this code amendment.
2. The proposed Zoning Code Amendment would not be detrimental to surrounding properties, since it is a citywide code that implements Small Business and Entrepreneurialship Policy 3.2 to identify and remove obstacles to the formation and expansion of local businesses, where appropriate. Commercial and industrial condominium projects would still be subject to the relevant building and fire codes, as well as to the development standards of the underlying zoning district (setbacks, floor area ratios, etc.)
3. The proposed amendment would be consistent with the General Plan, since no land uses or policies would be amended or impacted, and it would implement the Small Business and Entrepreneurialship Policy regarding removing obstacles to the formation and expansion of local businesses. The code amendment would also achieve a goal in the City's "Working Together to Get to Yes" program, which was developed to address one of the "Economic Development" items in the 2013-2014 City Council Work Program.

## ARTICLE 49. AIR SPACE CONDOMINIUM AND COMMUNITY APARTMENT PROJECTS

### Note

\* Prior history: Zoning Code, Ch. 109, §§ 1097.01—1097.05 and 1097.10—1097.21 as amended by Ord. No. 93-14.

### Sec. 33-950. Applicability.

The procedures set forth in this article shall be utilized for all new condominium projects in residential, commercial and industrial all zones within the City of Escondido. The conversion of residential units into condominium ownership shall be subject to supplemental standards as applicable. It shall apply to condominiums as defined in Section 783 of the Civil Code, community apartment projects and stock cooperatives as defined in Sections ~~1003.21~~ 1003.2 and 11004 of the Business and Professions Code, and to the conversion of existing structures to condominiums, community apartment projects or stock cooperatives. ~~Projects approved in conjunction with Article 19, planned development, and resident purchase of mobilehome parks pursuant to section 32-80(c) of Article 5 of Chapter 32, subdivisions, shall not be required to be processed through this article.~~ For the purpose of this article, community apartment projects and stock cooperatives shall be synonymous with the term condominium or condominium conversion, as appropriate. The requirements of this chapter are in addition to subdivision ordinance requirements contained in Chapter ~~94~~ 32. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

### Sec. 33-951. Condominium or condominium conversion application.

(a) Permit required for new condominium projects and conversions to condominium ownership.

A condominium permit and design review shall be required for all condominiums to be constructed or for existing buildings to be converted to condominiums in the City of Escondido. Application for a condominium permit shall be made to the city council, through the planning division and planning commission in accordance with procedures set forth in this chapter. The director of community development shall prescribe the form and content of applications. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

(b) Exceptions to required permits. The following projects are not required to process a condominium permit through this article:

- (1) Condominiums requested concurrently with a planned development application pursuant to Article 19.
- (2) Condominiums requested concurrently with resident purchase of mobilehome parks pursuant to section 32-401 of Article 4 of Chapter 32, subdivisions.
- (3) Condominiums requested concurrently with a non-residential development entitlement application in conformance with the California Subdivision Map Act, and subject to the following provisions:

(A) Building permits have not been issued.

- (B) The project is not a mixed-use development that includes residential units.
- (C) A maintenance and replacement program, as well as a contingency fund is provided to adequately address required improvements to the satisfaction of the director of community development.
- (D) The developer files with the city, a declaration of covenants, conditions and restrictions pursuant to section 33-1108.
- (E) Public notice of the condominium project complies with section 33-1300(b) and (c).

For the purpose of this article, new construction shall mean the entire structure included within the condominium project and shall not apply to the remodel of existing floor area.

**Sec. 33-952. Commission action.**

The planning commission shall review the application for a condominium permit and recommendation of the planning division. A public hearing on the application shall be held in accordance with Division 6 of Article 61 of this chapter, and a recommendation shall be forwarded to the city council. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05; Ord. No. 2011-19R, § 5, 1-11-12)

**Sec. 33-953. Findings of commission and council.**

In order to grant a condominium permit, the city council shall find that:

(a) Except as specifically addressed in section 33-955 of this article, the project meets current zoning, design review, drainage, engineering, fire protection, seismic and building code requirements as if the project were newly constructed. However, the conversion of existing legal nonconforming multifamily residential developments to condominium units is exempt from current density requirements providing no increased density is proposed. Conversion requests may also utilize the same administrative adjustment procedures available to new construction as specified in the underlying zone;

(b) Required upgrades or modifications correcting a nonconforming condition may be permitted notwithstanding the provisions of section 33-1243 of this code, if the project otherwise conforms to applicable criteria;

(c) Residential projects will contain architectural and site-planning features commonly found in projects that maintain a majority of owner-occupied units;

(d) The project provides sufficient parking commensurate with its location and design;

(e) The project's open space is well-designed, properly distributed, and does not unreasonably restrict disabled access;

(f) The project conforms with~~to~~ the general plan and applicable zoning provisions. However, a conversion to residential condominiums may occur notwithstanding the fact that existing densities exceed currently permitted general plan densities provided no additional units are proposed;

(g) The project's maintenance and replacement program adequately addresses required improvements and appears to be sustainable;

(h) That all tenant notification and information, as required by the California Subdivision Map Act, this chapter, and the City of Escondido subdivision ordinance has been, or will be provided; and

(i) That provisions have been made for the timely release of security deposits and provision of rental payment history reports if requested by existing residential tenants. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-954. City council action.**

After the submission of a formal recommendation by the planning commission, the city council shall review the application and recommendation during a public hearing held in accordance with Division 6 of Article 61 of this chapter, and shall approve, modify or disapprove the action of the planning commission. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-955. Development standards.**

Condominiums approved and authorized by the city council shall be developed or upgraded to comply with the city's current design review, building, seismic, drainage, engineering, zoning and fire protection standards for new construction. Limited departures, in accordance with applicable building code provisions, may be granted for condominium conversions providing that proposed conditions will substantially conform to current requirements, feasible upgrades have been provided, and no health and safety issues will exist.

Condominium permit approvals shall comply with the findings outlined in section 33-953 of this article. Additionally, minimum standards for residential condominium units include the following:

(a) Minimum square footages as follows:	
Studio	600 square feet
One-bedroom units	700 square feet
Two-bedroom units	800 square feet
Three-bedroom units	1000 square feet
Additional bedrooms	150 square feet for each additional bedroom

(b) Washer and dryer hook-ups in each unit.



(c) Minimum of eighty (80) cubic feet of private storage area for each unit with minimum dimensions of at least two feet. Said storage shall be in addition to normally expected cabinets and closets. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-956. Physical element report.**

As part of the application submittal for any requested conversion to condominium ownership, a building and site evaluation report shall be submitted to the ~~community development department~~ planning division, detailing compliance with current zoning, building, engineering, seismic, drainage and fire codes, the condition of existing improvements, and a schedule for recommended replacement and upgrades. Each report shall evaluate approved project plans as well as as-built conditions. It shall identify and assess any exceptions from current codes and recommend remedial measures. The report shall include estimated remaining useful life and replacement cost of roofs, driveways, foundations, plumbing, electrical, heating, air conditioning, and other mechanical and structural systems. The report shall also document the presence or absence of lead-based paint and asbestos and outline mitigation as appropriate. It shall also evaluate the potential for incorporating arc-fault circuit interrupters, GFCI outlets per the current California Electrical Code, and sleeping room egress door or window openings that conform to current code requirements. Each component of the report shall be prepared by a professional engineer or qualified professional licensed in each subject area they address.

Requests for condominium conversions shall not be deemed complete until the following has been completed:

- (a) A copy of the completed physical inventory report has been distributed to existing tenants.
- (b) A minimum two (2) week comment period has been provided.
- (c) All copies of resident responses have been submitted to the city. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-957. Contingency fund deposit.**

The applicant is hereby required to establish a fund and deposit with the homeowners' association, a minimum sum of ~~one thousand dollars~~ five hundred dollars (\$500.00) per unit in any condominium conversion project. Higher per unit deposits may be required based on the condition of the facility, ~~and the nature of the required improvements, and the number of condominium units~~. Said deposit shall be used solely and exclusively as a contingency fund for emergencies which may arise relating to open space areas, exterior portions of ~~dwelling units~~, and such other restoration or repairs as may be assumed by the homeowners' association or management corporation. Said funds shall be administered by the city until the ~~home~~ unit owners take majority control of the association. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-958. Improvement security.**

All required modifications and upgrades required of the condominium permit shall be secured and bonded or completed prior to recordation of the final subdivision map, to the satisfaction of the director of community development and city attorney. All necessary improvements shall be installed to the satisfaction of the director of community development prior to granting occupancy. The installation of improvements and grant of occupancy may be phased on a ~~building-building-by-by-building~~ building basis consistent with the associated final subdivision map. Required security may be released incrementally as building occupancies are granted. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-959. Covenants, conditions and restrictions.**

The developer shall be required to file with the city, a declaration of covenants, conditions and restrictions, ~~as provided for in Escondido Municipal Code~~ pursuant to section 33-1108. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-960. Expiration and extensions.**

The expiration or extension of a condominium permit shall be concurrent with the accompanying tentative map and in accordance with Chapter ~~94-32~~ 32 of this code. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-961. Modifications.**

Minor changes to a proposed condominium project may be approved administratively on a case-by-case basis based on the nature and scope of the proposed changes, or subject to by the planning commission approval, provided changes are consistent with the intent and purpose of the condominium permit approval. The director of community development shall determine the appropriate application type and fee. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-962. Filing fee.**

The filing fee for a condominium permit shall be in the amount established by resolution of the city council. Fees shall also include copying and distribution costs associated with providing copies of the project staff report to existing tenants. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-963. Reporting to planning commission and city council.**

The ~~community development department~~ planning division will include in its staff report on all condominium conversion applications, statistical information regarding the number of apartment units converted to condominiums, and the percentage of multiple residential housing unit stock that has been converted. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-964. Required notices to tenants.**

Condominium permits for the conversion of existing units are subject to all state-mandated notice requirements including: ~~-A summary of notice requirements is as follows:~~

(a) Current tenants of the apartments to be converted must be notified through mail, a minimum of sixty (60) days prior to the filing of the application;

(b) Written notice of the proposed conversion, has been, and will continue to be given to all subsequent tenants;

(c) Each tenant has received ten (10) days' written notification that an application for a public report will be, or has been, submitted to the Department of Real Estate;

(d) Written notice of intent to convert has been, or will be provided to current residents for a minimum duration of one hundred eighty (180) days prior to terminating tenancy;

(e) Notice must be provided to each tenant a minimum of ten (10) days prior to any public hearing on the conversion;

(f) A copy of the staff report must be provided to each tenant a minimum of three (3) days prior to any scheduled public hearing involving the proposed conversion. The applicant shall pay all copying, mailing, and handling costs in an amount adopted by resolution of the city council;

(g) Notice of the city council's decision must be provided to each tenant ten (10) days after the approval of a final map;

(h) A ninety (90) day notice of exclusive right to purchase from date of issuance of the subdivision public report per Section 11018.2 of the Business and Professions Code.

In addition to the notice requirements listed in this section, tenants shall be given notice of preferential opportunities to purchase an alternate unit on a first-come, first-serve basis. Additionally, the notice of intent to convert may not be provided until after city council approval of the tentative subdivision map and condominium permit.

All notices must be personally delivered or sent via certified U.S. mail. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Secs. 33-965—33-969 Reserved.**



CITY OF ESCONDIDO  
PLANNING DIVISION  
201 NORTH BROADWAY  
ESCONDIDO, CA 92025-2798  
(760) 839-4671

**Notice of Exemption**

To: San Diego County Recorder's Office  
Attn: James Scott  
P.O. Box 121750  
San Diego, CA 92101-1750

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

**Project Title/Case No.:** AZ 15-0001

**Project Location - Specific:** Citywide

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

**Description of Project:** Request for approval of an Amendment to Article 49 of the Escondido Zoning Code regarding Air Space Condominium and Community Apartment Projects, to provide an exception from the condominium permit requirement for new commercial and industrial condominium projects that otherwise comply with Subdivision Map Act and City public noticing requirements. The amendment will also increase the minimum contingency fund requirement for condominium conversions, eliminate the contingency fund requirement for new condominium projects, allow for administrative approval of minor changes to proposed condo projects on a case-by-case basis, and include other minor text revisions for clarity purposes.

**Name of Public Agency Approving Project:** City of Escondido

**Name of Person or Agency Carrying Out Project:**

Name: City of Escondido

Telephone: (760) 839-4548

Address: 201 N. Broadway, Escondido, CA 92025

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

**Exempt Status:** Categorical Exemption. CEQA Section 15361(b)(3), "General Rule".

**Reasons why project is exempt:**

1. The proposed amendment is limited to modifying the types of projects that require condominium permits in the City of Escondido as well as the minimum required contingency fund fee, and will include some minor text clarifications. No physical changes are proposed to any existing structures, and no new development is proposed in conjunction with this amendment.
2. Individual condominium projects would still be subject to review for impacts to traffic, noise, air quality, water quality, and other environmental factors, as mandated by CEQA.
3. In staff's opinion, the proposal would not have the potential to cause an adverse impact on the environment. Therefore, the proposal is not subject to further CEQA review.

**Lead Agency Contact Person:** Ann Dolmage

Area Code/Telephone/Extension (760) 839-4548

Signature: Ann Dolmage  
Ann Dolmage, Associate Planner

5-21-15  
Date

Signed by Lead Agency

Date received for filing at OPR:

Signed by Applicant

ORDINANCE NO. 2015-14

AN ORDINANCE OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
APPROVING AN AMENDMENT TO ARTICLE  
49 OF THE ESCONDIDO ZONING CODE  
REGARDING AIR SPACE CONDOMINIUMS  
AND COMMUNITY APARTMENT PROJECTS

PLANNING CASE NO.: AZ 15-0001

WHEREAS, the City Council desires to promote condominium and community apartment projects that are well-designed and in excellent physical condition, while streamlining the approval process and reducing costs for commercial and industrial condominium projects that can be processed administratively with a tentative parcel map and public noticing; and

WHEREAS, the Escondido General Plan was adopted on May 23, 2012, by the City Council, and includes Small Business and Entrepreneurialship Policy 3.2 regarding the identification and removal of obstacles to the formation and expansion of local businesses;

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 for this project on May 21, 2015, in conformance with Title 14 California Code of Regulation, California Environmental Quality Act ("CEQA") Section

15061(b)(3) "General Rule", and has determined that all environmental issues have been addressed and finds that no significant environmental impact will result from approving these code amendments.

SECTION 3. That upon consideration of the Factors to be Considered, attached as Exhibit "A" to this Ordinance and incorporated by this reference; all public testimony presented at the hearing held on this project; and all other oral and written evidence on this project, this City Council finds the Zoning Code Amendments to be consistent with the General Plan and all applicable specific plans of the City of Escondido.

SECTION 4. That specific sections of one (1) Article of the Escondido Zoning Code Chapter 33 are amended as set forth in and attached as Exhibit "B" to this Ordinance and incorporated by these references.

SECTION 5. SEPARABILITY. If any section, subsection sentence, clause, phrase or portion of this ordinance is held invalid or unconstitutional for any reason by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions.

SECTION 6. That as of the effective date of this ordinance, all ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 7. 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 County and circulated in the City of Escondido.

**EXHIBIT "A"**  
**FACTORS TO BE CONSIDERED**  
**AZ 15-0001**

1. The public health, safety and welfare would not be adversely affected by the proposed Zoning Code amendment. The revised code would eliminate the requirement for new commercial and industrial condominium projects to obtain a condominium permit, but these projects would still be subject to the provisions of the Subdivision Map Act and City public noticing requirements. No physical improvements are proposed as part of this code amendment.
2. The proposed Zoning Code Amendment would not be detrimental to surrounding properties, since it is a citywide code that implements Small Business and Entrepreneurialship Policy 3.2 to identify and remove obstacles to the formation and expansion of local businesses, where appropriate. Commercial and industrial condominium projects would still be subject to the relevant building and fire codes, as well as to the development standards of the underlying zoning district (setbacks, floor area ratios, etc.)
3. The proposed amendment would be consistent with the General Plan, since no land uses or policies would be amended or impacted, and it would implement the Small Business and Entrepreneurialship Policy regarding removing obstacles to the formation and expansion of local businesses. The code amendment would also achieve a goal in the City's "Working Together to Get to Yes" program, which was developed to address one of the "Economic Development" items in the 2013-2014 City Council Work Program.



**ARTICLE 49. AIR SPACE CONDOMINIUM AND COMMUNITY APARTMENT PROJECTS****Note**

\* Prior history: Zoning Code, Ch. 109, §§ 1097.01—1097.05 and 1097.10—1097.21 as amended by Ord. No. 93-14.

**Sec. 33-950. Applicability.**

The procedures set forth in this article shall be utilized for all new condominium projects in all zones within the City of Escondido. The conversion of residential units into condominium ownership shall be subject to supplemental standards as applicable. It shall apply to condominiums as defined in Section 783 of the Civil Code, community apartment projects and stock cooperatives as defined in Sections 11003.2 and 11004 of the Business and Professions Code, and to the conversion of existing structures to condominiums, community apartment projects or stock cooperatives. For the purpose of this article, community apartment projects and stock cooperatives shall be synonymous with the term condominium or condominium conversion, as appropriate. The requirements of this chapter are in addition to subdivision ordinance requirements contained in Chapter 32. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-951. Condominium or condominium conversion application.**

(a) Permit required for new condominium projects and conversions to condominium ownership.

A condominium permit and design review shall be required for all condominiums to be constructed or for existing buildings to be converted to condominiums in the City of Escondido. Application for a condominium permit shall be made to the city council, through the planning division and planning commission in accordance with procedures set forth in this chapter. The director of community development shall prescribe the form and content of applications. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

(b) Exceptions to required permits. The following projects are not required to process a condominium permit through this article:

- (1) Condominiums requested concurrently with a planned development application pursuant to Article 19.
- (2) Condominiums requested concurrently with resident purchase of mobilehome parks pursuant to section 32-401 of Article 4 of Chapter 32, subdivisions.
- (3) Condominiums requested for a non-residential development entitlement application in conformance with the California Subdivision Map Act, and subject to the following provisions:
  - (A) The project is not a mixed-use development that includes residential units.

- (B) A maintenance and replacement program, as well as a contingency fund is provided to adequately address required improvements to the satisfaction of the director of community development (for conversion projects only)
- (C) The developer files with the city, a declaration of covenants, conditions and restrictions pursuant to section 33-1108.
- (D) Public notice of the condominium project complies with section 33-1300(b) and (c).

**Sec. 33-952. Commission action.**

The planning commission shall review the application for a condominium permit and recommendation of the planning division. A public hearing on the application shall be held in accordance with Division 6 of Article 61 of this chapter, and a recommendation shall be forwarded to the city council. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05; Ord. No. 2011-19R, § 5, 1-11-12)

**Sec. 33-953. Findings of commission and council.**

In order to grant a condominium permit, the city council shall find that:

- (a) Except as specifically addressed in section 33-955 of this article, the project meets current zoning, design review, drainage, engineering, fire protection, seismic and building code requirements as if the project were newly constructed. However, the conversion of existing legal nonconforming multifamily residential developments to condominium units is exempt from current density requirements providing no increased density is proposed. Conversion requests may also utilize the same administrative adjustment procedures available to new construction as specified in the underlying zone;
- (b) Required upgrades or modifications correcting a nonconforming condition may be permitted notwithstanding the provisions of section 33-1243 of this code, if the project otherwise conforms to applicable criteria;
- (c) Residential projects will contain architectural and site-planning features commonly found in projects that maintain a majority of owner-occupied units;
- (d) The project provides sufficient parking commensurate with its location and design;
- (e) The project's open space is well-designed, properly distributed, and does not unreasonably restrict disabled access;
- (f) The project conforms to the general plan and applicable zoning provisions. However, a conversion to residential condominiums may occur notwithstanding the fact that

existing densities exceed currently permitted general plan densities provided no additional units are proposed;

(g) The project's maintenance and replacement program adequately addresses required improvements and appears to be sustainable;

(h) That all tenant notification and information, as required by the California Subdivision Map Act, this chapter, and the City of Escondido subdivision ordinance has been, or will be provided; and

(i) That provisions have been made for the timely release of security deposits and provision of rental payment history reports if requested by existing residential tenants. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-954. City council action.**

After the submission of a formal recommendation by the planning commission, the city council shall review the application and recommendation during a public hearing held in accordance with Division 6 of Article 61 of this chapter, and shall approve, modify or disapprove the action of the planning commission. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-955. Development standards.**

Condominiums approved and authorized by the city council shall be developed or upgraded to comply with the city's current design review, building, seismic, drainage, engineering, zoning and fire protection standards for new construction. Limited departures, in accordance with applicable building code provisions, may be granted for condominium conversions providing that proposed conditions will substantially conform to current requirements, feasible upgrades have been provided, and no health and safety issues will exist.

Condominium permit approvals shall comply with the findings outlined in section 33-953 of this article. Additionally, minimum standards for residential condominium units include the following:

(a) Minimum square footages as follows:	
Studio	600 square feet
One-bedroom units	700 square feet
Two-bedroom units	800 square feet
Three-bedroom units	1000 square feet
Additional bedrooms	150 square feet for each additional bedroom

(b) Washer and dryer hook-ups in each unit.

(c) Minimum of eighty (80) cubic feet of private storage area for each unit with minimum dimensions of at least two feet. Said storage shall be in addition to normally expected cabinets and closets. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-956. Physical element report.**

As part of the application submittal for any requested conversion to condominium ownership, a building and site evaluation report shall be submitted to the planning division, detailing compliance with current zoning, building, engineering, seismic, drainage and fire codes, the condition of existing improvements, and a schedule for recommended replacement and upgrades. Each report shall evaluate approved project plans as well as as-built conditions. It shall identify and assess any exceptions from current codes and recommend remedial measures. The report shall include estimated remaining useful life and replacement cost of roofs, driveways, foundations, plumbing, electrical, heating, air conditioning, and other mechanical and structural systems. The report shall also document the presence or absence of lead-based paint and asbestos and outline mitigation as appropriate. It shall also evaluate the potential for incorporating arc-fault circuit interrupters, GFCI outlets per the current California Electrical Code, and sleeping room egress door or window openings that conform to current code requirements. Each component of the report shall be prepared by a professional engineer or qualified professional licensed in each subject area they address.

Requests for condominium conversions shall not be deemed complete until the following has been completed:

- (a) A copy of the completed physical inventory report has been distributed to existing tenants.
- (b) A minimum two (2) week comment period has been provided.
- (c) All copies of resident responses have been submitted to the city. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-957. Contingency fund deposit.**

The applicant is hereby required to establish a fund and deposit with the owners' association, a minimum sum of one thousand dollars (\$1,000.00) per unit in any condominium conversion project. Higher per unit deposits may be required based on the condition of the facility, the nature of the required improvements, and the number of condominium units. Said deposit shall be used solely and exclusively as a contingency fund for emergencies which may arise relating to open space areas, exterior portions of units, and such other restoration or repairs as may be assumed by the owners' association or management corporation. Said funds shall be administered by the city until the unit owners take majority control of the association. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-958. Improvement security.**

All required modifications and upgrades required of the condominium permit shall be secured and bonded or completed prior to recordation of the final subdivision map, to the satisfaction of the director of community development and city attorney. All necessary improvements shall be installed to the satisfaction of the director of community development prior to granting occupancy. The installation of improvements and grant of occupancy may be phased on a building-by-building basis consistent with the associated final subdivision map. Required security may be released incrementally as building occupancies are granted. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-959. Covenants, conditions and restrictions.**

The developer shall be required to file with the city, a declaration of covenants, conditions and restrictions, pursuant to section 33-1108. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-960. Expiration and extensions.**

The expiration or extension of a condominium permit shall be concurrent with the accompanying tentative map and in accordance with Chapter 32 of this code. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-961. Modifications.**

Minor changes to a proposed condominium project may be approved administratively on a case-by-case basis based on the nature and scope of the proposed changes, or subject to planning commission approval, provided changes are consistent with the intent and purpose of the condominium permit approval. The director of community development shall determine the appropriate application type and fee. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-962. Filing fee.**

The filing fee for a condominium permit shall be in the amount established by resolution of the city council. Fees shall also include copying and distribution costs associated with providing copies of the project staff report to existing tenants. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-963. Reporting to planning commission and city council.**

The planning division will include in its staff report on all condominium conversion applications, statistical information regarding the number of apartment units converted to condominiums, and the percentage of multiple residential housing unit stock that has been converted. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Sec. 33-964. Required notices to tenants.**

Condominium permits for the conversion of existing units are subject to all state-mandated notice requirements including:

- (a) Current tenants of the apartments to be converted must be notified through mail, a minimum of sixty (60) days prior to the filing of the application;
- (b) Written notice of the proposed conversion, has been, and will continue to be given to all subsequent tenants;
- (c) Each tenant has received ten (10) days' written notification that an application for a public report will be, or has been, submitted to the Department of Real Estate;
- (d) Written notice of intent to convert has been, or will be provided to current residents for a minimum duration of one hundred eighty (180) days prior to terminating tenancy;
- (e) Notice must be provided to each tenant a minimum of ten (10) days prior to any public hearing on the conversion;
- (f) A copy of the staff report must be provided to each tenant a minimum of three (3) days prior to any scheduled public hearing involving the proposed conversion. The applicant shall pay all copying, mailing, and handling costs in an amount adopted by resolution of the city council;
- (g) Notice of the city council's decision must be provided to each tenant ten (10) days after the approval of a final map;
- (h) A ninety (90) day notice of exclusive right to purchase from date of issuance of the subdivision public report per Section 11018.2 of the Business and Professions Code.

In addition to the notice requirements listed in this section, tenants shall be given notice of preferential opportunities to purchase an alternate unit on a first-come, first-serve basis. Additionally, the notice of intent to convert may not be provided until after city council approval of the tentative subdivision map and condominium permit.

All notices must be personally delivered or sent via certified U.S. mail. (Ord. No. 2005-21 (RRR), § 1 Exh. 1, 8-24-05)

**Secs. 33-965—33-969 Reserved.**

**CITY COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

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

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

**Agenda Item No.: 23**

**Date: June 24, 2015**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Christopher W. McKinney, Director of Utilities  
**SUBJECT:** Clean Water State Revolving Fund Loan Application for Frequent Financer Program

RECOMMENDATION:

The Utilities Department requests that the City Council adopt Resolution No. 2015-108, which: 1) Authorizes the Director of Utilities or his designee to sign, on behalf of the City, applications to the Clean Water State Revolving Fund (SRF) Loan Frequent Financer Program for future loans to fund the Recycled Water and Potable Reuse Program; 2) Provides commitment to reimbursement of said loans; and 3) Pledges certain revenues and fund(s) to repayment of any and all Clean Water State Revolving Fund and/or Water Recycling Funding Program financing.

FISCAL ANALYSIS:

The Frequent Financer Program streamlines the Financial Package of the application process by reducing the number of attachments needed when applying for funding for individual projects. Each project will submit an abbreviated version of the financial application, with an annual submission of the City's Comprehensive Annual Financial Report (CAFR) and rolling five year projections. All other sections of the loan application will be submitted on a project-by-project basis and only with Council approval, so the City Council will retain its oversight of new borrowing obligations.

PREVIOUS ACTION:

The Wastewater Fund has outstanding SRF loans with a current principal balance of \$17.6 M. Council has approved applications, which are now pending, for additional SRF loans totaling \$34.3 M for the Wastewater Fund.

BACKGROUND:

Applications for SRF Loans require four component packages to be submitted for each project seeking funding: General, Financial, Technical, and Environmental. When Council authorizes staff to submit an SRF application for an individual project, preparation by staff and review by the Department of Water Resources (DWR) typically takes six to nine months.

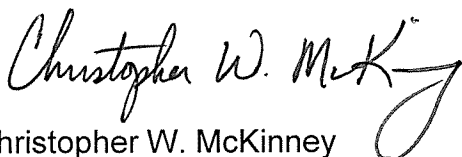
Escondido's Utilities Department plans to submit, with future Council approval, several SRF loan applications for projects included in the Recycled Water and Potable Reuse Program. Each of these applications would normally require a separate financial application and up-to-date financial figures, thus generating new tasks for staff that fall outside their normal workload. Depending on the time of year (e.g. Budget, year-end close-out), this work load may force other important work to be delayed, or the SRF Financial application may be delayed.

Based on feedback from many agencies, including Escondido, with large water infrastructure capital programs, DWR developed the Frequent Financer Program to streamline the financial application required for SRF loans. To participate, an agency must submit an application very similar to the application submitted for a single project. One significant difference is that this application references all projects projected as part of a future infrastructure expansion. If approved, the agency need only submit its annual CAFR to the DWR to satisfy the financial application requirement for future SRF loans. Given the Wastewater Fund's credit rating (AA-) and its exceptional repayment history with SRF loans, staff believe that the Recycled Water and Potable Reuse Program would be approved for Frequent Financer status with DWR.

The application for Frequent Financer status will include all projects in the Recycled Water and Potable Reuse Program. The projects that will be submitted with the application, pending Council approval, total approximately \$180 million over the next 15 years. If the Council approves this financial application, the Council will still have oversight to approve SRF applications (General, Technical, and Environmental only) as it does now for each project proposed for funding. Therefore, the requested action will not increase the Wastewater Fund's debt obligations or debt service requirements. These obligations and requirements will only increase as individual projects are approved by the Council for SRF application. The advantage of Frequent Financer status is reduced staff time for preparation of the financial application. In fact, no time will be required other than the time already allotted to the CAFR.

There will be no change as a result of this action to the number of future actions required by the Council to apply for SRF loans. Each project will still require Council approval for the initial application (General, Technical, and Environmental only) and subsequent approval to accept the loan after it is approved.

Respectfully submitted,



Christopher W. McKinney  
Director of Utilities



RESOLUTION NO. 2015-108

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, PROVIDING FOR REIMBURSEMENT, PLEDGING CERTAIN REVENUES AND FUNDS, AND DESIGNATING AN AUTHORIZED REPRESENTATIVE TO THE CLEAN WATER STATE REVOLING FUND AND WATER RECYCLING FUNDING PROGRAM FOR THE AGRICULTURE RECYCLED WATER AND POTABLE REUSE PROGRAM

WHEREAS, by means of this Resolution, the City Council confirms the City of Escondido's ("City's") commitment to addressing water shortage by requesting State Revolving Fund ("SRF") loans for construction of projects within its Agricultural Recycled Water and Potable Reuse Program; and

WHEREAS, the City desires to finance the costs of constructing specific projects within its Agricultural Recycled Water and Potable Reuse Program ("Program"); and

WHEREAS, the City intends to finance portions of the design and construction of projects within the Program using funds ("Program Funds") provided by the State of California, acting through the State Water Resources Control Board ("SWRCB"); and

WHEREAS, the SWRCB may provide Program Funds with proceeds from the sale of certain tax free Obligations (the "Obligations"), and

WHEREAS, prior to either the issuance of the Obligations or the approval of funding by the SWRCB, the City desires to incur certain capital expenditures (the "Expenditures") for the Program from available moneys of the City; and

WHEREAS, the City has determined that those moneys to be advanced can thereafter be reimbursed to the City from the proceeds of the Obligations; and

WHEREAS, the City is required by the (“SWRCB”) to designate and authorize by resolution a specific representative to act on the City’s behalf for this loan program; and

WHEREAS, the State desires to enumerate the specific duties of this representative as part of this resolution.

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

1. That the City Council of the City of Escondido authorizes the Director of Utilities or his designee to sign and file, for and on behalf of the City, a Financial Assistance Application for a financing agreement from the SWRCB for construction of projects within the Agricultural Recycled Water and Potable Reuse Program.

2. That the Director of Utilities, or his designee, is designated to provide the assurances, certifications, and commitments required for the Financial Assistance Application, including executing a Financial Assistance Agreement from the SWRCB and any amendments or changes thereto.

3. That the Director of Utilities or his designee is designated to represent the City in carrying out the City’s responsibilities under the Financing Assistance Agreement, including certifying disbursement requests on behalf of the City and compliance with applicable state and federal laws.

4. That the City hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the SWRCB of the Project Funds.

5. That the reasonably expected maximum principal amount of the Program Funds is \$180,000,000.

6. That this resolution is being adopted no later than 60 days after the date on which the City will expend moneys for the construction portion of the Program costs to be reimbursed with Program Funds.

7. That each City expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.

8. That the City is not aware of the previous adoption of official acts by the City that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

9. That this resolution is adopted as a statement of official intent of the City in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Program costs.

10. That all the recitals in this Resolution are true and correct and the City so finds, determines and represents.

11. That the City Council of the City of Escondido hereby dedicates and pledges Sewer and Recycled Water Service Charges within the Wastewater Operating Fund to payment of any and all Clean Water State Revolving Fund and/or Water Recycling Funding Program financing for all projects listed on the Capital Improvement Plan, attached as Exhibit "A and incorporated by this reference, adopted by the City and dated June 24, 2015.

12. That the City commits to collecting such revenues and maintaining such fund(s) throughout the term of such financing and until the City has satisfied its repayment obligation unless modification or change is approved in writing by the SWRCB.

13. That so long as the Financing Agreement(s) are outstanding, the City's pledge hereunder shall constitute a lien in favor of the SWRCB on the foregoing fund(s) and revenue(s) without any further action necessary.

14. That so long as the Financing Agreement(s) are outstanding, the City commits to maintaining the fund and revenue at levels sufficient to meet its obligations under the Financing Agreement.

Exhibit "A"

City of Escondido - Potable Reuse Program  
Project Cost Summary Table - Prepared by Black & Veatch  
January 2015 - Costs Presented in 2013 Dollars

New Capital	Status	Description	Cost Incl C & SC	Amt to Borrow	Construction	
					Start	End
<b>Reuse Program</b>						
<b>NPR/Agriculture System</b>						
<b>RW Easterly Main Extension</b>						
Pipeline - Brine, B1B	In construction	16"; 14,000 ft; Citrus to Broadway along channel	\$3,800,000	NONE - already in construction	2015	2017
Pipeline - RW Transmission, T1A	In construction	24"; 14,000 ft; Broadway to Citrus along channel	\$5,400,000		2015	2017
<b>RW Easterly Main Tank &amp; PS</b>						
Pipeline - Brine, B1A	In Design	16"; ~1,600 ft; from Citrus to MFRO	\$600,000	\$8,000,000	2016	2017
Pipeline - RW Transmission, T1B	In Design	24"; ~1,600 ft; from Citrus to MFRO	\$800,000		2016	2017
Pipeline - RW Transmission, T2A	In Design	24"; ~1,600 ft; from MFRO to Citrus	\$800,000		2016	2017
Pipeline - RW Transmission, T2B	In Design	24"; 15,600 ft; from MFRO to 1.2 mg RW tank	\$5,900,000		2016	2017
Reservoir - RW	In Design	Convert existing 1.2 mg Hogback tank to RW; construct new 400k gal steel PW tank; new piping	\$3,100,000		2016	2017
Pump Station - NPR @ MFRO Facility	In Design	New ~10.5 mgd	\$4,800,000		2016	2017
<b>RW Easterly Ag Distribution, Phase 1</b>						
Pipeline - RW, D1A	In Design (submitted PDR)	16"; 2,600 ft; just south of 1.2 mg RW tank	\$600,000	\$3,300,000	2016	2017
Pipeline - RW, D1B	In Design (submitted PDR)	12"; 9,700 ft; just south of D1A	\$1,900,000		2016	2017
Pipeline - RW, D2	In Design (Submitted PDR)	8" to 12"; 10,300 ft; east of 1.2 mg RW tank towards Eagle Crest	\$1,900,000		2016	2017
<b>Ponds (+ Simple Pump Back)</b>						
<b>RW Easterly Ag Distribution, Phase 2</b>						
Pipeline - RW, D1C	Future	6" to 8"; 2,100 ft; east of T2B north of 1.2 mg RW tank	\$400,000	\$0	2017	2018
1130/850 Pressure Reducing Station	Future		\$500,000		2016	2017

RW Easterly Ag Distribution, Phase 3									
Pipeline - RW, D3A	Future		16", 5,800 ft; east of Citrus along channel	\$1,500,000		\$4,100,000	2018	2019	
Pipeline - RW, D3B	Future		8" to 16", 10,900 ft; north of channel along Citrus and El Norte	\$2,600,000			2018	2019	
<b>Brine- Broadway to HARRF</b>	In Design		16", 14,000 ft; Broadway to HARRF along channel	\$4,000,000		<b>\$4,000,000</b>	2016	2017	
HARRF Step 1 Improvements									
HARRF Step 1 - RW Pump Station	(to be completed before AWP)		Allowance for increasing capacity of existing RW pump station	\$3,100,000			2017	2019	
HARRF Step 1 - Tertiary Improvements, Phase 1	(to be completed before AWP)		New 12 mgd filters with clearwell and mudwell; FIPS expansion; no demo of exist filters (part of Step 2)	\$9,900,000		\$16,900,000	2017	2019	
HARRF Step 1 - Tertiary Improvements, Phase 2	(to be completed before AWP)		New CCB and dechlor; no demo of exist CCB and UV facility (part of Step 2)	\$4,600,000			2018	2019	
HARRF Step 1 - Standby Power			Expand existing standby power capacity	\$1,900,000			2018	2019	
HARRF Step 1 - Drainage Channel Undergrounding				\$700,000			2018	2019	
<b>MFCRO Facility for Agriculture</b>									
AWPF Pilot @ HARRF and MFCRO	Future		2 mgd baseloaded	\$21,000,000		<b>\$19,000,000</b>	2016	2017	
Potable Reuse, Phase 1				\$3,500,000		\$3,500,000	2018	2019	
Pump Station - IPR @ HARRF			New 12 mgd	\$5,300,000			2023	2024	
Pipeline - IPR, HARRF to AWPF			24", 29,000 ft	\$10,900,000		\$19,200,000	2023	2024	
Pump Station - IPR @ AWPF			New 8 mgd	\$3,500,000			2023	2024	
Pipeline - IPR, AWPF to Dixon			20", 10,700 ft	\$3,400,000		\$0	2023	2024	
HARRF Step 2 - Secondary Improvements - IPR, Phase 1			6 mgd BNR-MBR upgrade (one new BNR-MBR, one basin converted to BNR-MBR, new fine screens, new CIP area, new MBR RAS PS, new blower building, and demo exist CCB and filter/UV facility)	\$47,700,000		\$40,000,000	2023	2026	
AWPF (IPR), Phase 1			4 mgd (operating 3 mgd average); incl. aesthetic allowance	\$38,100,000		\$32,000,000	2023	2026	
Potable Reuse, Phase 2									
HARRF Step 3 - Secondary Improvements - IPR, Phase 2			6 mgd BNR-MBR upgrade (three basins converted to BNR-MBR, 2 duty / 1 standby; 8 mgd N-CAS upgrade (one new N-CAS basin and all remaining CAS basins converted to N-CAS); new blowers in Step 2 blower building	\$57,000,000		\$20,000,000	2028	2031	

HARRF Step 3 - Primary Clarifier		Additional primary clarifier, match existing (uncovered)	\$1,700,000		2028	2029
HARRF Step 3 - Secondary Clarifier		New 110' dia circular secondary clarifier (possible future)	\$3,400,000		2028	2029
AWPF (IPR), Phase 2		4 mgd (operating 7 mgd average); incl. aesthetic allowance	\$38,100,000	\$10,000,000	2028	2029
		<b>Total</b>	<b>\$296,800,000</b>	<b>\$180,000,000</b>		



**FUTURE CITY COUNCIL AGENDA ITEMS**  
**June 18, 2015**

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

**July 1, 2015**  
**No Meeting (Independence Day)**

**July 8, 2015**  
**4:30 p.m.**

	<p><b>CONSENT CALENDAR</b></p>
	<p><b>Adoption of Mitigated Negative Declaration for the Southwest Sewer Realignment Project (ENV 14-0009)</b> (B. Redlitz)</p> <p><i>This project is needed to eliminate aging sewer lift stations and redirect flows to the south through upgraded and new sewer pipelines that end at Lift Station 1 near Westfield North County. The recently approved 65-lot Oak Creek project also relies on this sewer upgrade project to serve their new homes.</i></p>
	<p><b>Community Services Department Facility Use Policy</b> (L. McKinney)</p> <p><i>The Community Services Department has updated the Facility Use Policy. The updated policy has been reviewed by the City Attorney's office. The policy is necessary for the operation of City Facilities covered by this policy to provide standards for the City's rental of facilities to the general public.</i></p>
	<p><b>Notice of Completion: Corrosion Control System for the Escondido Sewer Outfall</b> (C. McKinney)</p> <p><i>This project consisted of replacing the existing four deep well anode cathodic protection systems for the Escondido Sewer Outfall.</i></p>
	<p><b>Bid Award: Cemetery Area Water Pipeline Replacement Project</b> (C. McKinney)</p> <p><i>This project will replace approximately 3.5-miles of old water mains in the areas located in and near the Oak Hill Cemetery. These water mains were installed in the 1950's and 1960's and have had numerous leaks and repairs. Approximately 2.5-miles of new potable water transmission and distribution piping will be installed. In addition, approximately .5-miles of recycled water pipeline will be installed with this project.</i></p>
	<p><b>Adopt Resolutions Updating the Salary Plans for the Unclassified Clerical/Technical Group, Salary Bands for the Management Group, The Unclassified Service Schedule List and the Part-Time Hourly Compensation Plan</b> (S. Bennett)</p> <p><i>The City is required to update positions and salaries within the Management and Unclassified Clerical/Technical Groups as well as maintain an updated listing of all unclassified employee titles.</i></p>



**July 8, 2015**  
**Continued**

**CONSENT CALENDAR Continued**

**Bid Award for the Fiscal Year 2014/15 Street Maintenance Project**  
 (E. Domingue)

*This project is the second of a two-part annual pavement maintenance and rehabilitation project. The first part of this project involved patching and replacement of pavement and asphalt overlays. This second project will apply seal coats.*

**PUBLIC HEARINGS**

**Short-Form Rent Review Board Hearing for Carefree Ranch**  
 (B. Redlitz)

*Carefree Ranch has 184 spaces with 95 spaces subject to rent control. The owner will implement a rent increase for 90 spaces (five spaces have received recent increases subject to expiring leases). The application meets all the eligibility criteria for submittal of a short-form rent increase application. The amount requested covers a 12-month period of consideration from December 31, 2013 through December 31, 2014. Seventy five percent of the change in the Consumer Price Index for the 12-month period is 0.963%. The average space rent for the 95 spaces subject to the rent increases is \$492.98. The average requested increase per space is approximately \$.4.70.*

**Fire Chief's Cost Report for the 2015 Weed Abatement Program and Consideration of Any Objections**  
 (M. Lowry)

*Confirming the 2015 Weed Abatement Report will allow property owners to be assessed through the County Tax Assessor for the amount incurred by the contractor for the removal of hazardous weeds and rubbish. Fire Prevention Services, Inc. has provided weed abatement services to the property listed in the 2015 Weed Abatement Report and billed the property owners. Fire Prevention Services, Inc. is unable to collect the amount incurred for the abatement.*

**CURRENT BUSINESS**

**Amendment of Emerald Gardens Loan Agreements**  
 (B. Redlitz)

*Emerald Gardens has been operated as affordable housing by 11<sup>th</sup> Avenue Townhomes Associates since 1998. The initial 15-year tax credit partnership has dissolved as anticipated in the partnership agreements. The General Partner, San Diego SERS/Jobs for Progress, has requested that the City allow the assumption of existing affordable housing loans (totaling \$666,400) by the General Partner to facilitate the continued operation of Emerald Gardens for the full 55 year term loan agreement.*

**Designation of Voting Delegates and Alternatives – League of California Cities**  
 (D. Halverson)

*The League's 2015 Annual Conference is scheduled for September 30 – October 2, 2015 in San Jose. At the Annual Business Meeting the League membership considers and takes action on resolutions that establish League policy. In order to vote at the Annual Business Meeting, the City Council must designate a voting delegate. The City Council may also appoint up to two alternative voting delegates, one of whom may vote in the event that the designated voting delegate is unable to serve.*

**Future Agenda Items (D. Halverson)**



# City Manager's **WEEKLY UPDATE** to City Council

June 17, 2015

## **ECONOMIC DEVELOPMENT**

This weekend Ryan Park will host the annual Kickin' It Challenge Breast Cancer soccer tournament from June 19<sup>th</sup> to June 21<sup>st</sup>. This is our most spirited soccer tournament with a great cause to raise funds and awareness for breast cancer. There will be 110 youth boys and girls teams from under 17 to under 8 age groups. We will see approximately 3,000 players and spectators in the Ryan Park area over the weekend.

## **SPECIAL EVENTS**

- No special events scheduled this weekend.
- For information about activities taking place in Escondido, please visit [www.visitescondido.com](http://www.visitescondido.com)

## **CALIFORNIA PAID SICK LEAVE ACT**

The California Paid Sick Leave Act (AB 1522) went into effect on January 1, 2015. The law states that employees who work for an employer in the State of California for 30 days or more within a year are eligible to receive paid sick leave accruals as of July 1, 2015. Agencies can continue to implement traditional sick leave policies as long as those policies provide the minimum requirements of the law. The current City of Escondido sick leave policy for regular employees exceeds the minimum requirements of AB 1522. Therefore, no modifications are needed to the sick leave accrual method for regular employees.

Regarding temporary part-time employees, those employees do not currently receive sick leave accruals. Per the new law and effective July 1, 2015, part-time employees will receive a lump-sum deposit of 24 hours (or three of their work days) of sick leave each year. Part-time employees hired after July 1<sup>st</sup> will receive the same deposit upon hire. Employees are eligible to use those hours after 90 days of employment, and will receive a new deposit every July 1<sup>st</sup>. There is no annual carry-over or cash-out value for unused sick leave. Human Resources representatives have met with all departments regarding this change, and have developed a new guideline booklet for part-time employees and their supervisors which is available on the Intranet at:

[https://intranet.escondido.org/Data/Sites/8/media/pdfs/Part Time Class and Benefits Plan Guidelines 2015 \(2\).pdf](https://intranet.escondido.org/Data/Sites/8/media/pdfs/Part Time Class and Benefits Plan Guidelines 2015 (2).pdf)

# City Manager's **WEEKLY UPDATE** to City Council

## IMPEDIMENTS TO FAIR HOUSING CHOICE REPORT

The County of San Diego and the jurisdictions within the San Diego region, including the City of Escondido, contracted with Veronica Tam and Associates (VTA) to assist with the development the 2015-2020 Regional Analysis of Impediments to Fair Housing Choice. Preparation of the document included an extensive community outreach process; the review of previous planning documents and random fair housing test results; and interviews with municipal staff, housing providers, fair housing providers and oversight agencies.

The Analysis of Impediments to Fair Housing Choice (commonly known as the "AI"), presents a demographic profile of San Diego County, assesses the extent of housing needs among specific income groups, and evaluates the range of available housing choices for residents. The AI also analyzes the conditions in the private market and public sector that may limit the range of housing choices or impede a person's access to housing. More importantly, this AI identifies impediments that may prevent equal housing access and develops solutions to mitigate or remove such impediments.

The complete document is now available on both the Neighborhood Services and Housing Division web pages of the City's web site.

## COMMUNITY DEVELOPMENT

### Planning:

- SANDAG has released updated demographic information showing the City's 2014 population grew by 0.8% to 147,095 (see attached).
- Staff met with representatives from the County of San Diego Department of General Services regarding the proposed crisis center on the County-owned property at 600-620 E. Valley Parkway. The project involves the demolition of one of the three existing buildings to enable construction of a 6,500 SF, 16-bed facility for short-term treatment of individuals with acute illness; the use of the remaining two buildings has not yet been determined. Staff discussed appropriate public improvements and the need to relocate the existing parking and APCD weather monitoring station located offsite within the Escondido Creek Channel levee. The project is on a fast-track schedule with a move-in target date of April 2016.
- Staff continues to monitor major development applications that are currently being processed to assess their entitlement status in light of pending and more restrictive storm water requirements that the Regional Water Quality Control Board (RWQCB) requires be adopted by the City on or before December 24, 2015. Staff anticipates a heavy workflow from developers who have expressed an interest in starting grading of their projects prior to December 24th in order to be subject to current requirements. Staff is taking a proactive approach to discuss processing timelines with existing

# City Manager's WEEKLY UPDATE to City Council

applicants and providing guidance to applicants on what they can do to meet their desired goals. The final RWQCB workshop on “prior lawful approval” (to define what projects can proceed under the existing permit) is on June 30th.

- Major Projects Update:

- Oak Creek (NUW) –LAFCO staff has recommended that the proposed annexation boundary be expanded to include a roadway segment of Hamilton Lane between Bernardo and Felicita Avenues. This road segment does not meet City standards. Staff has sent a letter to LAFCO providing justification to support City’s staff’s recommendation to eliminate the proposed expansion of the annexation boundary. A LAFCO hearing date has not yet been scheduled. Staff met to with the developer to discuss the permit submittal and plan check process, particularly regarding their timing expectations in anticipation of the new storm water requirements.
- Amanda Estates (NUW) – LAFCO staff has reviewed the two annexation applications for completeness and sent a letter identifying the additional information needed to process the Amanda Estates annexation and the associated annexation for the “Disadvantaged Unincorporated Community” (DUC) properties. No further action is anticipated for the DUC annexation. A LAFCO hearing date has not yet been scheduled. Staff has met with the developers regarding their expectations and timing of submittals in anticipation of the new storm water requirements.
- Centerpointe 78 Commercial – Staff is reviewing sections of the screen check EIR as they become available. The additional traffic analysis of the alternative traffic mitigation measures proposed by the applicant is underway and anticipated to be submitted next week.
- North Broadway Deficiency Area Projects – Staff continues to coordinate with the various development teams regarding the design of infrastructure improvements and has taken a proactive approach with County staff on review of required improvements within the unincorporated area. Street improvement plans for Lehner Ave. are being prioritized to allow construction to occur this summer while school is not in session. A grading permit has been issued for Lennar’s “Pradera” project and building permit applications for the model homes have been submitted. Staff is working with the applicant to resolve setback issues relating to the location of the perimeter walls. The applicant is coordinating with the San Diego County Water Authority which has raised concerns regarding the construction of the waterline improvements (required by the development agreement) within the SDCWA easement. The Zenner annexation application is under review by LAFCO.
- Kaen Planned Development (2516 S. Escondido Blvd.) – Revised plans were submitted on June 4<sup>th</sup> and are under review for completeness. The redesign eliminates 3 units (total number of units is now 65 units) to provide improved emergency access and provide additional opportunity for landscaping along the long entry drive.
- Wohlford – A letter has been sent for the proposed 55-unit residential subdivision and planned development at 661 Bear Valley Parkway advising the applicant that

# City Manager's WEEKLY UPDATE to City Council

the application is incomplete and identifying the necessary submittals to continue processing the application. The applicant is coordinating with staff regarding a Specific Alignment Plan for Bear Valley Parkway and is conducting technical studies which are anticipated to be submitted in three weeks. The applicant indicates their preference to prepare an EIR, which will be determined upon submittal of the complete application and review of the technical studies.

- Latitude II – Staff continues to work diligently with the applicant's design team to identify and evaluate solutions on site planning issues. While some of the applicant's submittal deadlines have slipped, staff has provided a quick turnaround on review of the resubmittals once received. A revised Fire Master Plan is under review. The applicant continues to negotiate with the owners of adjacent properties regarding several issues that affect their proposed site plan, parking and sewer improvements. An alternative site plan has been provided to demonstrate a feasible plan if the negotiations regarding the motel sign along Centre City Parkway are not successful. However, the proposed plan relies upon the relinquishment and/or relocation of access and sewer easements across the property's southeast perimeter to construct the proposed project; these private party negotiations are still underway. Additional analysis is needed to complete the Water Quality Technical Report. The applicant recognizes that these issues must be resolved in order to the project to proceed through the CEQA and hearing process. Staff has provided comments on the draft traffic study and negative declaration prepared by the applicant's consultant.
- Shea Homes has submitted a revised map for substantial conformance review and determination for the 179-lot residential subdivision known as Hidden Valley Ranch (Tract 923). Revisions to the Water Quality Technical Report and documentation from Vista Irrigation District (VID) concurring with the proposed relocation of the water line are needed to make this determination. A revised plan for the internal park acreage is under review. While the Precise Plan has not yet been submitted, the applicant has identified approximately 9 lots where the proposed units do not meet setback requirements of the planned development. Staff met with the developer to discuss the schedule and timeline for submittals. Rough grading plan submittal is anticipated by the end of June.
- Concordia Homes submitted a draft Specific Plan and tentative subdivision map for the Safari Highlands project for conceptual review prior to their formal application submittal. The project includes annexation and Sphere of Influence update for the 1,098 acres site and a subdivision to create 550 residential lots in seven neighborhoods, with lot sizes ranging from 7,663 SF to 4.76 acres. Staff working on consultant agreements to provide extension of staff services to process the anticipated application; execution of the contracts is needed prior to submittal of a formal application. The applicant is coordinating with LAFCO regarding anticipated requirements and study area for a Sphere of Influence update.
- Felicita Development, LLC has submitted a Planned Development application for the vacant 6.9 acre property at the southeast corner of Felicita Rd. and Gamble Lane. The proposed project includes the phased development of a 140-unit hotel, an 80-

# City Manager's WEEKLY UPDATE to City Council

unit extended stay hotel, a 120-bed assisted living facility and a gas station. The application is under review for completeness.

- Revised plans submitted for EDI's proposed CUP expansion are under review. The project is tentatively scheduled for Planning Commission hearing on August 11<sup>th</sup>.

## **Building Division:**

- The Building Division issued 68 permits for the week with a total valuation of \$598,438.
- 29 photovoltaic permits were issued for the week. Building has issued 493 permits so far this year compared to 246 issued at the same time last year.
- Inspections and counter contacts remain steady with inspections averaging 30 per day with 18 on Friday and counter contacts averaging 38 per day with 26 on Friday.

## **Code Enforcement:**

- As of June 15th, the total number of open code enforcement case is 359 cases, with a backlog of an additional 84 cases not yet opened for assignment and investigation. During the prior week, 88 new cases were opened, 107 cases were closed and a total of 82 signs were removed. Staff processed 3 public records requests (PRR) last week, bringing the year-to-date total to 68 requests. Recruitment is underway for one full-time and three part-time vacant officer positions to assist with the backlog.
- Last week the Business License Division received 37 new applications and 99 renewals, and issued 65 new licenses.
- In an effort to improve customer service and interdepartmental coordination for restaurants and other businesses that sell, serve or manufacture food, the Business License Renewal Notice has been revised to include information regarding the City's Fats, Oils and Grease Program (FOG) addressing requirements for wastewater pretreatment and inspection (see attached).
- The Roynon Museum of Paleontology has signed a lease for the property at 457 East Grand Avenue for the new home of the museum collection. Staff has conducted a courtesy inspection to identify potential tenant improvements and permits needed to accommodate the proposed use. Once they are ready to open, their plan at this point, is to be open only to school children during the week and then open to the public on the weekends.

## **CAPITAL IMPROVEMENTS**

# City Manager's **WEEKLY UPDATE** to City Council

## **Potential SANDAG Funding**

SANDAG staff is recommending two Escondido projects for competitive grant funding. The first project, to install a pedestrian bridge and widen Valley Parkway adjacent to the Transit Station is recommended for Smart Growth Incentive Program Funding. The second project, a signalized pedestrian crossing of El Norte at the Escondido Creek Trail is recommended for Active Transportation funding. If approved by the SANDAG Board of Directors, Escondido will receive over \$1.6M in grant funding. Congratulations to Karen Youel, Management Analyst, for her terrific work coordinating the grant application packages. The rankings will be discussed at the June 19th Transportation Committee meeting

## **FY 2014-2015 Street Rehabilitation Project:**

The concrete subcontractor has completed all removal items. The asphalt contractor is finalizing paving efforts along 5<sup>th</sup> Avenue between Escondido Boulevard and Kalmia Avenue. Final roadway striping and legends are being placed throughout the project area this week. This project is creating managed bike lanes along Mission Avenue between Midway Drive and Rose Street, 9<sup>th</sup> Avenue between Spruce Street and Maple Street and 5<sup>th</sup> Avenue between Escondido Boulevard and Centre City Parkway.

## **Private Development**

### **Bear Valley Parkway between Boyle Avenue and San Pasqual Valley Road (County Project):**

The contractor has closed the intersection at Idaho Avenue and Bear Valley Parkway to through traffic. The work is proceeding but the reopening of the intersection is not expected during this week due to ongoing construction. The underground contractor has poured a portion of the wall segments for the new retaining wall. This activity will continue into next week.

### **2412 South Escondido Boulevard:**

The construction of the new on site water main is now moving into the testing stage this week.

### **Pradera - Lennar Communities:**

The demolition of existing structures is ongoing. The truck haul route has been approved. The project calls for importing 140,000 cubic yards of dirt which will equal 450 truck trips along the approved route daily. Processing of permits and traffic control are the order of work for this phase of construction. The grading contractor is preconditioning the soil by placing large rain bird sprinklers on the site to obtain the correct moisture content for compaction of the dirt material.

## **Private Development – Current Plan Reviews**

# City Manager's **WEEKLY UPDATE** to City Council

## **Pradera by Lennar (5 Tracts in Lehner/Stanley/Ash block):**

Lennar Homes has purchased 5 separate Approved SFD Tentative Maps (Tracts 889, 894, SUB13-0003, SUB13-0010, SUB13-0011) and began processing Final Engr. plans at the start of 2015.

- A combined Rough Grading plan for all 5 Tentative Maps was approved on 5/18, and the Grading Permit was issued shortly thereafter.
- A revised Traffic Study for proposed fill material) haul routes and daily truck trips has been deemed complete and has established the criteria to begin hauling in fill.
- The second review of the 7 sets of Improvement plans (1-perimeter, 5-onsite for each TM, 1-offsite mitigation) was completed and returned to the engineer on June 8<sup>th</sup>.
- We are working with Lennar and their engineer to have the Lehner Ave. improvements completed during Rincon MS summer break, by separating out the Lehner Ave. improvement plan sheets for quicker approval.
- The Final Map(s) have not been submitted yet.

## **Tract 951 – Jacks Creek Place:**

This project is a 12 lot residential subdivision located near Eureka Ranch.

- The first review of the Final Map, Grading and Improvement plans, and the WQTR was completed and returned to the applicant on 5/27.

## **St. Mary's Community Center:**

This project is the 1<sup>st</sup> phase of the St. Mary's Expansion Master Plan. A single large structure behind the existing sanctuary is proposed. Included in this structure are a large multi-use meeting hall, kitchen, offices, a covered basketball/sport court, and large covered patio areas.

- The 6<sup>th</sup> review of the Grading plan was completed and returned to the Engineer on June 4<sup>th</sup>.
- The WQTR has been approved.
- The 6<sup>th</sup> review of the Waterline Improvement plans was completed and returned to the Engineer on June 9<sup>th</sup>.
- The Bonds and plan check fee balances were posted/paid on June 5<sup>th</sup>.

## **Tract 932 – Hidden Valley Ranch:**

This project is a 179 lot residential subdivision located at the ends of Vista Ave. and Vista Verde Dr. and will connect them when developed. Shea Homes has acquired this project and has begun final engineering.

- A 2<sup>nd</sup> submittal of the Substantial Conformance Tentative Map has been made and all Depts. have begun their review of it. Still awaiting a revised WQTR.
- The offsite street improvement plans for the intersection of Vista Ave. & Ash St. were submitted for 1<sup>st</sup> review on 4/23 and this review is expected to be completed in the next week.



# City Manager's **WEEKLY UPDATE** to City Council

- The offsite Traffic Signal plans for the intersections of El Norte Pkwy & Vista Verde Dr. and Ash St. & Sheridan Ave. together with the addition of Traffic Signal plans for the intersection of Vista Ave. & Ash St. were resubmitted for 1<sup>st</sup> review on 5/15 and this review is expected to be completed in the next week. All 3 intersections were field checked and numerous utilities need to be shown at each.

## **PUBLIC SAFETY**

### **Police:**

#### **Incidents:**

- On 06-09-15, officers responded to the 1000 block of N. Gamble St regarding numerous gunshots being fired. Upon arrival, officers located a male shooting victim with a gunshot wound to the head. The victim was transported to the hospital where he later succumbed to his injuries. On 06-10-15, EPD detectives were able to locate one of the suspects involved in the homicide. The suspect was taken into custody without incident. This investigation is ongoing.
- On 06-10-15, EPD detectives arrested an adult male suspect who traveled to Escondido in order to engage in sex acts with a thirteen year old girl. The suspect had unwittingly been communicating with an undercover detective. The suspect was arrested without incident and no minors were ever actually involved.
- On 06-10-15, a male suspect entered Palomar Medical Center- West and stated that he had a bomb that would detonate within 30 minutes. The male was detained and it was determined that he suffers from mental health issues and was recently released from the hospital. No bombs or other devices were located at the hospital.
- On 06-11-15, officers responded to the area of Mission Ave and Fig St regarding a subject breaking into multiple cars. Officers located the suspect and arrested him on multiple theft, vandalism, and burglary charges.

## **EVENTS**

- Last Friday, Lt. Justin Murphy graduated from the FBI's National Academy (Class 260) in Quantico, VA. Asst. Chief Benton attended the graduation ceremony. The FBI National Academy is an intensive ten week live-in training course for police managers and leadership.

# City Manager's WEEKLY UPDATE to City Council



- Last Saturday, Sgt. Chris Lick graduated from the Sherman Block Supervisory Leadership Institute (Class 365). Capt. Stuard attended the graduation ceremony. SBSLI is a leadership course that takes place over a period of eight months. Police sergeants from all agencies throughout the state participate in the SBSLI program.
- Several EPD officers competed in the United States Police & Fire Championships in San Diego from May 30 to June 6. The Championships are an Olympics style competition with over 40 sports where first responders from across the nation participate. Officer Kolhof, Officer Perkins, Det. Martinez, and Sgt. Miller all competed in various sports. Officer Kolhof and Sgt. Miller both took Gold Medals in their events.
- On Friday night, June 5th, officers from the Escondido Police Department participated in a DUI Saturation Patrol. Officers assigned to this detail made 53 traffic stops and conducted 6 Field Sobriety Tests. During the evening, two drivers were arrested for DUI. Two drivers were arrested for outstanding arrest warrants and one driver was arrested for possession of a controlled substance for sale. 8 drivers were cited for being unlicensed or having a suspended license. 9 vehicles were impounded.

###

DEMOGRAPHIC & SOCIO ECONOMIC ESTIMATES  
Jurisdictions  
Escondido



Jan 1, 2014

Total Population	147,095
Household Population	144,967
Group Quarters Population	2,128
Persons Per Household	3.12

HOUSING AND OCCUPANCY

	Total Housing Units	Households	Vacancy Rate
Total Housing Units	48,468	46,426	4.2%
Single Family - Detached	22,800	22,106	3.0%
Single Family - Multiple-Unit	4,955	4,819	2.7%
Multi-Family	16,974	15,971	5.9%
Mobile Home and Other	3,739	3,530	5.6%

HOUSEHOLD INCOME

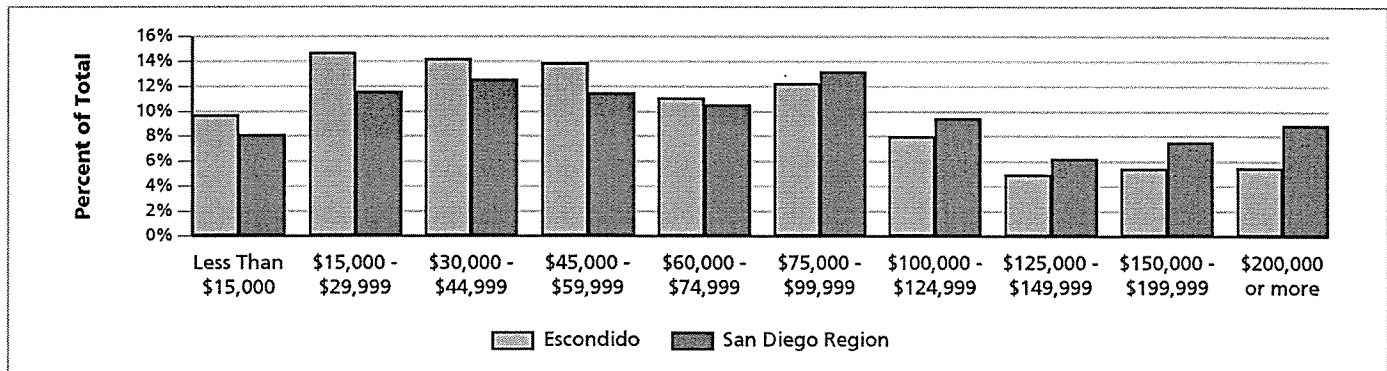
Households by Income Category (2010 \$, adjusted for inflation)

	Less than \$15,000	\$15,000-\$29,999	\$30,000-\$44,999	\$45,000-\$59,999	\$60,000-\$74,999	\$75,000-\$99,999	\$100,000-\$124,999	\$125,000-\$149,999	\$150,000-\$199,999	\$200,000 or more
% of Total	10%	15%	14%	14%	11%	12%	8%	5%	5%	6%

Median Household Income

2014

Adjusted for Inflation (2010 \$)	\$57,181
Not adjusted for inflation (current 2013\$)	\$60,641



IMPORTANT ADVISORY:

Caution should be taken when using data for small population groups, particularly at small levels of geography. Minor adjustments were made (such as correcting the location of housing units that were erroneously allocated by the Census Bureau to roads and open space) to more accurately reflect the region's true population and housing distribution.

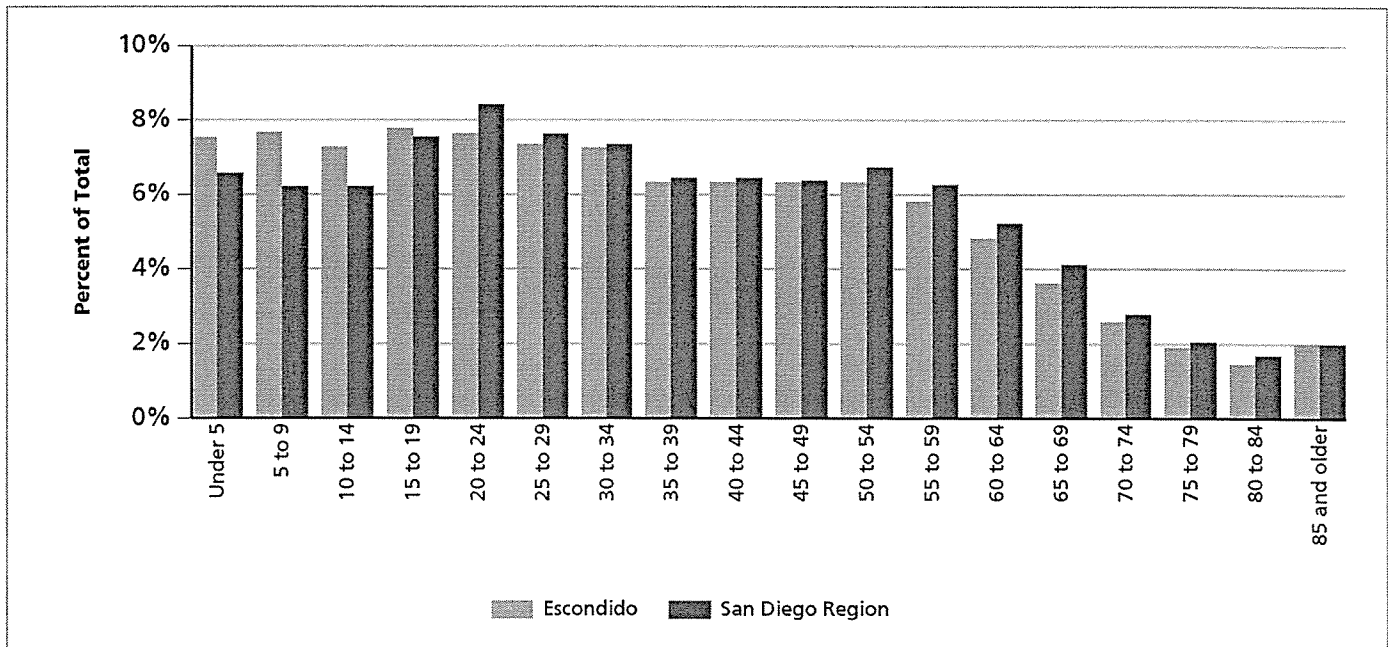
In addition, Census 2010 does not include information about structure type or household income. Those details and other demographic estimates shown here are developed from other sources, including the California Department of Finance E-5 estimates for cities and the County of San Diego; San Diego County Assessor Records, vital events records from the California Department of Health, and income data from the U.S. Census Bureau American Community Survey.

Caution should always be taken when using data for small population groups, particularly at small levels of geography.

## POPULATION BY GENDER AND AGE

	Total	Male	Female	Percent Female
Total Population	<b>147,095</b>	72,669	74,426	51%
Under 5	11,093	5,699	5,394	49%
5 to 9	11,291	5,726	5,565	49%
10 to 14	10,706	5,438	5,268	49%
15 to 17	6,673	3,516	3,157	47%
18 and 19	4,768	2,437	2,331	49%
20 to 24	11,217	5,636	5,581	50%
25 to 29	10,799	5,441	5,358	50%
30 to 34	10,675	5,366	5,309	50%
35 to 39	9,331	4,660	4,671	50%
40 to 44	9,318	4,561	4,757	51%
45 to 49	9,306	4,677	4,629	50%
50 to 54	9,303	4,585	4,718	51%
55 to 59	8,559	4,178	4,381	51%
60 and 61	3,142	1,484	1,658	53%
62 to 64	3,927	1,861	2,066	53%
65 to 69	5,325	2,453	2,872	54%
70 to 74	3,803	1,735	2,068	54%
75 to 79	2,797	1,267	1,530	55%
80 to 84	2,134	855	1,279	60%
85 and older	2,928	1,094	1,834	63%
Under 18	39,763	20,379	19,384	49%
65 and older	16,987	7,404	9,583	56%
Median Age	33.3	32.3	34.3	N/A

## POPULATION BY AGE



POPULATION BY RACE, ETHNICITY AND AGE

	Non-Hispanic					
	Hispanic	White	Black	American Indian	Asian & Pacific Isl.	All Other
Total Population	<b>74,702</b>	57,177	2,638	<b>585</b>	<b>8,823</b>	<b>3,170</b>
Under 5	7,157	2,881	159	33	532	331
5 to 9	7,667	2,498	200	46	440	440
10 to 14	7,186	2,478	167	32	526	317
15 to 17	4,363	1,728	103	16	282	181
18 and 19	2,991	1,350	83	6	215	123
20 to 24	6,938	3,302	193	42	449	293
25 to 29	6,118	3,628	200	46	578	229
30 to 34	6,171	3,406	198	34	684	182
35 to 39	5,492	2,817	171	37	628	186
40 to 44	5,224	3,082	188	45	639	140
45 to 49	4,642	3,577	228	34	659	166
50 to 54	3,474	4,750	194	41	680	164
55 to 59	2,582	4,923	209	40	677	128
60 and 61	824	1,941	53	19	261	44
62 to 64	944	2,512	65	26	332	48
65 to 69	1,103	3,628	91	26	418	59
70 to 74	748	2,665	36	16	300	38
75 to 79	479	2,005	34	19	213	47
80 to 84	299	1,604	24	13	179	15
85 and older	300	2,402	42	14	131	39
Under 18	26,373	9,585	629	127	1,780	1,269
65 and older	2,929	12,304	227	88	1,241	198
Median Age	25.9	47.0	35.5	40.1	40.6	23.3



## BUSINESS LICENSE RENEWAL NOTICE

NEW LICENSE PERIOD IS: **04/01/2016 - 03/31/2017**

**PAYMENT  
IS DUE  
4/1/2016**  
*Penalties apply after  
4/30/2016*

### IMPORTANT INFORMATION

The Intent of this memorandum is to provide information regarding the implementation of a mandatory surcharge imposed by the State of California as required by SB1186, (Disabled Access Law), as well as the City of Escondido's Fat, Oil and Grease (FOG) Program.

#### **SB1186 - Disabled Access Law, Enacted in 2012:**

The primary intent of this bill was to limit the liability of businesses to lawsuits under the Americans with Disabilities Act (ADA). A component of this bill bolsters the Certified Access Specialist Program (CASP) administered by the State Architect and local Governments. This legislation also imposes a \$1 fee on "any applicant for a local business license or equivalent instrument or permit, or renewal thereof." All businesses are subject to this fee including: rental properties, out-of-town businesses, home-based businesses, contractors, exempt businesses and non-profits.

In order to comply with the legal mandates of SB1186, the City of Escondido charges an additional \$1 fee on business license renewals, new business applications, and similar licensing and certification instruments of the 2013-2018 calendar years.

#### **City of Escondido - Fats, Oil and Grease (FOG) Program:**

Restaurants and other businesses that sell, serve, produce and manufacture food products must install and maintain FOG removal equipment, such as clarifiers, interceptors and grease traps. Installation requires permits and inspection from the Building and Pretreatment Divisions. Additionally, any business considered a potential source of FOG release into the sewer system is inspected at least twice a year during unannounced visits.

The FOG program is essential in protecting the City of Escondido's sanitary sewer system from obstructions which can block wastewater flow and result in an overflow of sewage into businesses and residences, as well as cause harm to the environment.

This compliance program is maintained, in part, by sewer service fees paid annually by all food service establishments with Class II Industrial User Permits. Violations of the program may result in citations and fines. Businesses can also be charged for costs such as repair or clean-up from system blockages or overflows caused by their violation of the program.

If you have questions or concerns regarding this program, experience or witness an illegal discharge, immediately contact the City of Escondido Pretreatment Division at 760-839-4668.