



# Council Meeting Agenda

**JUNE 26, 2013**

**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>Olga Diaz</b>
COUNCIL MEMBERS	<b>Ed Gallo</b> <b>John Masson</b> <b>Michael Morasco</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 26, 2013  
4:30 P.M. Meeting**

**Escondido City Council  
MOBILEHOME RENT REVIEW BOARD**

## **CALL TO ORDER**

### **MOMENT OF REFLECTION:**

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

### **FLAG SALUTE**

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

**PRESENTATIONS:** July is Parks and Recreation Month  
North Coast Hospice

## **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.

## COUNCIL MEMBERS' REPORTS/BRIEFING

## 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. **FOURTH AMENDMENT TO PUBLIC SERVICES AGREEMENT WITH REDWOOD SENIOR HOMES AND SERVICES FOR MEAL SERVICE AND BUDGET ADJUSTMENT -**

Request Council authorize the Mayor and City Clerk to execute a Fourth Amendment to Public Service Agreement with Redwood Senior Homes and Services Town Court, to provide meals for the Nutrition Program offered at the Joslyn Senior Center for an additional year (July 1, 2013 through June 30, 2014) in an amount not to exceed \$110,000.

Staff Recommendation: **Approval (Community Services: Loretta McKinney)**

RESOLUTION NO. 2013-87

5. **FOURTH AMENDMENT TO PUBLIC SERVICE AGREEMENT WITH REDWOOD SENIOR HOMES AND SERVICES FOR SENIOR TRANSPORTATION -**

Request Council authorize the Mayor and City Clerk to execute a Fourth Amendment to Public Services Agreement with Redwood Senior Homes and Services to provide transportation services for the Senior Nutrition Program for an additional year (July 1, 2013 through June 30, 2014), not to exceed \$144,900.

Staff Recommendation: **Approval (Community Services: Loretta McKinney)**

RESOLUTION NO. 2013-86

6. **SENIOR NUTRITION SERVICES CONTRACT WITH THE COUNTY OF SAN DIEGO -**

Request Council authorize the Director of Library and Community Services to enter into an agreement with the County of San Diego to provide senior nutrition services at the Escondido Senior Center. The original grant agreement provides for the annual payment from the County to be extended for an additional three (3) years beyond the initial term which began on July 1, 2010.

Staff Recommendation: **Approval (Community Services: Loretta McKinney)**

RESOLUTION NO. 2013-80

7. **WRITE-OFF OF CITY RECEIVABLES -**

Request Council approve the write-off of various receivables.

Staff Recommendation: **Approval (Finance Department: Gilbert Rojas)**



8. **ANNUAL SUBMISSION OF THE CITY OF ESCONDIDO'S INVESTMENT POLICY -**

Request Council approve the City of Escondido's Investment Policy dated June 2013.

Staff Recommendation: **Approval (City Treasurer's Office: Kenneth C. Hugins)**

RESOLUTION NO. 2013-83

9. **FISCAL YEAR 2014 CALIFORNIA OFFICE OF TRAFFIC SAFETY SOBRIETY CHECKPOINT GRANT AND BUDGET ADJUSTMENT -**

Request Council authorize the Escondido Police Department to accept a FY 2014 Sobriety Checkpoint Mini-grant from the Office of Traffic Safety in the amount of \$184,000; 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: Cory Moles)**

10. **FISCAL YEAR 2014 STATE OF CALIFORNIA OFFICE OF TRAFFIC SAFETY SELECTIVE TRAFFIC ENFORCEMENT GRANT AND BUDGET ADJUSTMENT -**

Request Council authorize the Escondido Police Department to accept a FY 2014 State of California Office of Traffic Safety (OTS) Selective Traffic Enforcement Grant in the amount of \$106,110; 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: Cory Moles)**

11. **FISCAL YEAR 2013-14 DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL LOCAL LAW ENFORCEMENT GRANT AND BUDGET ADJUSTMENT -**

Request Council authorize the Chief of Police to receive a \$54,526 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.

Staff Recommendation: **Approval (Police Department: Cory Moles)**

RESOLUTION NO. 2013-84

12. **LEASE AGREEMENT WITH ESCONDIDO EDUCATION COMPACT AT 220 SOUTH BROADWAY AND BUDGET ADJUSTMENT -**

Request Council authorize the Real Property Manager and City Clerk to execute a Lease Agreement with the Escondido Education Compact at 220 South Broadway; and approve a budget adjustment to increase the Office Automation Fund 2013/14 budget to pay for data networking costs related to this lease in the amount of \$22,600.

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

RESOLUTION NO. 2013-78

13. **AWARD PURCHASE OF FUEL -**

Request Council approve the purchase of fuel for the City of Escondido's fleet through a cooperative purchase agreement with the City of San Diego, pursuant to Escondido Municipal Code section 10-90.

Staff Recommendation: **Approval (Public Works/Fleet Services: Ed Domingue)**

RESOLUTION NO. 2013-88

14. [NOTICE OF COMPLETION FOR TRACT 858 PARAMOUNT -](#)  
Request Council approve and accept the public improvements and authorize staff to file a Notice of Completion for Tract 858 Paramount.  
Staff Recommendation: **Approval (Public Works/Engineering: Ed Domingue)**
15. [NOTICE OF COMPLETION FOR TRACT 926 THE VENUE -](#)  
Request Council approve and accept the public improvements and authorize staff to file a Notice of Completion for Tract 926 The Venue.  
Staff Recommendation: **Approval (Public Works/Engineering: Ed Domingue)**
16. [EMPLOYMENT AGREEMENTS - CITY MANAGER AND CITY ATTORNEY -](#)  
Recommend Council authorize the Mayor and City Clerk to execute, on behalf of the City, employment agreements with the City Manager and City Attorney.  
Staff Recommendation: **Approval**

RESOLUTION NO. 2013-94

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

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

## **PUBLIC HEARINGS**

17. [SHORT-FORM RENT INCREASE APPLICATION FOR CAREFREE RANCH MOBILEHOME PARK \(FILE NUMBER 0697-20-9936\) -](#)  
Request Council consider the short-form rent increase application submitted by Carefree Ranch Mobilehome Park; and if approved, grant an increase of seventy-five percent (75%) of the change in the Consumer Price Index, or 1.163% (an average of \$5.50) for the period of December 31, 2011 to December 31, 2012.  
Staff Recommendation: **Approval (Community Development/Housing: Barbara Redlitz)**  
RESOLUTION RRB NO. 2013-04
18. [REQUEST TO MODIFY THE CONDITIONS OF APPROVAL FOR THE PREVIOUSLY APPROVED BERNARDO-YOUNG ANNEXATION – CASE NO. PHG 13-0009 -](#)  
- The applicant requests a modification to the Conditions of Approval for a proposed annexation related to the timing of improving Vereda Callada, a sub-standard County road. LAFCO is requiring the City of Escondido to include Vereda Callada as part of the annexation of the three unincorporated properties since one of the three lots takes access from that road. The City's condition requires improvement plans for Vereda Callada to be approved by the City, additional environmental review completed and all improvements bonded prior to completion of the annexation. The applicant requests that the improvement plans, environmental review and the

bonds be required later, prior to occupancy of the future development of the two vacant parcels adjacent to Bernardo Avenue.

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

RESOLUTION NO. 2013-75

## CURRENT BUSINESS

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

-

Request Council designate a voting delegate, and up to two alternates, to represent the City of Escondido at the business meeting to be held during the League of California Cities Annual Conference, September 18-20, 2013 in Sacramento.

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

## WORKSHOP

**20. PRELIMINARY CITY COUNCIL ACTION PLAN - ECONOMIC DEVELOPMENT -**

Request Council provide direction to staff on the proposed content of the Economic Development Element of the 2013-2014 City Council Action Plan.

Staff Recommendation: **Provide direction to staff (City Manager's Office: Joyce Masterson)**

**21. WORKSHOP CONCERNING POLICIES FOR UPGRADING DOWNTOWN WATER AND WASTEWATER UTILITIES INFRASTRUCTURE -**

Request Council receive and file the presentation and make no changes to the policies governing upgrades (i.e., capacity increases) to downtown water and wastewater infrastructure.

Staff Recommendation: **Receive and file (Utilities Department: Christopher McKinney)**

## FUTURE AGENDA

**22. 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)**

## ORAL COMMUNICATIONS

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

## ADJOURNMENT

<b>UPCOMING MEETING SCHEDULE</b>				
<b>Date</b>	<b>Day</b>	<b>Time</b>	<b>Meeting Type</b>	<b>Location</b>
July 3	-	-	No Meeting	-
July 10	-	-	No Meeting	-
July 17	-	-	No Meeting	-
July 24	Wednesday	3:30 & 4:30 p.m.	Council Meeting	Council Chambers

## TO ADDRESS THE COUNCIL

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

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

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

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

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

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

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

### LIVE BROADCAST

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

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

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

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

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



*If you need special assistance to participate in this meeting, please contact our ADA Coordinator at 839-4641. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility.*

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

## CITY COUNCIL

For City Clerk's Use:

**APPROVED**       **DENIED**

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

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

**Agenda Item No.: 4**

**Date: June 26, 2013**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Karen Williams, Older Adult Services Manager  
**SUBJECT:** Fourth Amendment to Public Service Agreement with Redwood Senior Homes and Services for Meal Service

RECOMMENDATION:

It is requested that City Council adopt Resolution No. 2013-87 authorizing the Mayor and City Clerk to execute a Fourth Amendment to Public Service Agreement with Redwood Senior Homes and Services (RSHS) Town Court, to provide meals for the Nutrition Program offered at the Joslyn Senior Center for an additional year (July 1, 2013 through June 30, 2014) in the amount not to exceed \$110,000.

FISCAL ANALYSIS:

Funding for senior meals is included in the FY 2013-2014 Senior Nutrition budget in the amount of \$91,415. Additionally, Council has approved \$45,125 in CDBG funding for the Senior Nutrition Program for FY 13-14, of which \$18,585 will pay for senior meals.

The City will be awarded a nutrition grant through the County of San Diego Aging and Independence Services which commences July 1, 2013. This grant will offset the cost of the senior nutrition program. Due to sequestration, the County has delayed confirmation of the contract amount. However, they have informed staff that there will be a reduction in the grant amount from FY 12-13, which reimbursed up to \$123,304 for meal service.

PREVIOUS ACTION:

The City Council approved the original agreement with Redwood Senior Homes and Services Town Court by adopting Resolution 2009-88 on June 24, 2009.

BACKGROUND:

The premise of the Senior Nutrition Program is to offer seniors nutritionally balanced meals in a congregate setting to increase health through proper nutrition and stave off isolation. The Escondido Senior Center has offered this program Monday through Friday for over 38 years.

In order to operate a successful program for Escondido seniors, the Senior Nutrition Program has been developed based on two components, transportation and meal service. The meal service component offers seniors the opportunity to enjoy a well-balanced meal and dine in positive uplifting atmosphere that encourages social interaction. Senior ages 60 and older were served 24,610 meals in FY 10-11 and 23,899 meals in FY 11-12. By the end of FY 13-14 over 22,000 meals will be served.

In 2008, with a grant from the Escondido Charitable Foundation, the Senior Nutrition Program expanded meal service to include Friday frozen meals for low-income seniors. This program was started when it came to the attention of staff that several low-income seniors, who relied on the Senior Nutrition Program Monday through Friday, did not have enough income to feed themselves during the weekends. This program called "Park Avenue Café at Home" is an extension of the on site Senior Nutrition Program, which is known to the senior community as the Park Avenue Café. The County will also reimburse the City for these take home meals.

Staff attributes the popularity of the Senior Nutrition Program to the strained economy, soaring food and transportation costs, and the reality that most seniors live on limited or fixed incomes. Additionally, the County grant stipulates that seniors age 60 and older are asked only for a suggested donation and cannot be turned away due to the lack of ability to donate. This increases access for many of our low-income seniors.

By offering low-income seniors accessibility to good nutrition in a positive environment, the Senior Nutrition Program is increasing the overall health of our community through nutrition and socialization. Therefore, the City is assisting to combat isolation, and is facilitating Escondido seniors to age in place with confidence and vitality.

Respectfully submitted,



Karen Williams  
Older Adult Services Manager



Loretta McKinney  
Director of Library and Community Services

RESOLUTION NO. 2013-87

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 FOURTH AMENDMENT TO PUBLIC  
SERVICE AGREEMENT WITH REDWOOD  
SENIOR HOMES AND SERVICES FOR  
PROVISION OF MEAL SERVICES

WHEREAS, the City of Escondido ("City") recognizes the need for nutrition services for elderly persons in our community; and

WHEREAS the City entered into an agreement on October 13, 2009, with Redwood Senior Homes and Services Town Court to provide meal service; and

WHEREAS, the City Council desires at this time, and deems it to be in the best public interest, to approve a Fourth Amendment to Public Service Agreement ("Fourth Amendment") with RSHS to provide these meals services for elderly; and

WHEREAS, the Community Services Director recommends a Fourth Amendment to extend its term for one (1) year; effective July 1, 2013, through June 30, 2014, in an amount not to exceed \$110,000.

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 Director of Library and Community Services.
3. That the Mayor and City Clerk are authorized to execute, on behalf of the City, a Fourth Amendment for one (1) year with Redwood Senior Homes and Services for



meals services. A copy of the Fourth Amendment is attached as Exhibit "A" and is incorporated by this reference.



**CITY OF ESCONDIDO**  
**FOURTH AMENDMENT TO PUBLIC SERVICE AGREEMENT**

This "Amendment" is made this the 1<sup>st</sup> day of July 2013.

Between:           CITY OF ESCONDIDO  
                          a municipal corporation  
                          201 N. Broadway  
                          Escondido, California 92025  
                          ("CITY")

And:                 REDWOOD SENIOR HOMES AND SERVICES, a division of SOUTHERN  
                          CALIFORNIA PRESBYTERIAN HOMES, a not-for-profit corporation  
                          c/o Redwood Terrace  
                          710 W 13<sup>th</sup> Street  
                          Escondido, CA 92025  
                          ("CONTRACTOR")

Witness that whereas:

- A.     CITY and CONTRACTOR entered into an agreement on July 1, 2009 ("Agreement"), wherein CITY retained CONTRACTOR to provide lunches for the Escondido Senior Center Nutrition Program for an amount not to exceed \$110,000 and
  
- B.     CITY and CONTRACTOR desire to amend the Agreement to include additional work, which is defined in "Attachment A" to this Amendment, which is incorporated by reference;

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

- 1.     The CONTRACTOR will furnish the services described in "Attachment A" to this Amendment.

2. CITY will compensate the CONTRACTOR in the amount not to exceed \$110,000 pursuant to the conditions and compensation terms contained in "Attachment A" to this Amendment.
  
3. All other terms of the original Agreement between CITY and CONTRACTOR shall remain in full force and effect; in the event of any conflict between any specific provision of the original Agreement and this Amendment, this Amendment shall prevail.

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

CITY OF ESCONDIDO

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

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

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

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

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

REDWOOD SENIOR HOMES AND SERVICES,  
c/o Redwood Terrace  
710 West 13<sup>th</sup> Street  
Escondido, CA 92025

\_\_\_\_\_  
Sophia Lukas  
Administrator

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.

**ATTACHMENT "A"**

**REDWOOD SENIOR HOMES AND SERVICES**  
**Service Agreement**  
**Meals for the Senior Nutrition Program**  
Fiscal Year 2013-2014  
(July 1, 2013 to June 30, 2014)

Working with the City of Escondido staff, Redwood Terrace provide nutritionally balanced meals to older adults for the Senior Nutrition Program offered at the Escondido Senior Center, Monday through Friday. Redwood Senior Homes and Services agrees to provide the following:

1. Meals Monday through Friday at a cost of \$3.80
2. Packaged frozen meals will be provided on Thursday each week for \$4.30 per meal.
3. Transport the meals from Redwood Terrace to the Escondido Senior Center, 210 Park Avenue, at a cost of \$10.00 per day.

The total cost of these services for FY 13-14 shall not exceed \$110,000.

# CITY COUNCIL

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. 2004-\_\_\_\_\_ File No. \_\_\_\_\_

Ord No. 2004-\_\_\_\_\_

**Agenda Item No.: 5**  
**Date: June 26, 2013**

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

**FROM:** Karen Williams, Older Adult Services Manager

**SUBJECT:** Fourth Amendment to Public Service Agreement with Redwood Senior Homes and Services for Senior Transportation

**RECOMMENDATION:**

It is requested that Council adopt Resolution No. 2013-86 authorizing the Mayor and City Clerk to execute a Fourth Amendment to Public Service Agreement with Redwood Senior Homes and Services (RSHS) to provide transportation services for the Senior Nutrition Program for an additional year (July 1, 2013 through June 30, 2014), not to exceed \$144,900.

**FISCAL ANALYSIS:**

Funding for transportation services is included in the FY 2013-2014 Senior Nutrition budget in the amount of \$95,400. Additionally, CDBG has allocated \$23,665 for senior transportation. The balance of \$25,835 will be offset by the Joslyn Trust. This Trust is supported through donations and sponsorships in order to assist with funding for senior programs.

The City will be awarded a nutrition grant through the County of San Diego Aging and Independence Services, which commences July 1, 2013. This grant will offset the cost of the senior nutrition program. Due to sequestration, the County has delayed confirmation of the contract amount. However, they have informed staff that there will be a reduction in the grant amount from FY 12-13, which reimbursed up to \$69,000 for transportation services.

**PREVIOUS ACTION:**

The City Council approved the original agreement with Redwood Senior Homes and Services by adopting Resolution 2009-89 on June 24, 2009.

**BACKGROUND:**

The premise of the Senior Nutrition Program is to offer seniors nutritionally balanced meals in a congregate setting to increase health through proper nutrition and stave off isolation. The Escondido Senior Center has offered this program Monday through Friday for over 38 years.

In order to operate a successful program for Escondido seniors, the Senior Nutrition Program has been developed based on two components, transportation and meal service. The transportation component provides seniors a means to access the meal service component. Seniors 60 and older

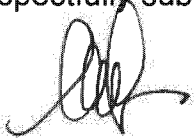
Transportation PSA  
June 26, 2013  
Page 2

rode the vans 13,077 times in FY 10-11 and 12,907 times in FY 11-12. By the end of FY 12-13, seniors will have enjoyed over 13,000 rides.

Staff attributes the popularity of the Senior Nutrition Program to the strained economy, soaring food and transportation costs, and the reality that most seniors live on limited or fixed incomes. Additionally, the County grant stipulates that seniors age 60 and older are asked only for a suggested donation and cannot be turned away due to the lack of ability to donate. This increases access for many of our low-income seniors.

By offering low-income seniors accessibility to good nutrition in a positive environment, the Senior Nutrition Program is increasing the overall health of our community through nutrition and socialization. Therefore, the City is assisting to combat isolation, and is facilitating Escondido seniors to age in place with confidence and vitality.

Respectfully submitted,



Karen Williams  
Older Adult Services Manager



Loretta McKinney  
Director of Library and Community Services



**CITY OF ESCONDIDO  
BUDGET ADJUSTMENT REQUEST**

Date of Request: June 18, 2013

Department: Community Services

Division: Older Adult Services

Project/Budget Manager: Amy Shipley 6269  
Name Extension

Council Date (if applicable): June 26, 2013  
(attach copy of staff report)

<b>For Finance Use Only</b>
Log # _____
Fiscal Year _____

Project/Account Description	Account Number	Amount of Increase	Amount of Decrease
Joslyn Trust Fund	2108-001	\$	\$ 25,835
Senior Nutrition	5131-001-107	25,835	
Contributions	4603-001	25,835	

**When requesting new capital project numbers;  
please select one or more coinciding activity(s):**

- |   |   |
|---|---|
| <input type="checkbox"/> 89000 – Survey         | <input type="checkbox"/> 89005 – Administration       |
| <input type="checkbox"/> 89001 – Right-of-Way   | <input type="checkbox"/> 89006 – Inspection           |
| <input type="checkbox"/> 89002 – Design         | <input type="checkbox"/> 89007 – Material Testing     |
| <input type="checkbox"/> 89003 – Environmental  | <input type="checkbox"/> 89008 – Construction Design  |
| <input type="checkbox"/> 89004 – Drafting (CAD) | <input type="checkbox"/> 89009 – Construction         |
|   | <input type="checkbox"/> 89010 – Repair & Maintenance |

Explanation of Request:

Transfer from the Joslyn Trust Fund to the Senior Nutrition operating budget will provide funds to help pay for the transportation component for FY 13-14.

**APPROVALS**

Department Head

Date

City Manager

Date

Finance

Date

City Clerk

Date

Distribution (after approval):

Original: Finance

RESOLUTION NO. 2013-86

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 FOURTH AMENDMENT TO PUBLIC SERVICE AGREEMENT WITH REDWOOD SENIOR HOMES AND SERVICES FOR PROVISION OF TRANSPORTATION SERVICES

WHEREAS, the City of Escondido ("City") recognizes the need for transportation services for elderly persons in our community; and

WHEREAS the City entered into an agreement on October 13, 2009, with Redwood Senior Homes and Services to provide transportation services; and

WHEREAS, the City Council desires at this time, and deems it to be in the best public interest, to approve a Fourth Amendment to Public Service Agreement ("Fourth Amendment") with RSHS to provide these transportation services for elderly; and

WHEREAS, the Community Services Director recommends a Fourth Amendment to extend its term for one (1) year; effective July 1, 2013, through June 30, 2014, in an amount not to exceed \$144,900;

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 Director of Library and Community Services.
3. That the Mayor and City Clerk are authorized to execute, on behalf of the City, a Fourth Amendment for one (1) year with Redwood Senior Homes and Services for



transportation services. A copy of the Fourth Amendment is attached as Exhibit "A" and is incorporated by this reference.



CITY OF ESCONDIDO  
FOURTH AMENDMENT TO PUBLIC SERVICE AGREEMENT

This "Amendment" is made this the 1st day of July 2013.

Between:           CITY OF ESCONDIDO  
                          a municipal corporation  
                          201 N. Broadway  
                          Escondido, California 92025  
                          ("CITY")

And:                 REDWOOD SENIOR HOMES AND SERVICES, a division of SOUTHERN  
                          CALIFORNIA PRESBYTERIAN HOMES, a not-for-profit corporation  
                          c/o Redwood Terrace  
                          710 West 13th Street  
                          Escondido, CA 92025  
                          ("CONTRACTOR")

Witness that whereas:

- A.     CITY and CONTRACTOR entered into an agreement on July 1, 2009 ("Agreement"), wherein CITY retained CONTRACTOR to provide transportation for Senior Nutrition Program at the Escondido Senior Center for an amount not to exceed \$144,900; and
  
- B.     CITY and CONTRACTOR desire to amend the Agreement to include additional work, which is defined in "Attachment A" to this Amendment, which is incorporated by reference;

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

- 1.     The CONTRACTOR will furnish the services described in "Attachment A" to this Amendment.

2. CITY will not compensate the CONTRACTOR for any additional amount, pursuant to the conditions and compensation terms contained in "Attachment A" to this Amendment.
  
3. All other terms of the original Agreement between CITY and CONTRACTOR shall remain in full force and effect; in the event of any conflict between any specific provision of the original Agreement and this Amendment, this Amendment shall prevail.

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

CITY OF ESCONDIDO

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

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

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

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

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

REDWOOD SENIOR HOMES AND SERVICES,  
c/o Redwood Terrace  
710 West 13<sup>th</sup> Street  
Escondido, CA 92025

\_\_\_\_\_  
Kurt Nordan  
Administrator

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.

**ATTACHMENT "A"**

**REDWOOD SENIOR HOMES AND SERVICES**  
**Service Agreement**  
Fiscal Year 2013-2014  
(July 1, 2013 to June 30, 2014)

Working with City of Escondido staff to develop schedules to meet the needs of the elderly and disabled citizens of the community, Redwood Senior Homes and Services agrees to provide the following:

1. Transportation services for the Senior Nutrition Program offered at the Escondido Senior Center, Monday through Friday.
2. Morning drop offs will be completed by 10:15 a.m. and afternoon pick up will commence at 12:20 p.m.
3. The total number of one-way rides for FY 13-14 shall not exceed 13,800.
4. The cost of this service shall be billed on a monthly basis at the rate of \$10.50 per ride, not to exceed \$144,900 for FY 13-14.



# CITY COUNCIL

For City Clerk's Use:

**APPROVED**       **DENIED**

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

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

**Agenda Item No.: 6**  
**Date: June 26, 2013**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Loretta McKinney, Director of Library and Community Services  
**SUBJECT:** Senior Nutrition Services Contract with the County of San Diego

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2013-80 authorizing the Director of Library and Community Services to enter into an agreement with the County of San Diego to provide senior nutrition services at the Escondido Senior Center. The original grant agreement provides for the annual payment from the County to be extended for an additional three (3) years beyond the initial term which began on July 1, 2010.

FISCAL ANALYSIS:

The Senior Nutrition Program is funded through the general fund. Each year the City receives a nutrition grant through the County of San Diego Aging and Independence Services, which help to offset the costs of the senior nutrition program. Due to sequestration, the County has delayed confirmation of the contract amount for FY 13-14. However, they have informed staff that there will be a reduction in the grant amount from FY 12-13, which was \$192,304.

BACKGROUND:

The basis of the Senior Nutrition Program is to offer seniors nutritionally balanced meals in a congregate setting to increase health through proper nutrition and stave off isolation. The Escondido Senior Center has offered this program Monday through Friday for over 38 years. Furthermore, grants through the County of San Diego Aging and Independence Services have helped to offset costs for the Senior Nutrition Program for over 25 years.

In order to accomplish the above, the Senior Nutrition Program is comprised of two components- transportation and meal service. The transportation component provides seniors a means to access the meal service component. The County grant reimburses the City for both components. Reimbursement for the transportation component is based on each one-way ride provided to seniors 60 and older. For the meal component, reimbursement is based on each meal served to seniors 60 and older.

In FY 10-11, 13,077 enjoyed one-way rides and 24,610 meals were served to seniors 60 and older. FY 11-12 showed a slight decrease with 12,907 one-way rides and 23,899 meals served to seniors

Senior Nutrition Services Contract  
June 26, 2013  
Page 2

60 and older. By the end of FY 12-13, staff estimates a providing over 13,100 rides, a slight increase over the last two years; and serving approximately 22,300 meals.

Staff and the Senior Nutrition Council at the Escondido Senior Center, are pleased with the Nutrition Program, and recommend approval of the agreement with the County of San Diego Aging and Independence Services in order to continue this valuable service to the senior community of Escondido during FY 13-14.

Respectfully submitted,



Karen Williams  
Older Adult Services Manager



Loretta McKinney  
Director of Library and Community Services

RESOLUTION NO. 2013-80

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE DIRECTOR OF LIBRARY AND COMMUNITY SERVICES TO RECEIVE A GRANT FOR UP TO FOUR YEARS FROM THE COUNTY OF SAN DIEGO AGING AND INDEPENDENCE SERVICES TO PROVIDE SENIOR NUTRITION SERVICES AND EXECUTE, ON BEHALF OF THE CITY OF ESCONDIDO, COUNTY AGREEMENT NUMBER 533562

WHEREAS, the City of Escondido ("City") understands the need to provide nutritious meals to the seniors of the community; and

WHEREAS, the City desires to provide daily hot lunches to seniors at the Escondido Senior Center; and

WHEREAS, specifically this program for the seniors in the community will be funded in part from funds made available through a grant provided by the County of San Diego Aging and Independence Services, ("County"); and

WHEREAS, in 2010 through Resolution No. 2010-112 Council approved a grant agreement with the County of San Diego Aging and Independence Services to provide senior nutrition services at the Escondido Senior Center; and

WHEREAS, at the County's option, they may extend this agreement for three (3) increments of one year each for a total of three (3) years beyond the expiration of the initial term; and

WHEREAS, the Director of Library and Community Services recommends approval of the County Agreement Number 533562 ("Agreement") to provide

senior nutrition services at the Escondido Senior Center; and

WHEREAS, this City Council desires at this time, and deems it to be in the best public interest, to approve this Agreement to provide nutritionally balanced lunches effective July 1, 2013, through June 30, 2014; with up to three (3) additional years, not to exceed June 30, 2017.

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 Director of Library and Community Services is authorized to receive a grant from the County of San Diego and execute, on the City's behalf, grant contract documents, including any extensions or amendments thereof, and including agreements to provide a Senior Nutrition Program at the Escondido Senior Center, all in form subject to approval by the City Attorney



# CITY COUNCIL

For City Clerk's Use:

APPROVED  DENIED

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

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

Agenda Item No.: 7  
Date: June 26, 2013

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Gilbert Rojas, Director of Finance  
**SUBJECT:** Write off of City Receivables

RECOMMENDATION:

It is requested that Council approve the write-off of various receivables.

FISCAL ANALYSIS:

The total amount of the write-off is \$282,396.34. All reasonable means of collection and/or recouping funds have been completed. This write off of bad loans is necessary to accurately report the City's overall financial status without overstating assets.

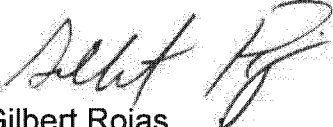
PREVIOUS ACTION:

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

BACKGROUND:

The current fiscal year write off includes four HOME loans totaling \$80,000; five HELP loans totaling \$91,500; three Mobilehome Rehabilitation loans totaling \$57,255; one Mobilehome Lot loan totaling \$45,358.15; and one outstanding DUI receivable totaling \$8,283.19.

Respectfully submitted,

  
Gilbert Rojas  
Director of Finance



# CITY COUNCIL

For City Clerk's Use:

APPROVED  DENIED

Reso No. 2004-\_\_\_\_\_ File No. \_\_\_\_\_

Ord No. 2004-\_\_\_\_\_

Agenda Item No.: 8  
Date: June 26, 2013

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Kenneth C. Hugins, City Treasurer  
**SUBJECT:** Annual Submission of the City of Escondido's Investment Policy

**RECOMMENDATION:**

It is requested that Council adopt Resolution No. 2013-83.

**PREVIOUS ACTION:**

The last adoption of the Investment Policy was on June 27, 2012, Resolution No. 2012-93.


**BACKGROUND:**

In compliance with California Government Code Section 53646, the City Treasurer may annually present the City's Investment Policy to the legislative body at a public meeting to reaffirm or make any changes to the existing policy. The Investment Policy provides the City with guidelines for the investment of City funds. The Policy's guidelines set forth the investment selection criteria of safety, liquidity, and yield.

The City of Escondido's Investment Policy has been deemed current and up-to-date per the California Debt and Investment Advisory Commission (CDIAC) Local Agency Investment Guidelines. At this time, there is one change recommended to the policy. The recommended change adds wording within the policy to provide to the Treasurer and his designees, upon approval by the Mayor and members of the Investment committee, additional flexibility in evaluating and taking action on changes in the investment portfolio that may result in temporary non-compliance events. The recommended wording of the change is contained in the attached Exhibit A.

The City of Escondido's June 2013 Investment Policy is attached as Exhibit 1 to Resolution 2013-83 for your review and approval.

Respectfully submitted,

  
Kenneth C. Hugins  
City Treasurer

SUMMARY OF REVISIONS TO INVESTMENT POLICY FOR JUNE 2013

Description of Change:

Pages:

- 1. Addition of subsection ( E) under section XII: Authorized and Suitable Investments:

Page 9, XII

E. All securities held by the City will be maintained in compliance with Section XII, Authorized and Suitable Investments. The investment portfolio shall be reviewed quarterly to determine compliance with these parameters. Noncompliance events will be evaluated to determine and initiate actions needed to adjust investment yields, maturities, percentage requirements or other, in order to bring the portfolio back into compliance. In the event an instance of non-compliance is recommended by the Treasurer, authorization may be given by the Investment Committee and Mayor if done unanimously.

All such incidences of noncompliance shall be reported in the quarterly treasurer's report to the City Council.

RESOLUTION NO. 2013-83

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
ADOPTING THE CITY OF ESCONDIDO'S  
INVESTMENT POLICY DATED JUNE 2013

WHEREAS, the City Council has previously adopted annual Investment Policies pursuant to the requirements of the California Government Code; and

WHEREAS, the the City of Escondido's June 2013 Investment Policy, is in accordance with Government Code Section 53601 and meets Association of Public Treasurers of the United States & Canada ("APT US & C") Investment Policy Certification standards; and

WHEREAS, the City Council desires at this time, and deems it to be in the best public interest, to adopt the City of Escondido's June 2013 Investment Policy, a copy of which is attached as Exhibit "1" and is incorporated by this reference;

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 hereby adopts the City of Escondido's June 2013 Investment Policy attached to this Resolution as Exhibit "1."



**City of Escondido**

**INVESTMENT POLICY**

**June 2013**

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## **CITY OF ESCONDIDO ASSET POLICY**

### **I. Policy Statement**

This policy establishes the limits within which the City's investment program shall be conducted. Investment goals and objectives are defined. Qualified investment instrumentalities and reporting requirements are identified. Authority, accountability, audit control and procedures governing the investment program are delineated.

The investment policies and practices of the City of Escondido are based upon state law, city ordinance, and prudent money management.

### **II. Scope**

#### **A. Pooled Investments.**

This policy applies to the investment of all funds under the control of the City Treasurer. These funds are accounted for in the City of Escondido's Comprehensive Annual Financial Report and include:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds
- Internal Service Funds
- Trust Funds
- Any new fund created from proceeds of bond sales in the custody of the Treasurer or any other funds under his control.

California Government Code Section 53601(1) permits money from bond proceeds, obligations under a lease, installment sales or other agreements to be invested in any security that meets the statutory provisions governing the issuance of the bond or other agreements made by the issuing agency.

#### **B. Investments held separately.**

Investments of bond proceeds will be held separately when required by the bond indentures or when necessary to meet arbitrage regulations. If allowed by the bond indentures, or if the arbitrage regulations do not apply, investments of bond proceeds will be held as part of the pooled investments.

This policy does not apply to stocks, bonds, or other securities donated to the Escondido Public Library until such time as the Library Board of Trustees determines to dispose of such securities. Also, this investment policy does not apply to the Employees Deferred Compensation Fund and PERS funds, which are administered separately.

### **III. Prudence**

Pursuant to California Government Code Section 53600.3, as amended, the City Council and all persons authorized to make investment decisions on behalf of the City are trustees of the public funds and therefore fiduciaries subject to the following prudent investor standard.

When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

The City Treasurer and other individuals who are assigned to manage the investment portfolio, when they are acting in accordance with the City's investment policy, with written procedures and in reasonable reliance on existing California statutes and when they have properly exercised due diligence, will be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

### **IV. Investment Objectives**

A. The criteria for selecting investments by order of priority shall be:

1. *Safety.* Safety of principal is the City of Escondido's foremost objective. Investments shall seek to ensure that capital losses resulting from institution default, broker-dealer default, or the erosion of market value are avoided. The City of Escondido shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.
  - a. Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in only the highest quality securities (see authorized investments) and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm the City's cash flow.
  - b. Market risk, defined as the risk of market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by structuring the portfolio to eliminate the need to sell securities prior to maturity; and by prohibiting the taking of short positions, that is, selling securities that the City



does not own. It is explicitly recognized, however, that in a diversified portfolio, occasional measured losses may occur, and must be considered within the context of overall investment return.

2. *Liquidity.* The portfolio will be structured with sufficient liquidity to allow the City to meet expected cash requirements. At least 50 percent of the General Fund operating budget shall be invested short-term (one year or less). The duration is also mentioned in the "Maturity" section.
3. *Yield.* In a manner consistent with the objectives of safety of principal and liquidity uppermost, a yield higher than the market rate of return shall be sought. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:
  - A security with declining credit may be sold early to minimize loss of principal.
  - A security swap would improve the quality, yield, or target duration in the portfolio.
  - Liquidity needs of the portfolio require that the security be sold.

B. It shall be the policy of the City that all idle funds shall be invested consistent with providing adequate cash to meet the City's obligation.

## **V. Investment Committee**

### **A. Investment Committee.**

A committee chaired by the City Treasurer to advise the City Treasurer on policies governing the City's Investment policy. Included as permanent members of the committee are the City Treasurer; up to two Councilmembers as selected by the City Council; the City Manager; the Director of Finance; and, in addition, up to four other persons representing the financial community and the general public. These members shall be appointed by the City Treasurer as members-at-large. Members-at-large shall serve for no fixed term and at the pleasure of the City Treasurer. The Treasurer's Office personnel shall serve as staff to the committee. The investment committee will meet twice a year or more frequently as needed.

### **B. Executive Investment Committee.**

The City Treasurer, Revenue Manager and/or Finance Manager, Investment Officer and the Director of Finance function as a committee to oversee day-to-day investment programs of the City.

## **VI. Required Reporting**

The City Treasurer or his designees shall report to the City Manager and City Council the following reports:

- A. Quarterly investment report (as per Government Code Section 53601) will include the type of investment, issuer, date of maturity, par, and dollar amount invested and market value for each security held by the City. The report shall state the source of the market value valuation and include a statement denoting the ability to meet the City's expected expenditure requirements for the next six months.
- B. An annual report setting forth a statement of investment policy.

## **VII. Authorized Financial Institutions and Broker/Dealers**

- A. General criteria for the selection of financial institutions and broker/dealers shall be developed by the City Treasurer and reviewed by the City Investment Committee.
- B. Selection of financial institutions and broker/dealers shall be performed by authorized City staff under direction of the Executive Investment Committee. The City has an established formal procedure process in place for the selection of financial institutions and broker/dealers. As determined necessary by the Executive Investment Committee, the City will distribute a broker/dealer questionnaire to interested and known financial institutions and broker/dealers. The City Treasurer will maintain a list of qualified broker/dealers authorized to provide investment services to the City of Escondido. The list may include primary or regional dealers that are credit worthy and qualify under the uniform net capital rule of the Securities & Exchange Commission Rule 15C3-1.

All financial institutions and broker/dealers who desire to provide investment services must participate in the City's formal broker/dealer questionnaire process. To be considered, the financial institution or broker/dealers must supply the following as appropriate:

- Completed broker/dealer questionnaire
- Proof of National Association of Security Dealers (NASD) certification
- License to conduct business in the state of California
- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- Certification of having read and understood and agreeing to comply with the City of Escondido's investment policy
- Evidence of adequate insurance coverage

Qualified broker/dealers selected to do business with the City shall submit annually a current audited financial statement.

After the annual adoption of the City's Investment Policy by the City Council, a copy shall be sent to all broker/dealers approved to do business with the City. Confirmation of receipt of this policy shall be considered evidence that the dealer understands the

City's investment policies and intends to sell the City only appropriate investments authorized by this investment policy.

- C. General criteria for the selection of banks and savings and loans into which the City shall invest its funds shall be developed by the City Treasurer and reviewed by the City Investment Committee subject to the limitations set forth in this policy.
- D. Selection of specific institutions in which City funds may be invested shall be performed by authorized City staff under the direction of the Executive Investment Committee.
- E. Institutions in which City funds may be invested shall be classified by the City Treasurer and reviewed by the City Investment Committee. The classification shall determine the maximum dollar amount allowable for investment in the specified institution.

#### **VIII. Safekeeping and Custody**

To protect against potential losses by the collapse of individual securities dealers, all securities owned by the City shall be held in safekeeping by a third party bank trust department acting as agent for the City under the terms of a custody agreement executed by the bank and the City. All securities will be received and delivered using standard delivery versus payment (DVP) procedures.

#### **IX. Accountability and Authority**

- A. The Escondido Municipal Code vests authority for and control of investments to the City Treasurer.
- B. The City Treasurer may delegate the authority to conduct investment transactions to qualified and competent officials and employees of the City. Daily management responsibility of the investment program has been delegated to the Revenue Manager, Finance Manager, and the Investment Officer, who shall establish procedures for operation consistent with the investment policy.

#### **X. Ethics and Conflicts of Interest**

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program or impairs their ability to make impartial investment decisions. Additionally the City Treasurer, Revenue Manager, Finance Manager and the Investment Officer are required to annually file a Statement of Economic Interest as mandated by Government Code Section 91013.

#### **XI. Internal Control**

The Treasurer or his designee shall establish procedures for controlling daily investment transactions and monthly reconciliation of accounts. Separation of functions between the City Treasurer's Office and the Finance Department is designed to provide an internal review to prevent the potential for converting assets or concealing transactions. The investment portfolio and all related transactions are balanced to appropriate general ledger accounts by the Finance Department on a monthly basis. Such procedures and controls shall be subject to review and comments by the City's independent auditor.

## **XII. Authorized and Suitable Investments**

### **A. Qualifying Investment Instruments Policy:**

1. The following instruments are generally approved as qualifying investment instruments for City funds:
  - a. Obligations of the U.S. Government, its agencies, and instrumentalities.
  - b. Certificates of deposit with banks and savings and loans doing business in the State of California.
  - c. Prime Banker's Acceptances.
  - d. Prime Commercial Paper
  - e. Repurchase Agreements and Money Market Funds whose underlying collateral consists of the foregoing. (The City may invest in repurchase agreements with which the City has entered into a master repurchase contract, which specifies terms and conditions of repurchase agreements.)
  - f. Local Agency Investment Fund (LAIF) of the State of California.
  - g. San Diego County's Investment Pool for local agencies, which includes the purchase of Reverse Repurchase Agreements.
  - h. Pools and other investment structures incorporating investments listed in a through e.
2. Within the qualified investment instrument listing, the Executive Investment Committee may further define, qualify, and restrict use of City investment monies.
3. Additional investment instruments may be added by the City Treasurer from time to time but shall be reported in the next regular monthly report to the City Council and City Manager.
4. Investments of bond funds will be made in conformance with the trust indenture for each bond issue. Such investments will be held separately when required.

### **B. Diversification by Type of Investment:**

The City is governed by California Government Code, Sections 53600 (et seq.). It shall be the policy of the City that investments shall be diversified with respect to the type of investment instruments used. Within the context of these limitations, the following investments are generally approved as qualifying investment instruments for City funds, as further limited herein:

1. United States Treasury Bills, Bonds, and Notes, or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the portfolio, which can be invested in this category. The target for investing in items 1 and 2 following will be 80 percent of the portfolio. The percentage will fluctuate depending on market conditions, but in no case be lower than 70 percent. If the percentage falls below the 80 percent, the 80 percent target rate will be restored within six months.

2. Obligations issued by the United States Government Agencies such as the Government National Mortgage Association (GNMA), Federal Farm Credit Bank System (FFCB), the Federal Home Loan Bank Board (FHLB), the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA), and the Student Loan Marketing Association (SLMA). Although there is no percentage limitation of the dollar amount that can be invested in these issues, the "prudent investor" rule shall apply for any single agency name.
3. Bills of exchange or time drafts drawn on and accepted by a commercial bank otherwise known as banker's acceptances. Purchases of banker's acceptances may not exceed 180 days to maturity or 20 percent of the market value of the portfolio. No more than ten percent of the market value of the portfolio may be invested in banker's acceptances issued by any one bank.
4. Commercial paper ranked P1 by Moody's Investor Services and A1 by Standard and Poor's, and issued by a domestic corporation having assets in excess of \$500 million and having an A or better rating on its long-term debentures as provided by Moody's or Standard and Poor's. Purchases of eligible commercial paper may not exceed 180 days to maturity or 15 percent of the market value of the portfolio. No more than ten percent of the market value of the portfolio may be invested in commercial paper issued by any one corporation.
5. Local Agency Investment Fund. The City may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer for the benefit of local agencies up to the maximum amount permitted by State Law. Investing in LAIF may not exceed 20 percent of the market value of the portfolio. When calculating this limit, the City does not include General Obligation Bond proceeds invested with LAIF. These bond proceeds are held separately to meet arbitrage regulations and are not part of our pooled investments. LAIF has traditionally limited investments to short-term government type bonds. Treasury staff reviews the LAIF statements quarterly to ensure that this practice is maintained.
6. Money market funds are limited to 20 percent of the market value of the portfolio. The funds must be rated in the highest category of Moody's or Standard and Poor's, or must be administered by a domestic bank with long-term debt rated in one of the top two categories of Moody's or Standard and Poor's. A thorough investigation of any money market fund or investment pool is required prior to investing, as well as on an ongoing basis. The following information should be obtained and analyzed:
  - a. A description of eligible investment securities.
  - b. A written statement of investment policies and objectives.
  - c. A description of interest calculation and their distribution, and the treatment of gains and losses.
  - d. A description of how the securities are safeguarded and how often the securities are priced and the program audited.
  - e. Information about the size and frequency of deposits and withdrawals allowed, and how much notice is needed for withdrawals.
  - f. A schedule for receiving statements and portfolio listings.
  - g. A fee schedule, as well as how and when the fees are assessed.

- h. The rating of the pool/fund.
- i. Information about investment advisers, including registration with the Securities and Exchange Commission, length of experience and total assets under management.

- 7. Ineligible Investments. Investments not described herein, including, but not limited to, common stocks and corporate bonds, are prohibited from use in this portfolio. Investments, which exceed five years in maturity, require authorization by City Council prior to purchase. Further, any investments, purchased after January 1, 1996, that are in the form of inverse floaters, range notes, or mortgage-derived interest-only strips are prohibited.

#### C. Diversification by Institution.

- 1. Not more than \$100,000 shall be placed in any qualifying institution unless collateralized in accordance with this policy.
- 2. All certificates of deposit investments shall be collateralized by government securities with a market value of 110 percent of the City's investment or mortgages in value equal to 150 percent of the City's investments. Each investment institution must meet specific financial criteria as determined by the Executive Investment Committee.
- 3. In no event may any institution have City investments exceeding \$5,000,000 without approval of the Executive Investment Committee. This restriction shall not apply for periods of seven days or less when the City is receiving substantial funds (e.g., proceeds of bond sales) or is consolidating funds for a major transaction.

#### D. Collateralization

- 1. An independent third party with whom the City has a current custodial agreement must always hold collateral.
- 2. State law regarding collateralization of deposits of public funds requires that securities must be held by an agent (i.e. a trust company) of the bank, which may include the bank's trust department, only if acceptable to both the bank and the Treasurer, pursuant to California Government Code Section 53656 and 53658. Under the provisions of California Government Code Section 53652, banks are required to secure the deposits of public funds, including certificates of deposits, by:
  - a) pledging government securities with a value of 110 percent of the principal and accrued interest;
  - b) pledging first trust deed mortgage notes having a value 150 percent of the total agency deposit; or
  - c) a letter of credit drawn on the Federal Home Loan Bank of 105 percent of the total agency deposit. Deposits must be secured at all times with eligible securities pursuant to section 53651.
- 3. Collateralization of repurchase agreements must be at least 102 percent of the market value of principal and accrued interest. Collateral must consist of U.S. Treasury obligations or U.S. Agency obligations. Other specific requirements on

repurchase agreements must be addressed in a master repurchase agreement of the City and the financial institution or broker/dealer.

E. Investment compliance review

All securities held by the City will be maintained in compliance with Section XII, Authorized and Suitable Investments. The investment portfolio shall be reviewed quarterly to determine compliance with these parameters. Noncompliance events will be evaluated to determine and initiate actions needed to adjust investment yields, maturities, percentage requirements or other, in order to bring the portfolio back into compliance. In the event an instance of non-compliance is recommended by the Treasurer, authorization may be given by the Investment Committee and Mayor if done unanimously.

All major and critical incidences of noncompliance shall be reported in the quarterly treasurer's report to the City Council

**XIII. Maturity Goals**

1. Subject to the availability of funds, short-term investments (maturity of one year or less) of the City shall not be less than 50 percent of the General Fund annual operating budget of the City.
2. The percentage of the City's portfolio that may be invested intermediate term (maturity term over one year and not greater than five years) shall be determined by the City Treasurer based on cash requirements estimated by the Finance Director.
3. Long-term investments (over five years to maturity date) shall be made only after review and approval by the City Council. Accordingly, no fixed percentage of the City's portfolio is designed for long-term investments.
4. Additional and/or clarifying maturity guidelines shall be adopted from time to time as devised by the City Treasurer and reviewed by the City Investment Committee.

**XIV. Policy Review**

This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, yield, and its relevance to current law and financial and economic trends. The City of Escondido's investment policy shall be approved by the City Council on an annual basis.

**XV. Investment Procedures**

The City Treasurer and his/her delegated staff shall establish written investment policy procedures for the day-to-day operations of the investment program consistent with this policy. The procedures should include reference to cash balancing, safekeeping, wire transfer agreements, collateral/depository agreements, and the selection process for financial institutions and broker/dealers. The procedures shall include explicit delegation

of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the City Treasurer.

**XVI. Investment Strategy and Performance Standards**

The City's investment strategy is passive (buy and hold.) Given this strategy, the basis used by the City Treasurer to determine whether market yields are being achieved shall be to identify a comparable benchmark to the City's portfolio investment duration. Given the liquidity objective (50% of general fund operating budget shall be invested one year or less) and the portfolio duration, the 2-Year U.S. Treasury Note shall be the City's selected benchmark.



**APPENDIX**  
**CITY OF ESCONDIDO**  
**INVESTMENT PROCEDURE MANUAL**

**Purpose**

The purpose of these guidelines is to help create a Procedure Manual to assist Treasury staff with day-to-day investment operations.

*References and subjects at the beginning of each section refer to elements in the Investment Policy.*

**Cash Review**

- I. Policy
- II. Scope
- IX. Accountability and Authority

The Treasurer or his/her designee, referred to as Investment Officer, Finance Manager or Revenue Manager, must review the cash balances and investment portfolio daily, or as needed. Items to be reviewed should include:

- a) Balance of City of Escondido's General Account
- b) Maturing Investments (includes all investments)
- c) Large incoming wires from the State, County and other miscellaneous agencies
- d) Large outgoing wires such as debt service payments and routine wires such as San Diego County Water Authority, Kaiser, and Workers' Compensation Service provider and any other routine that may be added
- e) Accounts payable and payroll disbursements

**Investment Selection**

- III. Prudence
- IV. Objective
- XII. Authorized and Suitable Investments
- XII B. Diversification
- XIII. Maturity Goals

The Treasurer or designee determines how much of the cash balance is available for investment and selects the area of the yield curve that most closely matches the required maturity date based on cash flow needs.

In determining the maturity date, the Investment Officer or other Treasurer designee, should consider liquidity, cash flow and expected expenditures. A review of some of the following sources should determine whether the investments should be placed to match projected expenditures or shorter, or take advantage of current and expected interest rate environments

- a) Review daily business publications and commentaries from financial institutions and brokers.
- b) Read publications, Wall Street Journal and watch media (CNBC) for general trends of economic interests.
- c) Input from approved broker/dealers.

### **Purchasing an Investment**

- VII. Authorized Financial Institutions and Broker/Dealers
- VIII. Safekeeping and Custody
- XII. Authorized and Suitable Investments
- XII B. Diversification of Investments
- XIII. Maturity Goals

Financial institutions are selected through a "Request for Proposal" (RFP) process. Broker/dealers are selected through a formal questionnaire process, which helps provide the following evaluation:

- a) Financial conditions, strength and capability to fulfill commitments.
- b) Overall reputation with other investors.
- c) Regulatory status of the broker/dealer (all providers).
- d) Background and expertise of the individual representative.

Selection of financial institutions and broker/dealers shall be performed by authorized City staff under direction of the Executive Investment Committee. The City has an established formal procedure process in place for the selection of financial institutions and broker/dealers. Every three to five years the City will distribute a broker/dealer questionnaire to interested and known financial institutions and broker/dealers. The City Treasurer will maintain a list of qualified broker/dealers authorized to provide investment services to the City of Escondido. The list may include primary or regional dealers that are credit worthy and qualify under the uniform net capital rule of the Securities & Exchange Commission Rule 15C3-1.

All financial institutions and broker/dealers who desire to provide investment services must participate in the City's formal broker/dealer questionnaire process. To be considered, the financial institution or broker/dealers must supply the following as appropriate:

- Completed broker/dealer questionnaire
- Proof of National Association of Security Dealers (NASD) certification
- License to conduct business in the state of California
- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- Certification of having read and understood and agreeing to comply with the City of Escondido's investment policy
- Evidence of adequate insurance coverage

Qualified broker/dealers selected to do business with the City shall submit annually current audited financial statement.

After the annual adoption of the City's investment policy by the City Council, a copy shall be sent to all broker/dealers approved to do business with the City. Confirmation of receipt of this policy shall be considered evidence that the dealer understands the City's investment policies and intends to sell the City only appropriate investments authorized by this investment policy.

The Investment Officer or other Treasurer designee shall be as specific as possible in requesting the offering in purchasing a security. If a particular type of investment or a particular agency is to be excluded due to policy limitations that should be stated to the providers. If collateral is required (i.e. for Repo's or CD's) the collateral limitations (excess margin, types of securities, maximum maturity, etc.) should be specified. The City may invest in repurchase agreements provided it has a signed master repurchase contract, which specifies terms and conditions of repurchase agreements.

The following must be determined prior to contacting the providers:

- a) Settlement – cash, regular (next day), corporate (3 business days) or when-issued if a new issue.
- b) Amount – either par value or total dollars to be invested.
- c) Type of security to be purchased or type to be excluded.
- d) Targeted maturity or maturity range.
- e) Time limit to show offering – 5 minutes, 15 minutes, or a specified time.

If choosing an external pool or (LAIF or Money Market) as the preferred investment vehicle at the time, the following should be available for inspection prior to purchase and at reasonable time thereafter:

- a) LAIF written investment policy and a copy of the "LAIF ANSWER BOOK" (which contains detailed information about LAIF).
- b) A prospectus for the Money Market funds or bank-managed funds.
- c) The balance of the LAIF account is reviewed to adhere to the City's investment pool limit – not to exceed 20% of the market value of the City's portfolio.

Before concluding the transaction, the following should be validated:

- a) The security selected for purchase meets all criteria, including portfolio-diversification, collateralization (if appropriate) and maturity. If the security has any imbedded options such as call provisions or coupon adjustments, these should also be reviewed. Current practice is to buy bullet securities, no callables. The strategy is buy and hold.
- b) Verify yield.
- c) Total purchase cost (including accrued interest) does not exceed funds available for investment.
- d) Advise the successful provider that their offering has been selected for purchase.
- e) After confirmation of the purchase, as a courtesy, notify the other broker/dealers that you have placed the investment. Best price may be disclosed if the other broker/dealers ask.

After consummation of the transaction, and prior to settlement date, the following information should be confirmed with the provider in order to ensure prompt and uninterrupted settlement:

- a) Reconfirm amounts of transaction (principal, accrued interest if any total cost).
- b) Reconfirm settlement date.
- c) Acquire CUSIP number of security, if applicable.
- d) Obtain a copy of the Bloomberg (trade ticket plus description page).

All qualified broker/dealers have the City's delivery instructions, which consist of the following:

- a) Name of third-party safekeeping agent (currently Bank of New York Mellon Trust, contact person is Gabriella Rodriguez)
- b) ABA number of safekeeping agent.
- c) Safekeeping account number.

### **Settlement and Follow-Through**

#### **IX. Accountability and Authority**

The Treasurer or other designee should forward to the safekeeping agent, by fax or e-mail, detailed information regarding investment transaction. The detailed information of the purchased security will consist of:

- a) Type of security.
- b) Par amount, stated coupon, interest yield, maturity date, and CUSIP number.
- c) Specified dollar amount (principal amount, accrued interest, if applicable, and total cost).
- d) Note the broker of the investment transaction.
- e) Signature of the Investment Officer.

A phone call should be made to the safekeeping agent to inform of purchase and confirm receipt of the investment information. When applicable the following should be verified:

- a) Provision of receipt or disbursement of funds.
- b) Internal transfer or wiring of funds.
- c) Written validation from safekeeping agent.
- d) Notification of discrepancy prior to acceptance or rejection of the transaction.
- e) Immediate notification if a fail has occurred: by provider if they are responsible, by safekeeping agent if they are responsible.
- f) That all verbal and written verifications have been forwarded to and received from applicable parties to ensure that transaction was successfully executed.

### **Investment Strategy and Performance Standards**

#### XVI. Accountability and Authority

The City's strategy is buy and hold (passive v. active). The strategy is to ladder out the portfolio five years, taking cash flow into consideration. Given this strategy, the basis used by the Treasurer to determine whether market yields are being achieved shall be to identify a comparable benchmark to the City's portfolio investment duration. The 2-Year U.S. Treasury Note shall be the City's benchmark.

## **GLOSSARY OF TERMS**

*Agencies* — agencies of the federal government set up to supply credit to various classes of institutions (e.g., S&Ls, small business firms, students, farmers, housing agencies, etc.)

*Amortized Cost* — cost of investments adjusted for premiums and discounts. Amortized cost is used to maintain comparability with market value.

*Arbitrage Regulation* — law to control the use of profit making by purchasing securities on one market for immediate resale on another in order to profit from a price difference.

*Asked* — the price at which securities are offered.

*Bankers Acceptance (BA)* — a draft, bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

*Benchmark* — a comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

*Bid* — price a prospective buyer is ready to pay.

*Bond Indenture* — written agreement specifying the terms and conditions for issuing bonds, stating the form of the bond being offered for sale, interest to be paid, the maturity date, call provisions and protective covenants, if any, collateral pledged, the repayment schedule, and other terms. It describes the legal obligations of a bond issuer and the powers of the bond trustee, who has the responsibility for ensuring that interest payments are made to registered bondholders.

*Book value* — a term synonymous with amortized cost.

*Broker/Dealer* — individual or firm acting as principal in securities transaction.

*Buy and Hold Strategy* — investments in which management has the positive intent and ability to hold each issue until maturity.

*Callables* — securities that the issuer has the right to redeem prior to maturity.

*Certificates of Deposit (CD)* — a time deposit with a specific maturity evidenced by a certificate.

*Collateral* — securities pledged to secure repayment of a loan.

*Commercial Paper* — short-term IOU, or unsecured money market obligation, issued by prime rated commercial firms and financial companies, with maturities from 2 days up to 270 days. It is a promissory note of the issuer used to finance current obligations, and is a negotiable instrument.

*Comprehensive Annual Financial Report (CAFR)* — an annual financial report that contains at a minimum, three sections: introductory, financial and statistical, and whose financial section provides information on each individual fund and component unit. (Definition source: 2005 Governmental Accounting, Auditing, and Financial Reporting (GAAFR))

*Coupon* — a) the annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value; b) a certificate attached to a bond evidencing interest due on a payment date.

*Custody* — a banking service that provides safekeeping for the individual securities in a customer's investment portfolio under a written agreement which also calls for the bank to collect and pay out income, to buy, sell, receive and deliver securities when ordered to do so by the principal.

*Debenture* — a bond secured only by the general credit of the issuer.

*Delivery vs. Payment* — there are two methods of delivery of securities: Delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with a simultaneous exchange of money. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

*Derivatives* — a) financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor; b) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

*Discount* — the difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

*Discount Securities* — non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury Bills.

*Diversification* — dividing investment funds among a variety of securities offering independent returns.

*Executive Investment Committee* — a committee chaired and appointed by the City Treasurer to oversee the day-to-day investment program of the City.

*Federal Credit Agencies* — agencies of the federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives and exporters.

*Federal Deposit Insurance Corporation (FDIC)* — a federal agency that insures bank deposits. Deposit coverage increased from \$100,000 to \$250,000 per depositor in 2008. The increased coverage limits of \$250,000 per depositor, per insured institution, was extended indefinitely effective July 2010 with the passage of the Dodd-Frank Act.

*Federal Farm Credit Bank System (FFCB)* — created by Congress in 1916, this nationwide system of banks and associations provides mortgage loans, credit and related services to farmers, rural homeowners, and agricultural and rural cooperatives. The banks and associations are cooperatively owned, directly or indirectly, by their respective borrowers. The banks of the Farm Credit System issue securities on a consolidated basis through the Federal Farm Credit Banks Funding Corporation.

*Federal Funds Rate* — the rate of interest associated with borrowing a Federal Reserve Bank's excess reserves. This rate is currently pegged by the Federal Reserve through open-market operations.

*Federal Home Loan Bank System (FHLB)* — created in 1932, this system consists of 12 regional banks, which are owned by private member institutions and regulated by the Federal Housing Finance Board. Functioning as a credit reserve system, the system facilitates extension of credit through its owner-members in order to provide access to housing and to improve the quality of communities. Federal Home Loan Bank issues are joint and several obligations of the 12 Federal Home Loan Banks and issued through the Federal Home Loan Banks Office of Finance.

*Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac)* — a stockholder-owned corporation established by Congress in 1970 to provide a continuous flow of funds to mortgage lenders, primarily through developing and maintaining an active nationwide secondary market in conventional residential mortgages. Freddie Mac purchases a large volume of conventional residential mortgages and uses them to collateralize mortgage-backed securities. Freddie Mac is a publicly held corporation; its stock trades on the New York Stock Exchange. Effective in 2008, the FHLMC was placed under U.S. Government conservatorship through the Federal Housing Finance Authority agency.

*Federal National Mortgage Association (FNMA or Fannie Mae)* — a federally chartered but privately owned corporation which traces its roots to a government agency created in 1938 to provide additional liquidity to the mortgage market. Fannie Mae carries a congressional mandate to promote a secondary market for conventional and FHA/VA single- and multifamily mortgages. Fannie Mae is a publicly held company whose stock trades on the New York Stock Exchange. Effective in 2008, the FNMA was placed under U.S. Government conservatorship through the Federal Housing Finance Authority agency.

*Federal Open Market Committee (FOMC)* — a committee that sets interest rate and credit policies for the Federal Reserve System, the United States' central bank. The FOMC has 12 members. Seven are the members of the Federal Reserve Board, appointed by the president of the United States. The other five are presidents of the 12 regional Federal Reserve banks. Of the five, four are picked on a rotating basis; the other is the president of the Federal Reserve Bank of New York, who is a permanent member. The committee decides whether to increase or decrease interest rates through open market operations of buying or selling government securities. The committee's decisions are closely watched and interpreted by economists and stock and bond market analysts, who try to predict whether the Fed is seeking to tighten credit to reduce inflation or to loosen credit to stimulate the economy.



*Federal Reserve System* — system established by the Federal Reserve Act of 1913 to regulate the U.S. monetary and banking system. The Federal Reserve System (the Fed) is comprised of 12 regional Federal Reserve Banks, their branches, and all national and state that are a part of the system. The Federal Reserve System's main functions are to regulate the national money supply, set reserve requirements for member banks, supervise the printing of currency at the mint, act as clearinghouse for transfer of funds throughout the banking system, and examine member banks to make sure they meet various Federal Reserve regulations.

*Government National Mortgage Association (GNMA or Ginnie Mae)* — government-owned corporations, nicknamed Ginnie Mae, which is an agency of the U.S. Department of Housing and Urban Development. Security holder is protected by full faith and credit of the U.S. government. Ginnie Mae securities are backed by the FHA, VA or FmHA mortgages. The term "pass throughs" is often used to describe Ginnie Maes.

*Interest Rate Risk* — the risk that investments will lose market value because of increases in market interest rates. A rise in market interest rates will cause the market value of investments made earlier at lower interest rate to lose value. The reverse will cause a gain in market value.

*Intermediate Maturity* — investment period greater than one year but less than five years and one day.

*Investment Committee* — a committee chaired by the City Treasurer to advise the City Treasurer on policies governing the City's investment program.

*Laddered Portfolio* — bond investment portfolio with securities in each maturity range (e.g. monthly) over a specified period of time (e.g. five years).

*Leverage* — investing with borrowed money with the expectation that the interest earned on the investment will exceed the interest paid on the borrowed money.

*Liquidity* — the ability to turn an asset into cash. The ability to buy or sell an asset quickly and in large volume without substantially affecting the asset's price.

*Local Agency Investment Fund (LAIF)* — the aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

*Long-Term Maturity* — investment period greater than five years.

*Long-Term Investment* — maturity on investment greater than five years, as of the date of purchase.

*Market Value* — the price at which a security is trading, usually the liquidation value.

*Master Repurchase Agreement* — a written contract covering all future transactions between the parties to repurchase reverse repurchase agreements that establish each party's rights in the transactions. A master repurchase agreement will often specify the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

*Maturity* — the date upon which the principal or stated value of an investment becomes due and payable.

*Modified Duration* — a measure of the sensitivity that the value of a fixed-income security has to changes in market rates of interest. Modified duration is the best single measure of a portfolio's or security's exposure to market risk. Modified duration identifies the potential gain/loss in value before the gain/loss actually occurs. It is a prospective measurement, e.g., a modified duration of 1.5 indicates that when and if a 1% change in market interest rates occurs, a 1.5% change in the value of a security will result. Investments with modified durations of one to three are considered to be relatively conservative.

*Money Market* — the market in which short-term debt instruments (Treasury bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

*Offer* — price at which someone who owns a security offers to sell it, also known as the asked price.

*Open Market Operations* — activities by which the Securities Department of the Federal Reserve Bank of New York, popularly called the desk, carries out instructions of the Federal Open Market Committee designed to regulate the money supply. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

*Pooled Investment* — grouping of sources for the common advantage of the participants.

*Portfolio* — collection of securities held by an investor.

*Primary Dealer* — investment dealers authorized to buy and sell government securities in direct dealings with the Federal Reserve Bank of New York in its execution of Fed Open Market Operations. Such dealers must be qualified in terms of reputation, capacity, and adequacy of staff and facilities.

*Prudent Person Rule* — standard adopted by some U.S. states to guide those with responsibility for investing money of others. Such fiduciaries, such as trustees, must act as a prudent man or woman would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments. States not using the prudent-man system use the *legal list* system, allowing fiduciaries to invest only in a restricted list of securities, called the *legal list*.

*Qualified Investment* — an investment instrument (such as an insured certificate of deposit of \$100,000 with California chartered savings and loan), which is approved by this policy or pursuant to procedures set forth in this policy.

*Range Note* — an investment instrument that pays a high interest rate, if a given index falls within a stipulated range, but pays no interest if the stipulated index falls outside that range.

*Rate of Return* — the yield obtainable on security based on its purchase price or its current market price.

*Repurchase Agreement (RP or REPO)* — agreement between a seller and a buyer, usually of U.S. government securities, whereby the seller agrees to repurchase the securities as an agreed upon price and usually, at a stated time. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: when the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

*Required Reports* — Section 53646 of the California Government Code specifies that certain information may be periodically transmitted to the City's governing body and chief executive officers by the City's chief fiscal or investment officer .

*Safety* — the ability of a security issuer to guarantee redemption of their security.

*Safekeeping* — see custody

*Secondary Market* — a market made for the purchase and sale of outstanding issues following the initial distribution.

*Securities & Exchange Commission* — agency created by Congress to protect investors in securities transactions by administering securities legislation.

*SEC Rule 15C3-1* — see Uniform Net Capital Rule.

*Short-term Maturities* — investment period of one year or less.

*Student Loan Marketing Association (SLMA or Sallie Mae)* — a government sponsored entity created to provide liquidity for private lenders (banks, savings and loan associations, educational institutions, state agencies and other lenders) participating in the federal Guaranteed Student Loan Program, supplemental loan programs, the Health Education Assistance Loan Program and/or the PLUS loan program for parents of undergraduates. Established by the Higher Education Act of 1965, Sallie Mae is owned by its stockholders, and its shares trade on the New York Stock Exchange. The agency purchases student loans, makes warehousing advances and offers forward commitments for both instruments. It offers participations, or pooled interests, in loans and assists in financing student loans either as a direct lender or as a source of funds to eligible guarantee agencies or other lenders. Sallie Mae issues unsecured debt in the form of discount notes, floating-rate notes, long-term fixed-rate securities and zero-coupon bonds. In 1997 Sallie Mae began the process of unwinding its status as a GSE; until this multi-year process is completed, all debt issued by Sallie Mae under its GSE status will be "grandfathered" as GSE debt until maturity.

*Tennessee Valley Authority (TVA)* — a wholly owned corporation of the U.S. government that was established in 1933 to develop the resources of the Tennessee Valley region in order to strengthen the regional and national economy and the national defense. Power operations are separated from non-power operations. TVA securities represent obligations of TVA, payable solely from TVA's net power proceeds, and are neither obligations of nor guaranteed by the United States. TVA is currently authorized to issue debt up to \$30 billion. Under this authorization, TVA may also obtain advances from the Treasury of up to \$150 million.

*Treasury Bills* — a non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Treasury Bills have a maturity of one year or less.

*Treasury Bonds* — long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

*Treasury Notes* — medium-term coupon bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from one to ten years.

*Uniform Net Capital Rule* — Securities and Exchange Commission requirement that all SEC registered broker/dealers maintain sufficient liquid resources to promptly satisfy their liabilities, including all claims by customers, creditors and other broker-dealers. The rule requires broker-dealers to maintain the greater of (1) a specified percentage of net capital as it relates to either total broker indebtedness or total customer receivables, or (2) a specified dollar amount.

*Yield* -The annual rate of return on an investment generally expressed as a percentage of the securities current price.

and deliver the Premises to City in the same condition as Lessee found them upon its acceptance of the Premises hereunder, excepting ordinary wear and tear and conditions caused by acts of God.

6.2 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 during the first year of this lease term \$1500 on or prior to the first day of each month. During year two of the lease, commencing on August 1, 2014, Lessee shall deliver and pay rent in the amount of \$1858.33 per month. During year three of the lease, commencing on August 1, 2015, Lessee shall deliver and pay rent in the amount of \$1903.33 per month.

7.2 Said consideration includes the annual Microsoft Enterprise license fee for twenty two (22) work stations to be provided by City. Any workstations beyond the twenty two (22) must be preapproved by the City's Director of Information Systems and shall be charged to Lessee at cost, based on the rates provided in the Microsoft Enterprise contract that is current at the time of the upgrade. Said additional charges shall be billed separately from the rental rate.

## **Section 8 Security Deposit**

Not applicable to this lease.

## **Section 9 Late Payment**

Rent payments received after the 15th day of any month may be charged an additional 20% late payment fee at the discretion of the Lease Administrator.

## **Section 10 Relocation**

In an effort to assist Compact with its relocation from its current location at the East Valley Civic Center, City has waived the last two months' rent at Compact's EVCC

# CITY COUNCIL

For City Clerk's Use:

APPROVED  DENIED

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

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

Agenda Item No.: 9

Date: June 26, 2013

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Cory Moles, Acting Chief of Police  
**SUBJECT:** FY 2014 California Office of Traffic Safety Sobriety Checkpoint Grant

RECOMMENDATION:

It is requested that Council authorize the Escondido Police Department to accept a FY 2014 Sobriety Checkpoint Mini-grant from the Office of Traffic Safety in the amount of \$184,000; 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 will be used to pay overtime expenses for sobriety checkpoints.

PREVIOUS ACTION:

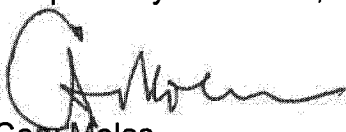
City Council approved a FY 2013 California Office of Traffic Safety (OTS) Sobriety Checkpoint Mini-grant in the amount of \$188,100 on September 12, 2012.

BACKGROUND:

The Escondido Police Department received a FY 2014 Sobriety Checkpoint Mini-grant from the California Office of Traffic Safety, through the National Highway Safety Administration, in the amount of \$184,000. Grant funds will enhance traffic safety programs from October 1, 2013 through September 30, 2014.

If approved by your action today, the Police Department will use grant funds to cover OTS approved supply costs (reflective vests, cones, signage, etc.) and overtime expenses for approximately 16 sobriety checkpoints. The goal of this grant is to reduce the number of victims killed and injured in alcohol-related crashes.

Respectfully submitted,

  
Cory Moles  
Acting Chief of Police





# CITY COUNCIL

For City Clerk's Use:

APPROVED  DENIED

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

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

Agenda Item No.: 10  
Date: June 26, 2013

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Cory Moles, Acting Chief of Police  
**SUBJECT:** FY 2014 State of California Office of Traffic Safety Selective Traffic Enforcement Grant

RECOMMENDATION:

It is requested that Council authorize the Escondido Police Department to accept a FY 2014 State of California Office of Traffic Safety (OTS) Selective Traffic Enforcement Grant in the amount of \$106,110; 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 will be used to pay overtime expenses related to DUI enforcement activities.

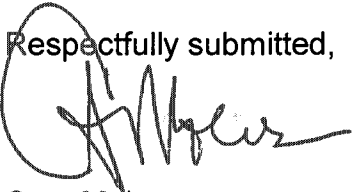
PREVIOUS ACTION:

City Council accepted a FY 2013 California Office of Traffic Safety Selective Enforcement Grant in the amount of \$70,000 on September 12, 2012.

BACKGROUND:

The Escondido Police Department received a FY 2014 California Office of Traffic Safety Grant in the amount of \$106,110. Grant funds will enhance traffic safety programs from October 1, 2013 through September 30, 2014.

If approved by your action today, the Police Department will use grant funds to pay overtime expenses for saturation patrols, court stings, warrant sweeps, and related DUI enforcement details and to purchase supplies for DUI enforcement operations.

Respectfully submitted,  
  
Cory Moles  
Acting Chief of Police





# CITY COUNCIL

For City Clerk's Use:

**APPROVED**       **DENIED**

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

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

**Agenda Item No.: 11**

**Date: June 26, 2013**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Cory Moles, Acting Chief of Police  
**SUBJECT:** FY 2013-14 Department of Alcoholic Beverage Control Local Law Enforcement Grant

**RECOMMENDATION:**

It is requested that Council adopt Resolution No. 2013-84 authorizing the Chief of Police to receive a \$54,526 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.

**PREVIOUS ACTION:**

City Council adopted Resolution No. 2012-108 approving a \$65,000 Department of Alcoholic Beverage Control Local Law Enforcement Grant on June 27, 2012.

**BACKGROUND:**

The California Department of Alcoholic Beverage Control (ABC) has awarded the Escondido Police Department a \$54,526 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:

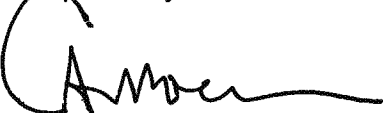
1. License Education of Alcohol and Drugs (LEAD) – A free voluntary prevention and education program for retail licensees, employees and applicants;
2. Informed Merchants Preventing Alcohol-Related Crime Tendencies (IMPACT) – A prevention and education program to teach licensees how to help reduce alcohol-related

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. Funding will also cover salary expenses for one part-time employee to administer program documents, process ABC licenses and compile statistics. During the grant period, July 1, 2013 to June 30, 2014, grant funds will increase enforcement efforts and enhance public awareness campaigns to promote safety in the community.

Respectfully submitted,



Cory Moles  
Acting Chief of Police



RESOLUTION NO. 2013-84

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE CHIEF OF POLICE TO RECEIVE A \$54,526 GRANT FROM THE DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL 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 2013-2014 Department of Alcoholic Beverage Control ("ABC") Project; and

WHEREAS, the 2013-2014 ABC Project to Local law Enforcement Agencies will be funded in part from funds made available through the Grant Assistance Program ("GAP") 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 \$54,526 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 26, 2013**

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

**FROM:** Edward N. Domingue, Public Works Director/City Engineer  
Debra Lundy, Real Property Manager

**SUBJECT:** Lease Agreement with Escondido Education Compact at 220 South Broadway and Budget Adjustment

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2013-78 authorizing the Real Property Manager and City Clerk to execute a Lease Agreement with Escondido Education Compact ("Compact") at 220 South Broadway. It is further requested that Council approve a budget adjustment to increase the Office Automation Fund 2013/14 budget to pay for data networking costs related to this lease in the amount of \$22,600. Said costs are to be transferred from the Recreation Fund due to revenue received from the Heritage Digital Academy lease.

FISCAL ANALYSIS:

In the first year, monthly rental revenue in the amount of \$1,500 would be deposited into the General Fund (\$1,141.67) and the Office Automation Fund (\$358). In year two, monthly rental revenue in the amount of \$1,858.33 would be deposited into the General Fund (\$1,500) and the Office Automation Fund (\$358). In year three, monthly rental revenue in the amount of \$1,903.33 would be deposited into the General Fund (\$1,545) and the Office Automation Fund (\$358).

The Office Automation Fund expenditures, totaling \$22,600, will be offset by the rental revenue received from the lease with Heritage Digital Academy in the form of a transfer. The ongoing \$358 to Office Automation represents ongoing computer licensing fees required by City contract.

PREVIOUS ACTION:

N/A

BACKGROUND:

Escondido Education Compact has been leasing space from the City at the East Valley Civic Center since 2002 for its youth workforce development and at-risk programs and services. The lease on East Valley has been on month to month since June 20, 2011. The Compact received its Notice of Lease Termination on May 16, 2013, to make room for the Heritage Digital Academy Charter School,

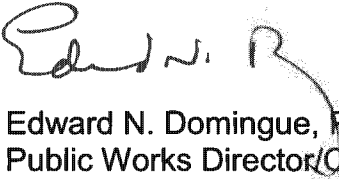
which is expected to open this fall. Compact will be vacating its existing leased premises on or before July 31, 2013 and desires to relocate its operation to the subject property at that time.

The property at 220 South Broadway was purchased for the Library Expansion and is available for interim lease until needed for the Expansion Project. The space became vacant in November 2011 and has been on the market for lease for about a year. The proposed lease term is three years with two additional one-year options. After the initial two years, commencing on August 1, 2015, the City has the right to terminate the lease early in the event that the Library Expansion Project requires the property sooner.

The proposed lease agreement would provide Compact with similar Information Systems support by the City as was enjoyed under the previous lease agreement. Since the building that Compact is relocating to is not currently a City facility, it is estimated that Information Systems costs of \$22,600 will be expended to bring Compact onto the City's computer and phone network. Said costs will be offset by the rental revenue received from the Heritage Digital Academy lease.

The proposed lease requires the Lessee to provide and pay for all utilities except trash. The Lessee is to be responsible for all maintenance of the property, with the exception of those items of a structural nature (roof, HVAC, major plumbing & electrical), which shall be maintained by the City as needed at the City's sole discretion).

Respectfully submitted,



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



Debra Lundy  
Real Property Manager





RESOLUTION NO. 2013-78

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, A LEASE AGREEMENT  
WITH ESCONDIDO EDUCATION COMPACT

(220 South Broadway)

WHEREAS, the City of Escondido owns certain real property located at 220 South Broadway; and

WHEREAS, the City and Escondido Education Compact desire to enter into a Lease Agreement to allow offices, training and meeting rooms for youth workforce development and programs and services in support of at-risk youth; 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. The Real Property Manager and City Clerk are authorized to execute, on behalf of the City, the Lease Agreement with Escondido Education Compact, which is attached hereto as Exhibit "1" and incorporated by this reference.



# 220 SOUTH BROADWAY LEASE AGREEMENT

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**Lessee: Escondido Education Compact**

**Term: Three Years**

**Premises: 220/228/230 South Broadway, Escondido, CA**

**Date: August 1, 2013**

Lease Agreement between the City of Escondido and Escondido Education Compact for use of the property at 220, 228 & 230 South Broadway, 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 \_\_\_\_\_, 2013  
between the City and Escondido Education Compact.

### 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.

- 1.1 **City.** The City means the City of Escondido, a California general law City.
- 1.2 **Lease.** Lease means this Lease Agreement.
- 1.3 **Lease Administrator.** The Lease Administrator means the City of Escondido Real Property Agent or, upon written notice to Lessee, such other person as shall be designated from time to time by City.
- 1.4 **Lessee.** Lessee means Escondido Education Compact, and does not include its heirs, assigns, or successors-in-interest.
- 1.5 **Premises.** Premises means the real property commonly known as 220, 228 & 230 South Broadway and includes nine (9) exclusive-use parking spaces in the parking lot at the back of the building.

### Section 2 Administration

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

City of Escondido  
Attn: Engineering – Real Property Manager  
201 North Broadway  
Escondido, CA 92025

and on behalf of Lessee by Patricia Huerta, whose address is:

Escondido Education Compact  
Attn: Patricia Huerta  
220 South Broadway  
Escondido, CA 92025

### Section 3 Term

- 3.1 **Term.** The term of this Lease is three (3) years, commencing on August 1, 2013.

- 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 sixty (60) days prior notice to Lessee.

#### **Section 4 Termination of Lease**

- 4.1 After the first two years of the lease agreement, commencing on August 1, 2015, in the event that the City's Library Expansion Project requires the property, the City shall have the right to terminate this lease, with or without cause, by providing a written 90 day notice to Lessee.
- 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, or 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.
- 4.4 Termination upon Default. Upon the occurrence and failure to cure a default of the Lease within the time period in Section 4.2, 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.

#### **Section 5 Options to Renew**

The City, in its sole discretion, may allow the Lessee to renew this lease for two consecutive one year options. If Lessee desires to renew this Lease, Lessee shall provide written notice to City of Lessee's intent to renew not less than sixty (60) days prior to the expiration of the initial Lease term or first renewal year. City shall respond to Lessee's renewal request in writing within thirty (30) days of receiving such notice. City reserves the right to modify the rent rate for each renewal year at the Lease Administrator's discretion.

#### **Section 6 Vacation of Premises**

- 6.1 Upon termination of this Lease for any reason, Lessee shall peaceably vacate

location for a cost savings to Compact of \$2,000. The City further has waived the City Water Utility connection charge of \$125 and last year's computer licensing fee of \$4300 in order to provide some relief to Compact for anticipated move and tenant improvement costs. Additionally, Heritage Digital Academy has agreed to provide payment to Compact in the amount of \$3,000 for move and tenant improvement expenses. Further, City hereby agrees to provide to Lessee a rent credit at the leased premises for an amount up to \$2,185 for any actual move and tenant improvement expenses exceeding \$3,000 based on receipts or invoices reflecting said costs.

## **Section 11 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, and any telecommunications services. City agrees to provide and pay for trash services. Trash services are currently paid by the neighboring tenant at 210 South Broadway and City will provide a rent credit to said tenant for Compact's 50% share of the trash fees.

## **Section 12 Taxes, Assessments and Fees**

- 12.1 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.
- 12.2 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 13 Acceptance and Maintenance**

- 13.1 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.
- 13.2 Lessee agrees to maintain the Premises and all improvements, alterations, fixtures, and appurtenances in good condition and in compliance with all applicable building, property maintenance, and related laws. Lessee agrees



to make all repairs in and about the Premises which may be necessary to preserve them in good order and condition. Said repairs, if any, shall be made in a good and professional manner, and at least equal to the condition and quality of the repaired items at the inception of this Lease. Lessee shall promptly pay the expenses of such repairs. Lessee agrees to be solely responsible for all costs of maintenance and repair. 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.

Said repairs do not include structural items such as the roof, HVAC, major plumbing or electrical, which shall be maintained by the City as needed at the City's sole discretion. After the first 14 days after the effective date of this lease, Lessee shall be responsible for plumbing related repairs resulting from Lessee's use (i.e. drain clogs). If the Lessee's plumber determines that the issue is building-wide and/or related to the City's sewer main, the City will be responsible for repair of same.

- 13.3 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 14 Information Systems**

- 14.1 City agrees to connect the leased premises to the City's telephone and computer network at City's cost and to provide technical support on equipment meeting City hardware standards. All hardware installed for Lessee's benefit under this lease (switch, rack, phones) shall be the property of the City and will remain with the property upon lease termination. Lessee will provide its own computer equipment and will be responsible for the annual Microsoft Licensing fee, as well as costs for addition computers above and beyond the 22 initial work stations, as pre-approved by the City's Director of Information Systems and as set forth in the Microsoft Enterprise contract that is current at the time of the upgrade. Any equipment that is on the City's network must be maintained to the City's hardware standards. Any equipment falling below this standard shall be upgraded or replaced at the sole cost of Lessee or otherwise will be eliminated from the City's network and will no longer be maintained by City staff.

- 14.2 Compact staff will be included on the City's e-mail system. All Compact volunteers and employees must adhere to the City's computer use policy. Equipment not on the City's network will be the sole and exclusive responsibility of Lessee.
- 14.3 Voice Over Internet Phones (VOIP) will be provided to Compact for 22 workstations. Compact will pay the annual telephone fees of \$600/year. Any additional phones beyond the initial 22 will incur a charge of \$195/per phone and will trigger an increase to the annual fee in the amount of \$27.30 per each additional phone.
- 14.4 City agrees to permit the copy machine currently used by Lessee to be relocated to 220 South Broadway at no cost to Lessee. The copier will be serviced and maintained by the City, however Lessee will provide the paper and Lessee will be charged for copies in excess of 5,000 per quarter at a rate of \$0.75/copy.

## **Section 15 Meeting Rooms**

City agrees to allow Compact use of City meeting rooms for periodic meetings at no cost. Said use is subject to availability and will require reservations through the appropriate City department personnel.

## **Section 16 Furniture**

City agrees to allow certain former branch library furniture to be relocated to the leased premises for use by Lessee during the term of this lease. The City understands that Lessee desires said furniture to be donated to Compact upon lease termination. Said request will be considered at the time of lease termination.

## **Section 17 Alterations**

- 17.1 Other than the anticipated minor tenant improvements which have already been preapproved (painting of interior and new carpeting), 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.
- 17.2 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.
- 17.3 Lessee shall have the right from time to time to make alterations, additions,

demolitions and replacements to the buildings and other Improvements to be situated on the Premises, provided that such alterations, additions, demolitions or replacements shall not decrease the value of the Premises. All such work shall be done in a good and workmanlike manner and diligently prosecuted to completion. Upon termination of the Lessee's leasehold estate, such alterations, additions and replacements shall be considered as Improvements and shall not be removed by the Lessee but shall become a part of the Premises. Any such work shall be performed and done strictly in accordance with the laws and ordinances relating thereto.

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 18 Use**

Lessee agrees to use the Premises for offices, meetings and training related to its youth workforce development and at-risk support programs and services. 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 19 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 20 Conduct**

- 20.1 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.
- 20.2 Lessee and guests of Lessee shall conduct themselves in accordance with the Operational Plan.
- 20.3 Lessee shall not violate, or permit the violation of, any City or County ordinance, or state or federal law, in or about the Premises.

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

### **Section 21 Pets**

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

### **Section 22 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 23 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 24 Right to Show Premises**

In the event of Termination, the City reserves the right to conduct an "open house" of the Premises in order to facilitate re-renting or selling the Premises. Said "open house" shall not exceed four hours total duration (maximum of two separate days), and when possible, be scheduled from 3 p.m. to 5 p.m., Monday through Friday.

### **Section 25 Insurance**

25.1 Lessee must have insurance in the following amounts at all times during this Agreement: [check for updates in amount]

- 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.

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

- A. 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.
- B. 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.
- C. All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.

25.3 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.

25.4 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.

25.5 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.

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

### **Section 26 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 27 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 28 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 29 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 30 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 31 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 32 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 33 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 34 Amendment**

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



2013-78  
15 15

**Section 35 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

**ESCONDIDO EDUCATION COMPACT**

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

\_\_\_\_\_  
Patricia Huerta, Executive Director

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.: 13**  
**Date: June 26, 2013**

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

**FROM:** Edward N. Domingue, Public Works Director/City Engineer  
Richard O'Donnell, Deputy Director of Public Works/Maintenance

**SUBJECT:** Award Purchase of Fuel

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2013-88 and approve the purchase of fuel for the City of Escondido's fleet through a cooperative purchase agreement with the City of San Diego, pursuant to Escondido Municipal Code section 10-90. This fuel will be purchased from The SoCo Group Inc.

FISCAL ANALYSIS:

Sufficient funds have already been approved in the fiscal year 2013/14 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 co-operative purchase agreement with the City of San Diego and other public agencies throughout the County. SoCo has won the bid for the last several years and has provided exceptional service to their customers. 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 2013/14 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>
2007-08	\$945,000	\$937,715	\$7,285	309,169	\$2.39 - \$4.32	\$ 3.03
2008-09	\$1,045,000	\$691,232	\$353,768	282,619	\$1.39 - \$4.01	\$ 2.45
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 as of 06/10/2013	\$1,216,975	\$843,604	\$373,371	240,748	\$3.03 - \$4.31	\$ 3.50

### 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>
2007-08	\$376,300	\$207,650	\$168,650	72,232	\$2.51 - \$4.93	\$ 2.87
2008-09	\$260,000	\$181,212	\$78,788	69,482	\$1.59 - \$4.89	\$ 2.60
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 as of 06/10/2013	\$244,315	\$263,184	-\$18,869	70,833	\$3.44 - \$4.28	\$ 3.72

## HISTORY OF TOTAL FUEL USE:

### Gasoline Charged to Departments in Gallons

Dept. #	Dept. Name	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	*FY 12-13
004	City Clerk	162	196	166	47	76	93
024	Risk Management	115	58	57	82	66	111
031	Information Systems	105	191	175	151	193	149
102	Recreation	1,937	918	434	541	425	898
103	Parks	9,875	7,591	7,615	8,171	10,478	11,228
104	Library	323	330	327	259	97	108
109	CDBG Admin	2,077	1,584	380	395	263	266
200	Planning	402	385	1,133	41	71	67
250	Code Enforcement	3,271	4,083	2,909	2,468	2,956	3,201
300	Building	2,422	1,845	802	1,636	1,737	1,700
402	P.W. Engineering	9,333	6,982	4,305	4,837	4,378	5,393
403	Streets	29,873	24,627	20,670	18,100	19,213	19,454
410	Water	29,612	26,586	26,984	23,805	22,607	22,148
412	Canal	3,248	1,520	2,076	1,902	1,862	1,873
414	Lakes	10,422	9,546	9,633	8,274	9,294	10,161
420	Wastewater	29,351	29,118	24,935	21,558	23,352	22,307
422	Recycled water	379	344	336	317	314	470
440	Stormwater	1,670	1,441	1,518	1,363	1,197	132
450	Building Maintenance	8,633	7,485	5,189	4,680	4,603	3,975
500	Police	168,998	159,059	160,060	146,619	147,182	140,668
600	Fire	8,935	8,696	7,915	6,684	7,612	14,472
701	City Hall Pool	1,415	1,207	653	734	599	556
704	Recycle	89	120	201	37	227	115
710	Warehouse	247	232	164	162	148	195
715	Fleet Services	2,999	2,121	1,515	1,731	1,668	1,933
772	Mail Services	34	14	0	0	0	0
	<b>Totals</b>	<b>325,927</b>	<b>296,277</b>	<b>280,151</b>	<b>254,593</b>	<b>260,618</b>	<b>261,671</b>

\* as of 06/01/2013

## Gasoline Charged to Departments in \$

Dept. #	Dept. Name	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	*FY 12-13
004	City Clerk	\$472	\$527	\$414	\$155	\$282	\$324
024	Risk Management	\$344	\$156	\$149	\$247	\$233	\$415
031	Information Systems	\$311	\$512	\$442	\$463	\$693	\$532
102	Recreation	\$5,494	\$2,192	\$1,110	\$1,665	\$1,503	\$3,220
103	Parks	\$29,151	\$19,628	\$19,416	\$25,208	\$37,576	\$39,460
104	Library	\$1,041	\$853	\$853	\$739	\$337	\$384
109	CDBG Admin	\$5,988	\$4,035	\$970	\$1,220	\$938	\$911
200	Planning	\$1,171	\$1,029	\$2,879	\$123	\$255	\$246
250	Code Enforcement	\$9,610	\$10,638	\$7,401	\$7,577	\$10,614	\$11,261
300	Building	\$7,016	\$4,811	\$2,035	\$5,047	\$6,206	\$5,930
402	P.W. Engineering	\$27,233	\$18,356	\$10,945	\$14,769	\$15,630	\$18,911
403	Streets	\$86,873	\$64,957	\$52,529	\$55,909	\$68,604	\$67,604
410	Water	\$86,573	\$69,368	\$68,536	\$73,291	\$80,817	\$77,150
412	Canal	\$9,320	\$3,907	\$5,275	\$5,816	\$6,465	\$6,540
414	Lakes	\$30,558	\$24,156	\$24,440	\$25,334	\$33,272	\$35,126
420	Wastewater	\$86,322	\$75,667	\$63,394	\$66,628	\$83,433	\$77,921
422	Recycled water	\$1,101	\$882	\$856	\$946	\$1,123	\$1,630
440	Stormwater	\$4,928	\$3,900	\$3,855	\$4,204	\$4,216	\$458
450	Building Maintenance	\$25,152	\$19,443	\$13,204	\$14,442	\$16,382	\$13,869
500	Police	\$496,121	\$404,483	\$408,549	\$450,589	\$525,761	\$490,249
600	Fire	\$26,410	\$22,248	\$20,138	\$20,581	\$27,238	\$50,283
701	City Hall Pool	\$4,185	\$3,361	\$1,675	\$2,293	\$2,151	\$1,959
704	Recycle	\$280	\$271	\$518	\$117	\$818	\$398
710	Warehouse	\$718	\$602	\$420	\$487	\$541	\$687
715	Fleet Services	\$8,875	\$5,697	\$3,841	\$5,421	\$5,977	\$6,761
772	Mail Services	\$101	\$44	\$0	\$0	\$0	\$0
	<b>Totals</b>	<b>\$955,344</b>	<b>\$761,725</b>	<b>\$713,843</b>	<b>\$783,269</b>	<b>\$931,063</b>	<b>\$912,227</b>

\* as of 06/01/2013

### Diesel Fuel Charged to Departments in Gallons

Dept. #	Dept. Name	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	*FY 12-13
103	Parks	1,868	2,002	2,237	2,702	1,333	1,246
403	Streets	20,964	17,955	15,988	20,320	20,659	19,254
410	Water	6,374	7,060	6,157	7,967	7,208	7,168
412	Canal	2,812	4,360	3,500	3,902	4,061	4,127
414	Lakes	605	419	258	447	375	414
420	Wastewater	6,525	7,323	6,858	6,132	5,908	7,634
450	Building Maintenance	171	80	0	0	0	0
500	Police	206	145	150	199	179	120
600	Fire	31,755	28,958	29,868	29,557	27,729	25,712
715	Fleet Services	230	113	14	45	0	21
	<b>Totals</b>	<b>71,510</b>	<b>68,414</b>	<b>65,031</b>	<b>71,271</b>	<b>67,451</b>	<b>65,695</b>

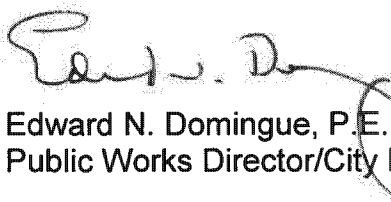
\* as of 06/01/2013


### Diesel Fuel Charged to Departments in \$

Dept. #	Dept. Name	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	*FY 12-13
103	Parks	\$6,234	\$6,140	\$6,040	\$9,061	\$5,212	\$4,834
403	Streets	\$67,729	\$50,045	\$42,953	\$68,199	\$80,738	\$74,447
410	Water	\$20,866	\$19,073	\$16,542	\$26,593	\$28,233	\$27,646
412	Canal	\$9,437	\$12,202	\$9,425	\$13,097	\$15,807	\$16,034
414	Lakes	\$1,970	\$1,192	\$704	\$1,404	\$1,439	\$1,553
420	Wastewater	\$21,722	\$20,029	\$18,357	\$20,628	\$23,038	\$29,291
450	Building Maintenance	\$682	\$254	\$0	\$0	\$0	\$0
500	Police	\$726	\$374	\$418	\$720	\$697	\$428
600	Fire	\$107,981	\$75,085	\$80,922	\$97,834	\$109,950	\$89,479
715	Fleet Services	\$786	\$302	\$39	\$171	\$0	\$75
	<b>Totals</b>	<b>\$238,132</b>	<b>\$184,696</b>	<b>\$175,399</b>	<b>\$237,708</b>	<b>\$265,113</b>	<b>\$243,786</b>

\* as of 06/01/2013

Respectfully submitted,

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

  
 Richard O'Donnell  
 Deputy Director of Public Works/Maintenance

RESOLUTION NO. 2013-88

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 ("City") desires to purchase fuel for its vehicles; and

WHEREAS, sufficient funds for said purchase have been approved in the 2013/14 operating budget; and

WHEREAS, the City wishes to utilize a City of San Diego Purchasing Agreement which contains a Public Agency Clause with renewable extensions; and

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

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

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 and diesel fuels from SoCo Group, Inc.

**CITY COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

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

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

**Agenda Item No.:** 14

**Date:** June 26, 2013

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Edward N. Domingue, Public Works Director/City Engineer  
Dan Higbee, Construction Project Manager  
**SUBJECT:** Notice of Completion for Tract 858 Paramount

**RECOMMENDATION:**

It is requested that Council approve and accept the public improvements and authorize staff to file a Notice of Completion for Tract 858 Paramount.

**FISCAL ANALYSIS:**

No direct fiscal impact.


**PREVIOUS ACTION:**

The final map was recorded on March 28, 2013.

**BACKGROUND:**

Tract 858 Paramount is a residential multifamily subdivision which was built by Lyon Communities. The public improvements include street improvements, curb, gutter, sidewalk, water line, sewer line, storm drain, landscaping, streetlights, traffic signal and underground dry utilities.

Respectfully submitted,

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

  
Dan Higbee  
Construction Project Manager

# ESCONDIDO TRACT 858 PARAMOUNT



NOTICE OF COMPLETION  
CITY COUNCIL MEETING 06-26-2013





**CITY COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

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

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

**Agenda Item No.:** 15  
**Date:** **June 26, 2013**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Edward N. Domingue, Public Works Director/City Engineer  
Dan Higbee, Construction Project Manager  
**SUBJECT:** Notice of Completion for Tract 926 The Venue

**RECOMMENDATION:**

It is requested that Council approve and accept the public improvements and authorize staff to file a Notice of Completion for Tract 926 The Venue.

**FISCAL ANALYSIS:**

No direct fiscal impact.

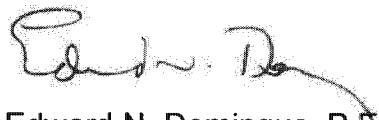
**PREVIOUS ACTION:**

The final map was recorded on March 28, 2013.

**BACKGROUND:**

Tract 926 The Venue is a residential multifamily high-rise, which was built by Lyon Communities. The public improvements include street improvements, curb, gutter, sidewalk, water line, sewer line, storm drain, landscaping, streetlights, traffic signal and underground dry utilities.

Respectfully submitted,

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

  
Dan Higbee  
Construction Project Manager

# ESCONDIDO TRACT 926 VENUE



NOTICE OF COMPLETION  
CITY COUNCIL MEETING 06-26-2013



# CITY COUNCIL

For City Clerk's Use:

APPROVED  DENIED

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

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

**Agenda Item No.: 16**

**Date: June 26, 2013**

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

**FROM:** Jennifer K. McCain, Assistant City Attorney

**SUBJECT:** Employment Agreements – City Manager and City Attorney

**RECOMMENDATION:**

It is recommended that Council adopt Resolution 2013-94 authorizing the Mayor and City Clerk to execute, on behalf of the City, Employment Agreements with the City Attorney and City Manager.

**BACKGROUND:**

The City Manager and City Attorney serve pursuant to the California Government Code, the Escondido Municipal Code and an employment agreement. They are the only two city employees who report directly to the City Council. Thus, their employment agreements implement the authorizing provisions of state law and the municipal code and provide the specific terms and conditions of employment, compensation, and benefits. This arrangement is typical for most California cities.

As a matter of local policy, the City of Escondido has treated its City Manager and City Attorney equally in terms of all aspects of their employment. This policy has been in place through three city managers and two city attorneys over the last 20+ years. Escondido also enjoys the most stability in senior management of any city in San Diego County. As of the Spring of 2013, the City of Escondido has the longest serving city attorney and the longest serving city manager of any local city.

The current form of employment agreement used in the City of Escondido was developed at the request of the City Council in 1999. At that time, Mayor Lori Pfeiler, and Councilmembers June Rady, Keith Beier, Marie Waldron, and Jerry Kaufmann retained the services of attorney Dwight Worden who worked with the City Council and then-City Manager Rolf Gunnarson and City Attorney Jeffrey Epp to negotiate and develop the agreement. Other than changes to the method for calculating the base salary, and the recent elimination of certain fringe benefits, the basic provisions of the agreement have remained intact since 1999, including when Clay Phillips assumed the City Manager position following Rolf Gunnarson's retirement in 2003.

**Base Salary Provisions**

In recent years, the base salary was set by conducting a survey of San Diego County cities (except for the City of San Diego). The existing employment agreements provide that the base salary shall be set at "not less than" the third highest city manager salary of those surveyed. Increases become effective July 1 of each year, following a survey process and review opportunity in May and June.

The effective result of this process has been an increase in base salary of 2.25% in 2008 and .36% in 2010. Prior to that, the base salary had not been adjusted since 2006, except for a 1% adjustment received by all city employees in 2007.

As a show of unity with other city employees who had experienced economic hardships and to demonstrate teamwork, the City Manager and City Attorney voluntarily gave back the 2.25% increase in 2008, and did not accept that increase until 2010. And in 2010, they gave back the .36% increase until 2011.

### **Benefits**

The existing employment agreements provide certain fringe benefits. Except for minor adjustments on the management days, auto allowance, and the spousal travel issue, these benefits have generally remained unchanged since the 1999 form of agreements was developed. They include the following:

- 1) Twenty days of management leave, with the ability to convert 15 of those to salary.
- 2) An auto allowance of \$750 per month (set at the same amount as Council).
- 3) Payment for certain expenses of the spouse for certain conference related travel each year, or in the alternative, reimbursement for the purchase of computer related equipment up to \$1,000 each year.
- 4) Life insurance with a policy amount of two times the amount of the annual salary.
- 5) Paying the employee's contribution to PERS on behalf of the employee.
- 6) A separate contribution to an individual deferred compensation plan of 7% of the base salary.
- 7) An annual physical examination reimbursement of \$300.
- 8) Vacation time, sick leave, long term disability insurance, and worker's compensation benefits are on the same basis as all other management employees of the City pursuant to City policy. The right to accrue vacation and sick leave, as well as the caps set on such accruals, are the same as other management employees. The contracts provide the right to payment of any accrued leave at the end of employment.

### **Employee Share of the PERS (the EPMC)**

The contractual provision for payment of the employee's contribution to PERS on behalf of the employee (#5, above) conflicted with the resolution adopted on August 10, 2011, eliminating the EPMC and having City employees pay their own share of PERS. The proposed resolution of this conflict was a form of participation and reimbursement. The City Manager and City Attorney voluntarily contributed the required amount, but were reimbursed. However, the reimbursement was not used in applying the annual base salary formula in the Agreement.

### **Other Benefits**

In July of 2011, the Council also expressed a desire to cut back certain benefits which cast an unfavorable light on city employment generally in tight budget times. Examples included the spousal

travel benefit, and the separate itemization of an annual physical. However, elimination of specific benefits which are part of a legally binding contract would have required either voluntary relinquishment by the City Manager and City Attorney, or would have required a contract amendment.

The City Manager and City Attorney voluntarily eliminated any separate itemization of an annual physical and the spousal travel benefit. In 2012, the City Manager and City Attorney also voluntarily relinquished the computer equipment reimbursement. Because these adjustments occurred on a voluntary basis, an amendment to the contract to remove this benefit was not necessary.

### **Term**

Prior to 1999, the employment agreements were often for a set term of years, or annually. In recent years, the employment agreements have been "evergreen" in nature, meaning that they have no established term but remain in effect with a one year severance benefit. This structure provided stability during times of economic and political turmoil and helped each of these individuals focus on the professional aspects of their positions.

### **Proposed Employment Agreements**

Employment Agreements for the City Manager and the City Attorney attached to Resolution No. 2013-94 amend the salary structure and term of the employment agreements to accomplish at least six specific objectives:

- 1) Recognize performance in each of these two positions. Although this matter can be discussed in more detail during performance evaluations, there is little doubt that these two employees have steered the City through difficult challenges in recent years and, all the while seeing that Council policy goals have been pursued.
- 2) Maintain both equity but also recognition for these positions in relation to the place Escondido wishes to have vis a vis other cities.
- 3) Provide for continued senior management stability, and more specifically, through at least the next election cycle in November 2014, which will be the City's first election under districts.
- 4) Allow for succession planning and transition in these two key positions. However, with City Manager Clay Phillips having 32 years of public service (10 years as City Manager) and City Attorney Jeffrey Epp at 28 years of public service, it becomes important for the City to plan for the future.
- 5) Avoid the lump sum financial impact that could occur if both employees leave in a single fiscal year. In addition, because these two employees have been with the City for extended periods, and because of the demands of the positions, both have accumulated substantial amounts of vacation and other leave time that will result in a significant financial impact on the City when they leave. It is in the City's best interest to spread any impacts over a period of time rather than all at once, particularly if both employees operate on similar time frames.
- 6) Update the contracts to include provisions from recent legislation regarding the reimbursement of severance benefits upon conviction of a crime involving an abuse of

office or position, and regarding automatic renewals of a contract with automatic increases in compensation other than cost of living adjustments.

The specific items recommended include the following:

Term: Eliminate "evergreen" provisions so there is no automatic renewal. Provide for a specific term of 3 years, unless terminated earlier pursuant to provisions which are already in the agreement (i.e. termination by City for cause with no severance benefit, and if without cause, upon payment of applicable severance benefit) and by Employee (with an agreed upon advance notice)

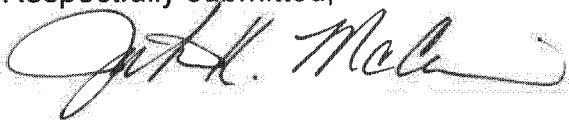
Salary: The current provisions which set the salary at "not less than" the third highest City Manager salary in the County of San Diego (exclusive of the San Diego City Manager) will be eliminated. Instead, a fixed schedule would be adopted as follows:

Effective July 1, 2013: Current base plus 3.95%  
Effective July 1, 2014: Current base plus 2.95%  
Effective January 1, 2015: Current base plus 4.95%

Required Leave Distribution: One-third of total available accumulated leave as of July 1 of each year, commencing July 1, 2013.

Phase Out of Severance: Provide that the severance benefit in the agreements (currently one year) is gradually eliminated over the remaining life of the Agreement, such that no severance benefit is payable at the end of the term.

Respectfully submitted,



JENNIFER K. MCCAIN  
Assistant City Attorney

RESOLUTION NO. 2013-94

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, EMPLOYMENT AGREEMENTS WITH  
THE CITY MANAGER AND CITY ATTORNEY

WHEREAS, Clay Phillips and Jeffrey Epp serve as the Escondido City Manager and Escondido City Attorney, respectively, pursuant to Employment Agreements with the City; and

WHEREAS, the City Council desires and deems it in the best public interest to provide for the continued employment of the City Manager and City Attorney pursuant to Agreements governing the terms and conditions by which they shall serve as City Manager and City Attorney; and

WHEREAS, the City Council desires to update the current Employment Agreements (including amendments thereto) with new Employment Agreements with the City Manager and City Attorney effective June 26, 2013; and

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

1. That the above recitations are true.
2. That the Mayor and City Clerk are hereby authorized to execute, on behalf of the City, Employment Agreements with the City Manager and the City Attorney. A

copy of the Agreements are attached as Exhibits "1" and "2," and incorporated by this reference.





CITY OF ESCONDIDO  
AT WILL EMPLOYMENT AGREEMENT

Between: CITY OF ESCONDIDO  
201 N. Broadway  
Escondido, California 92025  
("Employer")

And: Clay Phillips  
27118 North Broadway  
Escondido, CA 92026  
("Employee")

Witness that whereas:

- A. Employer and Employee wish to enter into an Agreement providing for Employee to continue serving as the City Manager for the City of Escondido, as provided by the California Government Code and Chapter 2, Article 3 of the Escondido Municipal Code; and
- B. Employee has been employed by Employer pursuant to a contract ["Current Contract"], and it is the mutual intent of the parties to replace the Current Contract with this new Agreement effective June 26, 2013; and
- C. It is the desire of the Employer to provide certain benefits and establish certain conditions of employment of the Employee for the purpose of securing and retaining the services of the Employee;
- D. Employee desires to be employed as the City Manager for the City of Escondido.

NOW THEREFORE, in consideration of the mutual covenants set forth below, the parties agree as follows:

SECTION 1. Duties.

Employer employs Employee as the City Manager of the City of Escondido to perform the functions and duties specified by law and in the Escondido Municipal Code, and to perform such other legally permissible and proper duties and functions as the Council shall from time to time assign. It is acknowledged by Employer and Employee that, as provided in Escondido Municipal Code Sections 2-49 and 2-50, the City Manager takes direction from the Council as a whole, provided that the Council may expressly authorize a Council subcommittee, the Mayor, or other council member to give direction on particular matters and such subcommittee, the Mayor, or council member may give direction to the City Manager within the scope of such Council authorization. Employer and Employee understand that no such direction from the Council shall be contrary to or in violation of law or applicable City Manager Code of professional Responsibility. With respect to such authorizations the Council acts only through duly enacted resolutions, ordinances, or minute action.

SECTION 2. Term.

(a) This Agreement shall be effective as of June 26, 2013, and shall terminate on July 1, 2016 unless terminated as provided below pursuant to paragraph 5.

(b) Employee understands that he is an "at will" employee under controlling law and is "at will" serving at the pleasure of the Council pursuant to Chapter 2, Article 3 of the Escondido Municipal Code. Nothing in this Agreement is intended to, nor shall it, prevent, limit or otherwise interfere with the right of the Employer, in the Employer's discretion, to terminate the services of Employee at any time in accordance with said laws and the provisions of this Agreement.

(c) Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Employee to resign at any time from his position with Employer, provided he shall first provide forty-five (45) days advance written notice of such resignation to Employer.

**SECTION 3. Termination of Prior Agreement: Mutual Release**

The Current Contract will expire as the close of business on June 26, 2013. Employer and Employee hereby mutually release each other from any and all claims, demands, and causes of action which they may now have, have had, or will have arising out of, or relating to, the Current Contract, including but not limited to claims for breach of contract. This release shall be effective as of the date of signing of this Agreement, notwithstanding that this Agreement does not become effective until June 26, 2013. It is contemplated and intended by the parties that they will each sign the further release attached as Exhibit 1 on or about June 26, 2013 to replace the current release and to cover the time period from the effective date of the current release through the June 26, 2013 effective date of this Agreement. It is the mutual intent of the parties that as of the close of business on June 26, 2013 this Agreement shall exclusively set forth the rights of the parties and neither party shall have any further rights under the Current Contract.

Execution of this Agreement will operate as a general release on the part of Employer and Employee as to all claims, known or unknown, with respect to the Current Contract as of the date this Agreement is signed, and each specifically waives the provisions of California Civil Code Section 1542 which provides:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

**SECTION 4. Salary.**

(a) At the time this Agreement is executed, Employer has been paying Employee an annual base salary of \$225,800.00. Employer will pay Employee on a fixed schedule as follows:

Effective July 1, 2013: Current base plus 3.95%

Effective July 1, 2014: Current base plus 2.95%

Effective January 1, 2015: Current base plus 4.95%

Such monthly salary shall be payable at the time as other employees of the Employer are paid.

(b) Employer may from time to time adjust the monthly salary and/or other benefits of Employee in such amounts and to such extent as the City Council may determine is appropriate, taking into account the City's budgetary needs, its financial resources, and such other factors as the Council may determine to be relevant at the time, provided that no decrease shall be made that is any different than is made to unclassified City employees generally.

(c) In addition to such salary, Employee shall receive the benefits identified in Exhibit "A" attached hereto and incorporated herein by this reference. The 7% deferred compensation contribution shall be payable by the City directly to the City's 401K plan for the benefit of the Employee. Employee shall further be entitled to all benefits currently being received and those provided to other management employees generally.

#### SECTION 5. Termination.

This Agreement may be terminated at any time as follows:

(a) By Employer.

Employer may terminate this Agreement at any time, either with or without cause, by majority vote of the total authorized membership of the City Council. Termination shall be under one or more of the following subparagraphs:

(1) For Cause:

(A) Misconduct. In the event that Employer determines there is good cause to terminate this Agreement due to (1) malfeasance, (2) gross negligence, (3) fraud, or (4) conviction of a crime other than a traffic offense or infraction on the part of Employee, Employer shall give Employee notice of termination, which at the option of the Council shall either be effective immediately, or the notice shall specify the intent to terminate and the date the termination will become final. In either case the notice shall

be accompanied by a statement of the basis for the termination. In the case of a termination that is effective immediately, Employee shall have the right to present any rebuttal information to the Council, in writing, no later than 10 calendar days after the termination. In the event that the Council gives notice of an intent to terminate at a future date, Employee shall have the right to present any rebuttal information to the Council, in writing, prior to the effective date of the termination. In either case, Employee shall have the right to be represented and to have a hearing before the Council, in open or closed session as authorized by the Brown Act, within 14 days following termination. The Council shall review any rebuttal information provided by Employee and any other relevant material and shall then determine whether to uphold the termination or to rescind it. The Council's decision shall be final. Any actions of Employer taken under this paragraph shall occur only after the majority vote of the total authorized membership of the City Council.

(B) Material Uncorrected Failure to Perform: In the event that Employer determines there is good cause to terminate this Agreement that does not rise to the level of seriousness addressed above in subparagraph 5(a)(1)(A), such as (1) a repeated material failure to meet stated, reasonable performance objectives that are within Employee's control, or, (2) uncorrected, material failure to present a positive image to the Council, staff, public or media on behalf of Employer. Employer may terminate the Agreement for cause provided Employer (1) first gives notice to Employee in writing of the alleged failure in performance and a reasonable opportunity to cure the problem, and (2) gives Employee a reasonable opportunity to present evidence to the Council in rebuttal to any alleged failure in performance or of any extenuating circumstances showing that the failure was beyond the control of Employee, and (3) Employer will not terminate for cause under this subparagraph 5(a)(1)(B) unless it is determined in writing that the evidence in support of the grounds for termination is substantial taking into account all of the information available to the Council, including any evidence presented by Employee. Any actions of Employer taken under this paragraph shall occur only after the majority vote of the total authorized membership of the City Council.

(C) No Severance Benefits: In the event that this Agreement is terminated by Employer pursuant to this Subparagraph 5(a) for cause, Employee shall not be entitled to any severance benefits under this Agreement or under any other

provision of law or Employer policy or procedure, except for previously accrued vacation and management leave to which Employee is otherwise entitled.

(2) For Convenience:

Employer may terminate this Agreement at any time without cause and for its convenience as Employer shall in its sole discretion determine appropriate provided (1) Employee shall be given thirty (30) days notice and an opportunity to be heard, in open or closed session or in writing, as the Council shall determine consistent with the Brown Act, with respect to the proposed termination before it becomes effective, (2) the Council shall vote by not less than a majority of the total authorized membership of the Council to exercise its termination rights under this subparagraph. Employee shall be offered the severance benefits specified below in Paragraph 6 which he may accept or reject as provided in Paragraph 6.

(b) By Employee.

Employee may terminated this Agreement at any time, with or without cause, by (1) giving Employer forty-five (45) days advance written notice of his intent to terminate, or may terminate sooner by mutual agreement with Employer. In the event that Employee exercises his right to terminate he shall not be entitled to the severance benefits set forth below under Paragraph 6 or to any other similar termination benefits under law or Employers rules or regulations, provided however, that Employee shall be entitled to payment for any vacation, management leave and sick leave earned and unused at the time his notice of termination is effective.

SECTION 6. Severance.

In the event that Employee's employment is terminated by Employer for convenience pursuant to Section 5(2) above, Employee shall be offered and shall be entitled to the severance benefits stated in this Section 6, as follows:

(a) Computation; Items included.

Employer shall offer to Employee, and subject to Employee's exercise of his right to accept or decline severance benefits as set out below, shall pay benefits but excluding other benefits provided by this Agreement, for a period of three hundred sixty

five (365) days from the date of termination. Effective July 1, 2014, such period shall be reduced to two hundred seventy days, and effective July 1, 2015, such period shall be reduced to ninety days. Such severance benefits shall be paid in addition to payment of any accrued vacation, sick leave, or management leave otherwise payable to Employee.

(b) Separately Negotiated; Waiver.

The parties expressly acknowledge and agree that these severance pay provisions have been independently negotiated. Acceptance by Employee of the severance pay benefits provided by this Section 6 shall operate as a full and complete waiver and release of any and all rights, claims, and/or causes of action which Employee may have, or have had, at any time, in the past or in the future, arising out of Employee's employment by Employer, including but not limited to claims for wrongful termination. If Employee wishes to retain any such rights, Employee must decline to accept the severance benefits provided by this paragraph. Employee must decline to accept the severance benefits provided by this paragraph. Employee shall notify Employer of this election to accept or reject these severance benefits within seven days of notice of termination, or within such other time period as the parties may agree to in writing.

Acceptance of the severance benefits under this paragraph will operate as a general release on the part of Employee as to all claims, known or unknown, and Employee specifically waives the provisions of California Civil Code Section 1542 which provides:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

(c) The severance provisions of this contract shall not apply in the event Employee is terminated for cause.

(d) Regardless of the term of this Agreement, if this Agreement is terminated, any cash settlement related to the termination that Employee may receive from Employer shall be fully reimbursed to Employer if Employee is convicted of a crime involving abuse of Employee's office or position.

#### SECTION 7. Management Leave.

In addition to Employee's entitlement to holiday and vacation leave on the same basis as is available to other management employees generally in accordance with Section 4 of this Agreement, Employee shall be entitled to twenty (20) days of management leave annually. Management leave granted pursuant to this provision shall be in lieu of any other management leave available to members of the City management team generally.

#### SECTION 8. Conversion of Unused Leave Time to Salary.

In addition to any other provision of the City Code or this Agreement authorizing conversion of unused leave time to salary, Employee shall be entitled, as he may determine at his sole discretion, to convert up to fifteen (15) days of unused leave time (whether vacation, management or reserve time leave (each year during the term of this Agreement to salary. Employee shall exercise his right to convert leave time to salary by giving notice in writing to the Human Services Director stating the number of days of leave time, if any, which shall be converted to salary. Such notice shall be given between July 1<sup>st</sup> and October 1<sup>st</sup> for each year for the term of this Agreement. Employer shall pay the Employee the salary equivalent of the leave time, if any, so converted within thirty (30) days of delivery of such notice. Any such converted leave time shall not be included in computation of severance benefits pursuant to Section 6.

#### SECTION 9. Required Leave Distribution.

For the purpose of phasing the payment of leave to which Employee is entitled under this Agreement, Employer shall pay Employee one-third of the combined total of reserve, sick and vacation leave which Employee has accumulated as of July 1 of that year. Such payment shall occur during the month of July.



SECTION 10. Evaluation.

The City Council may review and evaluate the performance of the City Manager on a regular basis. Normally, a review and evaluation may occur on an annual schedule and pursuant to an evaluation form developed by the City Council. Copies of any written evaluation will be provided to the City Manager and he shall be given an opportunity to discuss his evaluation with the City Council.

SECTION 11. Dispute Resolution.

(a) Informal Meet and Confer.

The parties agree to meet and confer informally as the first step towards resolution of any dispute between them arising out of or related to this Agreement. The Council may be represented by a representative of its choosing, and Employee may be represented as well.

(b) Council Resolution.

If the parties are unable to resolve the matter informally through meet and confer, the matter shall be submitted to the Council for final resolution at a meeting to be held by the Council within 30 days of submittal, and the Council shall promptly make a final decision, unless Employee and the Council mutually agree to a longer period.

(c) Litigation.

Neither party shall commence any litigation, arbitration, or other formal dispute resolution process until the above referenced informal meet and confer session and final Council determination have occurred.

SECTION 12. General Provisions.

(a) Governing Law.

This Agreement shall be interpreted and enforced in conformance with California law.

(b) Entire Agreement.

This Agreement together with the exhibits represents the entire Agreement between the parties and supersedes any prior agreements, written or oral, and any representations, written or oral, not expressly included herein.

(c) Venue.

The venue for any litigation to interpret or enforce this Agreement shall be the San Diego Superior Court, Vista Division.

(d) Integration Clause.

If any part, provision, paragraph or subparagraph of this Agreement shall be held to be void or unenforceable by a final judgment of a court of competent jurisdiction, then unless that provision is found in such proceeding to be material to this Agreement, said void or unenforceable provision shall be severed from this Agreement and the balance of this Agreement shall remain in full force and effect. In the event that the void or unenforceable provision is found to be material to this Agreement then the entire Agreement shall be voided.

(e) Attorneys Fees.

The prevailing party in any litigation to interpret or enforce this Agreement shall be entitled to recover his or its attorneys fees in addition to costs.

(f) Independent Review: Interpretation.

Employer and Employee affirm in signing this Agreement that they have each had an opportunity to review and consider this Agreement, and to have it reviewed and to receive advice from independent advisors of their own choosing, including attorneys, and that each knowingly and voluntarily enters into this Agreement. Employer and Employee further affirm that this Agreement was the mutual product of their negotiations, including give and take, and that neither party shall be considered the drafter of this Agreement such that the Agreement is interpreted against that party.

IN WITNESS WHEREOF, the City of Escondido has caused this Agreement to be signed and executed on its behalf by its Mayor and duly attested by its City Clerk as authorized by Resolution 2013-94, and Employee has signed and executed this Agreement set forth below.

CITY OF ESCONDIDO

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

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

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

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

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

\_\_\_\_\_  
Clay Phillips, Employee

APPROVED AS TO FORM:  
OFFICE OF THE CITY ATTORNEY  
Jeffrey R. Epp, City Attorney

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

Exhibit "A"

Auto Allowance	\$750.00 per month
Contribution to City's Deferred Compensation Plan	7% of base salary
Life Insurance	Two times salary
Long Term Disability	Same as management
Worker's Compensation	Per State Law
Health and Dental Coverage	Same as management
Vacation	Same as management
Sick Leave	Same as management

Exhibit B

RELEASE

**Note:** To be signed by Employer and Employee as the close of business on June 26, 2013.

Employer and Employee hereby mutually release each other from any and all claims, demands, and causes of action which they may now have, have had, or will have arising out of, or relating to, the Current Contract, including but not limited to claims for breach of contract. It is the mutual intent of the parties that as the close of business on June 26, 2013 this release shall operate as a full and complete release with respect to the Current Contract and neither party shall have any further rights under the Current Contract.

Execution of this release will operate as a general release on the part of Employer and Employee as to all claims, known or unknown, with respect to the Current Contract and each specifically waives the provisions of California Civil Code Section 1542 which provides:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.”

CITY OF ESCONDIDO  
by

EMPLOYEE

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

\_\_\_\_\_  
Clay Phillips

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

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



CITY OF ESCONDIDO  
AT WILL EMPLOYMENT AGREEMENT

Between: CITY OF ESCONDIDO  
201 N. Broadway  
Escondido, California 92025  
("Employer")

And: Jeffrey R. Epp, Esq.  
Post Office Box 58  
Escondido, CA 92033  
("Employee")

Witness that whereas:

- A. Employer and Employee wish to enter into an Agreement providing for Employee to continue serving as the City Attorney for the City of Escondido, as provided by the California Government Code and Chapter 2, Article 3 of the Escondido Municipal Code; and
- B. Employee has been employed by Employer pursuant to a contract ["Current Contract"], and it is the mutual intent of the parties to replace the Current Contract with this new Agreement effective June 26, 2013; and
- C. It is the desire of the Employer to provide certain benefits and establish certain conditions of employment of the Employee for the purpose of securing and retaining the services of the Employee;
- D. Employee desires to be employed as the City Attorney for the City of Escondido.

NOW THEREFORE, in consideration of the mutual covenants set forth below, the parties agree as follows:

SECTION 1. Duties.

Employer employs Employee as the City Attorney of the City of Escondido to perform the functions and duties specified by law and in the Escondido Municipal Code, and to perform such other legally permissible and proper duties and functions as the Council shall from time to time assign. It is acknowledged by Employer and Employee that, as provided in Escondido Municipal Code Sections 2-49 and 2-50, the City Attorney takes direction from the Council as a whole, provided that the Council may expressly authorize a Council subcommittee, the Mayor, or other council member to give direction on particular matters and such subcommittee, the Mayor, or council member may give direction to the City Attorney within the scope of such Council authorization. Employer and Employee understand that no such direction from the Council shall be contrary to or in violation of law or applicable City Attorney Code of professional Responsibility. With respect to such authorizations the Council acts only through duly enacted resolutions, ordinances, or minute action.

SECTION 2. Term.

(a) This Agreement shall be effective as of June 26, 2013, and shall terminate on July 1, 2016 unless terminated as provided below pursuant to paragraph 5.

(b) Employee understands that he is an "at will" employee under controlling law and is "at will" serving at the pleasure of the Council pursuant to Chapter 2, Article 3 of the Escondido Municipal Code. Nothing in this Agreement is intended to, nor shall it, prevent, limit or otherwise interfere with the right of the Employer, in the Employer's discretion, to terminate the services of Employee at any time in accordance with said laws and the provisions of this Agreement.

(c) Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Employee to resign at any time from his position with Employer, provided he shall first provide forty-five (45) days advance written notice of such resignation to Employer.

**SECTION 3. Termination of Prior Agreement: Mutual Release**

The Current Contract will expire as the close of business on June 26, 2013. Employer and Employee hereby mutually release each other from any and all claims, demands, and causes of action which they may now have, have had, or will have arising out of, or relating to, the Current Contract, including but not limited to claims for breach of contract. This release shall be effective as of the date of signing of this Agreement, notwithstanding that this Agreement does not become effective until June 26, 2013. It is contemplated and intended by the parties that they will each sign the further release attached as Exhibit 1 on or about June 26, 2013 to replace the current release and to cover the time period from the effective date of the current release through the June 26, 2013 effective date of this Agreement. It is the mutual intent of the parties that as of the close of business on June 26, 2013 this Agreement shall exclusively set forth the rights of the parties and neither party shall have any further rights under the Current Contract.

Execution of this Agreement will operate as a general release on the part of Employer and Employee as to all claims, known or unknown, with respect to the Current Contract as of the date this Agreement is signed, and each specifically waives the provisions of California Civil Code Section 1542 which provides:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

**SECTION 4. Salary.**

(a) At the time this Agreement is executed, Employer has been paying Employee an annual base salary of \$225,800.00. Employer will pay Employee on a fixed schedule as follows:

- (b) Effective July 1, 2013: Current base plus 3.95%
- (c) Effective July 1, 2014: Current base plus 2.95%



- (d) Effective January 1, 2015: Current base plus 4.95%

Such monthly salary shall be payable at the time as other employees of the Employer are paid.

(e) Employer may from time to time adjust the monthly salary and/or other benefits of Employee in such amounts and to such extent as the City Council may determine is appropriate, taking into account the City's budgetary needs, its financial resources, and such other factors as the Council may determine to be relevant at the time, provided that no decrease shall be made that is any different than is made to unclassified City employees generally.

(f) In addition to such salary, Employee shall receive the benefits identified in Exhibit "A" attached hereto and incorporated herein by this reference. The 7% deferred compensation contribution shall be payable by the City directly to the City's 401K plan for the benefit of the Employee. Employee shall further be entitled to all benefits currently being received and those provided to other management employees generally.

#### SECTION 5. Termination.

This Agreement may be terminated at any time as follows:

- (a) By Employer.

Employer may terminate this Agreement at any time, either with or without cause, by majority vote of the total authorized membership of the City Council. Termination shall be under one or more of the following subparagraphs:

- (1) For Cause:

(A) Misconduct. In the event that Employer determines there is good cause to terminated this Agreement due to (1) malfeasance, (2) gross negligence, (3) fraud, or (4) conviction of a crime other than a traffic offense or infraction on the part of Employee, Employer shall give Employee notice of termination, which at the option of the Council shall either be effective immediately, or the notice shall specify the intent to terminate and the date the termination will become final. In either case the notice shall

be accompanied by a statement of the basis for the termination. In the case of a termination that is effective immediately, Employee shall have the right to present any rebuttal information to the Council, in writing, no later than 10 calendar days after the termination. In the event that the Council gives notice of an intent to terminate at a future date, Employee shall have the right to present any rebuttal information to the Council, in writing, prior to the effective date of the termination. In either case, Employee shall have the right to be represented and to have a hearing before the Council, in open or closed session as authorized by the Brown Act, within 14 days following termination. The Council shall review any rebuttal information provided by Employee and any other relevant material and shall then determine whether to uphold the termination or to rescind it. The Council's decision shall be final. Any actions of Employer taken under this paragraph shall occur only after the majority vote of the total authorized membership of the City Council.

(B) Material Uncorrected Failure to Perform: In the event that Employer determines there is good cause to terminate this Agreement that does not rise to the level of seriousness addressed above in subparagraph 5(a)(1)(A), such as (1) a repeated material failure to meet stated, reasonable performance objectives that are within Employee's control, or, (2) uncorrected, material failure to present a positive image to the Council, staff, public or media on behalf of Employer. Employer may terminate the Agreement for cause provided Employer (1) first gives notice to Employee in writing of the alleged failure in performance and a reasonable opportunity to cure the problem, and (2) gives Employee a reasonable opportunity to present evidence to the Council in rebuttal to any alleged failure in performance or of any extenuating circumstances showing that the failure was beyond the control of Employee, and (3) Employer will not terminate for cause under this subparagraph 5(a)(1)(B) unless it is determined in writing that the evidence in support of the grounds for termination is substantial taking into account all of the information available to the Council, including any evidence presented by Employee. Any actions of Employer taken under this paragraph shall occur only after the majority vote of the total authorized membership of the City Council.

(C) No Severance Benefits: In the event that this Agreement is terminated by Employer pursuant to this Subparagraph 5(a) for cause, Employee shall not be entitled to any severance benefits under this Agreement or under any other

provision of law or Employer policy or procedure, except for previously accrued vacation and management leave to which Employee is otherwise entitled.

(2) For Convenience:

Employer may terminate this Agreement at any time without cause and for its convenience as Employer shall in its sole discretion determine appropriate provided (1) Employee shall be given thirty (30) days notice and an opportunity to be heard, in open or closed session or in writing, as the Council shall determine consistent with the Brown Act, with respect to the proposed termination before it becomes effective, (2) the Council shall vote by not less than a majority of the total authorized membership of the Council to exercise its termination rights under this subparagraph. Employee shall be offered the severance benefits specified below in Paragraph 6 which he may accept or reject as provided in Paragraph 6.

(b) By Employee.

Employee may terminated this Agreement at any time, with or without cause, by (1) giving Employer forty-five (45) days advance written notice of his intent to terminate, or may terminate sooner by mutual agreement with Employer. In the event that Employee exercises his right to terminate he shall not be entitled to the severance benefits set forth below under Paragraph 6 or to any other similar termination benefits under law or Employers rules or regulations, provided however, that Employee shall be entitled to payment for any vacation, management leave and sick leave earned and unused at the time his notice of termination is effective.

SECTION 6. Severance.

In the event that Employee's employment is terminated by Employer for convenience pursuant to Section 5(2) above, Employee shall be offered and shall be entitled to the severance benefits stated in this Section 6, as follows:

(a) Computation; Items included.

Employer shall offer to Employee, and subject to Employee's exercise of his right to accept or decline severance benefits as set out below, shall pay benefits but excluding other benefits provided by this Agreement, for a period of three hundred sixty

five (365) days from the date of termination. Effective July 1, 2014, such period shall be reduced to two hundred seventy days, and effective July 1, 2015, such period shall be reduced to ninety days. Such severance benefits shall be paid in addition to payment of any accrued vacation, sick leave, or management leave otherwise payable to Employee.

(b) Separately Negotiated; Waiver.

The parties expressly acknowledge and agree that these severance pay provisions have been independently negotiated. Acceptance by Employee of the severance pay benefits provided by this Section 6 shall operate as a full and complete waiver and release of any and all rights, claims, and/or causes of action which Employee may have, or have had, at any time, in the past or in the future, arising out of Employee's employment by Employer, including but not limited to claims for wrongful termination. If Employee wishes to retain any such rights, Employee must decline to accept the severance benefits provided by this paragraph. Employee must decline to accept the severance benefits provided by this paragraph. Employee shall notify Employer of this election to accept or reject these severance benefits within seven days of notice of termination, or within such other time period as the parties may agree to in writing.

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"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

(c) The severance provisions of this contract shall not apply in the event Employee is terminated for cause.

(d) Regardless of the term of this Agreement, if this Agreement is terminated, any cash settlement related to the termination that Employee may receive from Employer shall be fully reimbursed to Employer if Employee is convicted of a crime involving abuse of Employee's office or position.

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#### SECTION 8. Conversion of Unused Leave Time to Salary.

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#### SECTION 9. Required Leave Distribution.

For the purpose of phasing the payment of leave to which Employee is entitled under this Agreement, Employer shall pay Employee one-third of the combined total of reserve, sick and vacation leave which Employee has accumulated as of July 1 of that year. Such payment shall occur during the month of July.

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The parties agree to meet and confer informally as the first step towards resolution of any dispute between them arising out of or related to this Agreement. The Council may be represented by a representative of its choosing, and Employee may be represented as well.

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If the parties are unable to resolve the matter informally through meet and confer, the matter shall be submitted to the Council for final resolution at a meeting to be held by the Council within 30 days of submittal, and the Council shall promptly make a final decision, unless Employee and the Council mutually agree to a longer period.

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Neither party shall commence any litigation, arbitration, or other formal dispute resolution process until the above referenced informal meet and confer session and final Council determination have occurred.

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(a) Governing Law.

This Agreement shall be interpreted and enforced in conformance with California law.

(b) Entire Agreement.

This Agreement together with the exhibits represents the entire Agreement between the parties and supersedes any prior agreements, written or oral, and any representations, written or oral, not expressly included herein.

(c) Venue.

The venue for any litigation to interpret or enforce this Agreement shall be the San Diego Superior Court, Vista Division.

(d) Integration Clause.

If any part, provision, paragraph or subparagraph of this Agreement shall be held to be void or unenforceable by a final judgment of a court of competent jurisdiction, then unless that provision is found in such proceeding to be material to this Agreement, said void or unenforceable provision shall be severed from this Agreement and the balance of this Agreement shall remain in full force and effect. In the event that the void or unenforceable provision is found to be material to this Agreement then the entire Agreement shall be voided.

(e) Attorneys Fees.

The prevailing party in any litigation to interpret or enforce this Agreement shall be entitled to recover his or its attorneys fees in addition to costs.

(f) Independent Review: Interpretation.

Employer and Employee affirm in signing this Agreement that they have each had an opportunity to review and consider this Agreement, and to have it reviewed and to receive advice from independent advisors of their own choosing, including attorneys, and that each knowingly and voluntarily enters into this Agreement. Employer and Employee further affirm that this Agreement was the mutual product of their negotiations, including give and take, and that neither party shall be considered the drafter of this Agreement such that the Agreement is interpreted against that party.

IN WITNESS WHEREOF, the City of Escondido has caused this Agreement to be signed and executed on its behalf by its Mayor and duly attested by its City Clerk as authorized by Resolution 2013-94, and Employee has signed and executed this Agreement set forth below.

CITY OF ESCONDIDO

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

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

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

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

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

\_\_\_\_\_  
Jeffrey R. Epp, Employee

APPROVED AS TO FORM:  
OFFICE OF THE CITY ATTORNEY  
Jeffrey R. Epp, City Attorney

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



Exhibit "A"

Auto Allowance	\$750.00 per month
Contribution to City's Deferred Compensation Plan	7% of base salary
Life Insurance	Two times salary
Long Term Disability	Same as management
Worker's Compensation	Per State Law
Health and Dental Coverage	Same as management
Vacation	Same as management
Sick Leave	Same as management

Exhibit B

RELEASE

**Note:** To be signed by Employer and Employee as the close of business on June 26, 2013.

Employer and Employee hereby mutually release each other from any and all claims, demands, and causes of action which they may now have, have had, or will have arising out of, or relating to, the Current Contract, including but not limited to claims for breach of contract. It is the mutual intent of the parties that as the close of business on June 26, 2013 this release shall operate as a full and complete release with respect to the Current Contract and neither party shall have any further rights under the Current Contract.

Execution of this release will operate as a general release on the part of Employer and Employee as to all claims, known or unknown, with respect to the Current Contract and each specifically waives the provisions of California Civil Code Section 1542 which provides:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

CITY OF ESCONDIDO  
by

EMPLOYEE

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

\_\_\_\_\_  
Jeffrey R. Epp

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

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

## RENT REVIEW BOARD

For City Clerk's Use:

APPROVED  DENIED

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

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

**Agenda Item No.: 17**

**Date: June 26, 2013**

**TO:** Honorable Chairman and Members of the Rent Review Board

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

**SUBJECT:** Short-form Rent Increase Application for Carefree Ranch Mobilehome Park  
(File Number 0697-20-9936)

### RECOMMENDATION:

- Consider the short-form rent increase application submitted by Carefree Ranch Mobilehome Park.
- If approved, adopt Rent Review Board Resolution No. 2013-04 granting an increase of seventy-five percent (75%) of the change in the Consumer Price Index, or 1.163% (an average of \$5.50) for the period of December 31, 2011 to December 31, 2012.

### INTRODUCTION:

Carefree Ranch Mobilehome Park ("Park"), located at 211 N Citrus Avenue, has filed a short-form rent increase application. The Board is asked to accept the staff report, hear public testimony, and make a determination concerning the request in accordance with the Escondido Rent Protection Ordinance and the short-form procedures as outlined in the Rent Review Board Guidelines. The application and the staff report have been made available to the Board for review and consideration prior to the hearing.

### THE RENT INCREASE APPLICATION:

Carefree Ranch Mobilehome Park is a senior park, which has a total of 184 spaces with 111 spaces subject to rent control. The Park is requesting an increase for the 111 rent controlled spaces. The other spaces not included in this application are on long-term leases, occupied as rentals or by management, or are vacant. The amenities available for the residents include a furnished clubhouse with kitchen, a pool and jacuzzi, a guesthouse and coin laundry facilities.

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

### PARK OWNER'S REQUEST:

The Park is requesting an increase of 75% of the change in Consumer Price Index for the period of December 31, 2011, to December 31, 2012. Seventy-five percent of the change in the CPI for the period of consideration is 1.163%. The average monthly rent for the residents that are affected by this application is \$472.90. The average monthly increase requested for the 111 spaces is \$5.50 per space, per month.

This is the seventeenth rent increase request filed by this Park since the Ordinance was implemented. The last increase was granted in July 2012 for an average amount of \$9.28, per space, per month.

**RESIDENT MEETING AND COMMENTS:**

All residents affected by this request were invited to attend a meeting in their clubhouse on May 23, 2013 at 4:00 p.m. Approximately 11 residents attended the meeting. The meeting was also attended by the Park Manager, Jim Younce, and City staff. The application and the short-form hearing procedures were reviewed with the residents in attendance. Additionally, staff spoke with a resident on May 21 who was unable to attend the resident meeting.

Residents discussed physical issues involving: concern that some sprinklers attached to City water did not have anti-syphon devices; water pressure for two homes is decreased due to a hose; inoperable sprinklers; and pet owners not cleaning up after their animals. Residents also discussed management issues, including: office hours, pool hours and utility rates not posted; families with children living in the park; difficulty of annual rent increases for residents on limited incomes with discussions surrounding the presumption of fair, just and reasonable rent increases; residents expressed interest in additional assistant manager/office personnel; security in the park (both adults and teens traversing the property to get to other places offsite); and questions regarding equity of landscape maintenance.

City staff reinforced the Rent Review Board's request that the park representative and resident representative meet at least 21 days before the Rent Review Board meeting to discuss park issues.

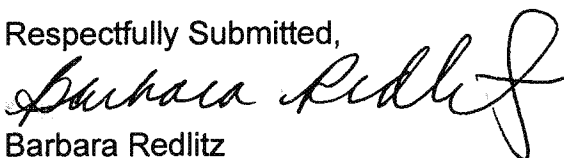
**CODE ENFORCEMENT INSPECTION:**

An inspection of the common areas of the Park by the Code Enforcement Division of the City noted some violations of the Health and Safety Code. A copy of the Code Report ("Report") is attached as "Exhibit A." The Owner, Resident Manager, and resident representative received a copy of the Report, and were made aware that no rent increase, if granted, may be implemented until the Health and Safety Code violations have been cleared.

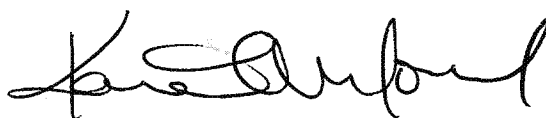
**ADDITIONAL FACTORS AFFECTING THE APPLICATION:**

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

Respectfully Submitted,



Barbara Redlitz  
Director of Community Development




Karen Youel  
Management Analyst



**DATE:** May 29, 2013

**TO:** HONORABLE CHAIRMAN AND MEMBERS OF THE RENT CONTROL BOARD

**FROM:** BRIAN GUSTAFSON, CODE ENFORCEMENT MANAGER 

**SUBJECT:** CAREFREE RANCH MOBILEHOME PARK RENT CONTROL

Carefree Ranch Mobilehome Park was inspected on May 29, 2013, with the lighting inspection conducted the prior evening. This inspection was a result of an application for a rent increase having been filed. Four general violations and four lighting violations were found and noted in the attached inspection report.

The resident meeting was held May 23, 2013 and was attended by eleven residents. The resident representative report was turned in on the day of the inspection.

There were no code enforcement cases in this park during the past year.

**CC:** Barbara Redlitz, Director of Community Development  
Karen Youel, Rent Control Administration



May 29, 2013

**MOBILEHOME PARK RENT CONTROL  
CODE ENFORCEMENT INSPECTION REPORT**

**Park Name:** Carefree Ranch Mobile Home Park  
211 N. Citrus Ave.  
Escondido, CA. 92027

**Park Owner:** Carefree Ranch LLC  
c/o Bart J. Thomsen  
8 Pinehurst Ln.  
Newport Beach, Ca. 92660

**Park Manager:** Jim Younce                      **Phone:** (760) 207-9727

**Inspection Date:** 5/29/2013                      **Inspector:** Art Stephens  
Bill Kaw

The following report is based on the inspection of the mobile home park conducted under provisions outlined in the California Code of Regulations, Title 25, Division I, Chapter 2 and the Escondido Zoning Code, Article 45. This inspection report only addresses health and safety issues that are related to areas for which maintenance, repair and operations is the responsibility of the owners and managers of the park.

**General Violations:**

1. One of the pool pumps is missing the required ground bonding conductor in violation of **25 CCR 1162, 25 CCR 1188 (b), 25 CCR 1605 (d) (1)**, per NEC, 2010 Edition, Article 250 and Article 680. Have a licensed Electrician install the ground wire.

2. Repair the small leak in the pool equipment room PVC pipe. **25 CCR 1246(b). & 25 CCR 1605(e).**
3. Provide a drain pipe for the water heater pressure relief valve. This drain pipe must lead to the outside of the maintenance room. **25 CCR 1605 (e)**
4. Repair the rust damaged wrought iron fence at the swimming pool area. **25 CCR 1102(a).**

### **Areas of the park requiring illumination per 25 CCR 1108**

#### **Lighting Inspection conducted on 5-28-13**

One light in each below listed area was not working during the inspection. Determine the cause of the non-working lights and repair as necessary. **CCR 1605 (d) (2).**

Shuffleboard area

Exterior men's restroom

Exterior light for laundry room – n/w corner

Exterior light main maintenance shop – n/e corner

KAREN by  
Tue MORN.

# MOBILEHOME PARK RENT REVIEW

## RESIDENT REPRESENTATIVE REPORT FORM

Park Name Carefree

Date of Inspection May 29, 2013 @ 9a

Resident Representative George L. PRATHER JR.

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

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


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

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

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

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

George L. PRATHER JR.  
Print Name of Resident Representative

  
Signature

5-24-2013  
Date

#209 760-743-3622  
Space # / Phone Number



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

## RENT CONTROL INSPECTION CHECKLIST RESIDENT COMMENTS

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

*Yes, Jim Younce, who resides in the mobile home park as well his residence number and phone number is available to anyone who needs to get in touch with him and is very knowledgeable of all emergency procedures of the park.*

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

*Yes there is an enclosed area where trash containers are maintained by the City Crews as well as rolling trash cans designated for other purposes. The maintenance crew keeps watch over the entire complex and ensures no refuse, garbage, rubbish, excessive dust or debris accumulate to cause any hazard to the park residents, also the manager makes periodic inspections of these areas.*

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

*The common areas and roadways do not accumulate standing water, the storm drainage runoff is sufficient to accept and large amount of water from any source.*

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

*Yes the lighting of the residential areas is very good and all bldgs. in the park are adequately lit to prevent any problem for residents.*

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

Yes every residence has a mail box and postal or it is the number for that residence, also at the entrance is a map with each ~~each~~ mobile home and its number and location, also street post with number ~~are~~ are parked on each block.

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

Yes - There are no issues with park ~~buildings~~ structures or facilities, if something should come up park management as well as maintenance personal take care of it right away or direct it to personal who can accomplish the job.

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

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

Very well posted throughout the park as well as on bldg within the park also in the lobby of the park office, as well as the entrance to the park.

**Other questions, comments or concerns:**

While on an <sup>pre</sup> inspection of the park, with the help of the park manager to point out pertinent information, as well as to assist me with this inspection and report he was very helpful. I also spoke with maintenance personal who assisted in this report to insure it was fair and well as accurate to all of our knowledge.

RESOLUTION NO. RRB 2013-04

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

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

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

WHEREAS, a short-form Rent Increase Application was filed pursuant to Section 12 of the Rent Review Board Guidelines on May 6, 2013, by Bart Thomsen, the owner of Carefree Ranch Mobilehome Park ("Park"). The Park is located at 211 N. Citrus in Escondido. The rent increase applies to 111 of the 184 spaces in the Park; and

WHEREAS, this is the seventeenth rent increase application filed by the Park since the Ordinance became effective in 1988. The last rent increase was granted by the board at a Rent Review Board Hearing held on July 25, 2012, and formally adopted by Rent Review Board Resolution 2012-07. The increase requested was for 2.031%, or approximately \$9.28 per space, per month; and

WHEREAS, at this time, the average monthly space rent is approximately \$472.90 for the 111 spaces subject to the rent increase. The Park owner requested a rent increase in the amount of 75% of the change in the Consumer Price Index (CPI) for the period of December 31, 2011, through December 31, 2012, in accordance with the

Rent Review Board short-form policy guidelines. The application estimated this amount to be an average of \$5.50 (1.163%) per space, per month; and

WHEREAS, a notice of the Park's Rent Increase Application was sent to all affected homeowners. All parties were given notice of the time, date and place of the rent hearing before the Board; and

WHEREAS, on May 29, 2013, a Mobilehome Park Rent Control Code Enforcement Inspection Report ("Inspection Report") was completed. The Inspection Report noted Health and Safety Code violations in the Park; and

WHEREAS, on June 26, 2013, the Board held its public hearing. After an initial presentation, the Board invited testimony from Park ownership, residents of the Park and other residents of the community at large; and

WHEREAS, after all present had been given an opportunity to speak, the hearing was closed. Following an opportunity for discussion among the Board members and clarifying questions to the parties and Staff, the Board voted to grant an average rent increase of \$5.50 per space, per month, for the 111 spaces, which are subject to rent control,

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

1. That the above recitations are true.
2. That the Board has heard and considered all of the reports and testimony presented, and has considered the facts as outlined in the short-form Guidelines ("Guidelines").
3. That following the Guidelines, an increase based on 75% of the change in

the Consumer Price Index (CPI) for San Diego County from December 31, 2011, through December 31, 2012, amounted to 1.163%, which averaged \$5.50 per space, per month, for the 111 spaces that are subject to rent control.

4. The Board concluded that an increase of \$5.50 per space, per month, is consistent with the Guidelines, and is fair, just, and a reasonable increase in light of the information presented by all parties.

5. That the increase may not be implemented until after the health and safety code violations noted in the Inspection Report have been corrected, signed off, and are in compliance with the various state and local code sections as noted in the Inspection.

6. That the increase may be implemented upon the expiration of the required 90-day notice to the residents, which may be issued upon the adoption of this Resolution.

# CITY COUNCIL

For City Clerk's Use:

**APPROVED**       **DENIED**

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

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

**Agenda Item No.: 18**

**Date: June 26, 2013**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Barbara J. Redlitz, Director of Community Development  
**SUBJECT:** Request to Modify the Conditions of Approval for the Previously Approved Bernardo-Young Annexation, Case No. PHG13-0009  
(Prezone/Annexation – PHG09-0021/PHG09-0022)

**LOCATION:** 2950 Bernardo Avenue (APN 238-400-3200), 1029 Vereda Callada (APN 238-400-1100), and a third unaddressed lot on Bernardo Ave. (APN 238-400-1200).

**APPLICANT'S REQUEST:**

The applicant requests a modification to the Conditions of Approval for a proposed annexation related to the timing of improving Vereda Callada, a sub-standard County road. LAFCO is requiring the City of Escondido to include Vereda Callada as part of the annexation of the three unincorporated properties since one of the three lots takes access from that road. The City's condition requires improvement plans for Vereda Callada to be approved by the City, additional environmental review completed, and all improvements bonded prior to completion of the annexation. The applicant requests that the improvement plans, environmental review and the bonds be required later, prior to occupancy of the future development of the two vacant parcels adjacent to Bernardo Ave.

**STAFF RECOMMENDATION:**

It is recommended that Council adopt Resolution No. 2013-75 denying the modification to the Conditions of Approval, effectively retaining the current requirement regarding the timing of improvements to Vereda Callada prior to completion of the annexation.

**FISCAL ANALYSIS:**

The property owner is required to pay fees to cover all administrative costs and staff time for processing modifications to the original annexation, additional environmental review, and to bond for and construct all improvements required by the Conditions of Approval, in addition to paying LAFCO annexation fees.

**COUNCIL ACTION PLAN:**

The Financial Stability category of the Council's Action Plan includes a "Focus on Core Services" goal. One of the goal's strategies is "an emphasis on reducing the annual pothole/edge repair work required of in-house forces" (see #3, page 20). Vereda Callada is a County owned and privately maintained rural road that is far below City standards and would need extensive improvements. The Conditions of Approval ensure that this substandard roadway is kept out of the City's jurisdiction or establishes a mechanism to insure it is brought up to City standards as part of the annexation process are consistent with the Council's Action Plan goal.

BACKGROUND/PREVIOUS ACTION:

On September 23, 2009, the City Council approved the initiation of an annexation/prezoning of an existing residence together with two adjacent unimproved residential lots also owned by the applicant. This action was based on preliminary information provided at the time. After further study, staff found the two vacant properties would be problematic to bring into the City due to a number of Engineering, Planning and Utility issues regarding access, available sewer capacity, required improvements and impacts of future development as detailed in the Planning Commission staff report dated September 7, 2011. On March 10, 2010, the City Council approved a contractual Out-of-Agency Service Agreement to connect to City sewer for the residentially developed property at 1029 Vereda Callada (APN 238-400-1100), which was experiencing septic failure; this property is now connected to the City sewer system.

On September 27, 2011, the Planning Commission, on a 3-2-0 vote, approved the Annexation and Prezone request. On November 9, 2011, the City Council unanimously approved the Prezone and Annexation and certified the Mitigated Negative Declaration for annexation of the three subject parcels, subject to conditions that addressed two potential annexation scenarios for Vereda Callada {see attached Resolution No. 2011-144(R)}. In approving the annexation, the Council stated that they were opposed to annexing Vereda Callada, but were willing to forward the application to LAFCO if the applicant were willing to take the risk of LAFCO imposing the condition for the City to accept Vereda Callada. On June 4, 2012, LAFCO approved the annexation and added the condition that the City must also annex the connecting segment of Vereda Callada (measuring over 500 feet long) and its intersection with Bernardo Avenue; this action is based on the applicant's design retaining access to Vereda Callada from the developed parcel. The LAFCO resolution is attached as an exhibit.

ENVIRONMENTAL REVIEW:

In compliance with CEQA, a Mitigated Negative Declaration, Case # ENV 11-0002, was issued on May 19, 2011, which assessed potential impacts due to the future development of each vacant lot and improvements along Bernardo Avenue. The applicant did not request inclusion of Vereda Callada and did not propose any improvements to this road. Consequently, the Mitigated Negative Declaration did not address the impacts of improving this road to comply with City standards. Additional environmental analysis is needed to address road improvements on Vereda Callada, if the City concurs with the LAFCO action and authorizes the annexation inclusive of the road. The improvements needed to bring this roadway up to City standards are well beyond the scope of any CEQA Exemptions which apply only to maintenance, repair or minor alterations to existing streets. Further, staff is concerned that modifying the condition regarding the timing of the road improvements could be construed as bifurcating the project, which is not allowed under CEQA.

APPLICANT'S PERSPECTIVE:

The applicant requests modification to the Conditions of Approval, as detailed in the attached letter dated May 16, 2013, to defer designing and bonding for and/or constructing improvements to Vereda Callada to building permit issuance for either one of the vacant lots instead of annexation. Staff believes this change would be inappropriate, immediately saddling the City with liability issues until such time as the lots finally develop in the future. These would also unduly burden the development of these two lots, since the lots will not have access to Vereda Callada.

DISCUSSION:

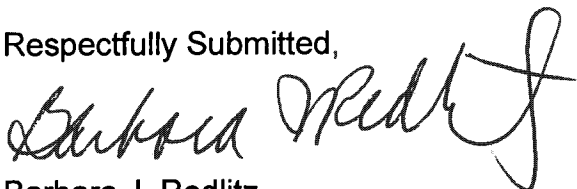
Staff worked with LAFCO staff to craft the original recommended conditions to keep Vereda Callada in the County and not add it to the area being annexed. This road is far below the City's street standards and improving it to meet city standards would involve extensive grading impacting adjacent County properties. Improvements to Vereda Callada would have to go through CEQA environmental review since they were not included in the Mitigated Negative Declaration prepared for the annexation. Therefore, conditions were recommended to require a new access drive extending from Bernardo Avenue to the lower developed lot to be constructed and the existing driveway out to Vereda Callada to be closed upon annexation, in addition to relinquishing access rights to Vereda Callada. These conditions were to ensure that none of the three properties annexed would continue to need Vereda Callada for their primary and emergency access. Specifically, with the existing driveway to the existing residence closed to Vereda Callada, and a new driveway created for its access from Bernardo Avenue (over the existing sewer easement), there would no longer be the traffic impacts to the nearby County residents who have voiced their concerns, and no reason for LAFCO to stipulate that the Vereda Callada roadway be included in the annexation. Recent conversations with LAFCO staff indicate this is still a valid solution as they would require annexation of Vereda Callada if the road continues to provide any access, even just emergency access, to any of the three lots proposed for annexation.

The City of Escondido has until September 20, 2013 to agree to LAFCO's additional condition accepting Vereda Callada as part of the annexation, or LAFCO's current approval will expire. LAFCO has also indicated that the applicant can pay a \$350 fee and apply for an Extension of Time, which would push the expiration date of the LAFCO approval off one year (or longer if requested). As an alternative, the applicant can also revise their submittal to LAFCO showing the driveway access to Vereda Callada being closed. LAFCO indicates that annexation and improvements to Vereda Callada would not be required if the owner accessed his developed lot solely from Bernardo Avenue over the existing sewer easement and permanently closed the access driveway to Vereda Callada.

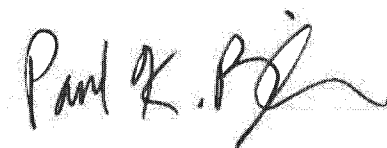
SUMMARY:

The two annexation options (with and without annexation of Vereda Callada) were thoroughly discussed at the time of the original consideration by the City Council, and conditions of approval were adopted under both scenarios. Since that time, the only change in circumstances is that the applicant now has a definitive answer from LAFCO regarding the approved annexation scenario. Staff feels that no new information has been presented that warrant modification of the conditions. Based on LAFCO's insistence that Vereda Callada is included in the annexation if any access connection to it (either primary access or emergency only) is maintained, Staff recommends that Council deny the applicant's request to modify the timing of improvements on Vereda Callada since the request opens the City to potential liability and would unduly burden the development of the two vacant lots which will have no access to Vereda Callada.

Respectfully Submitted,

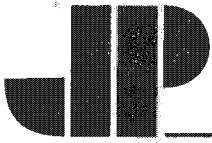


Barbara J. Redlitz  
Director of Community Development



Paul K. Bingham  
Assistant Planner II





- CIVIL ENGINEERING
- LAND PLANNING
- SURVEYING

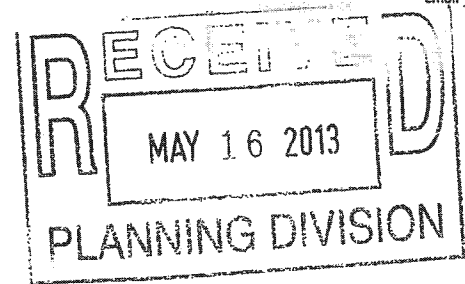
# ENGINEERING

May 16, 2013

4849 Ronson Court  
Suite No. 105  
San Diego, CA 92111  
Tel 858.569.7377  
Fax 858.569.0830

Web [www.jpeng.com](http://www.jpeng.com)  
Email [jp@jpeng.com](mailto:jp@jpeng.com)

Mr. Paul Bingham  
Planning Division  
City of Escondido  
201 North Broadway  
Escondido, CA 92025



Re: PHG 13-0009, 1029 Vereda Callada  
(Modification of the Vereda Callada Condition for the Bernardo-Young Annexation)  
File Code: 881-09

Dear Mr. Bingham,

In response to your letter dated April 4, 2013, we hereby are enclosing the following as requested:

- Copy of Grant Deeds for each property
- Copy of Preliminary Title Report
- Photographs of the Site and Adjacent properties
- City of Escondido Disclosure Statement
- Hold harmless sheet signed by Applicant, Owner and Engineer
- Standard Urban Stormwater Mitigation Plan Applicability Form and Prioritization Requirements

As far as the plans are concerned, there are no changes to the Conceptual Development Plans.

In regards to your comment that the requested change to the Condition is the same as requested in our letter dated October 25, 2011, we indicated in our letter that Vereda Callada was not a part of the City Annexation and City Staff informed the City Council that the condition to close the existing driveway at Vereda Callada was to let LAFCO know that there was no need to annex the adjacent portion of Vereda Callada and Vereda Callada was not a part of the City Council November 9, 2011 approval and that if LAFCO requires the City to annex Vereda Callada, City Staff will bring the annexation request back to the City Council for approval and discussion of the Vereda Callada Improvements.

We requested to the City Council and obtained approval that “Bernardo Avenue shall be improved as a condition of the Building Permits for the undeveloped parcels and that the Improvement Plans for Bernardo Avenue shall be approved by the City Engineer and all improvements bonded for or constructed prior to the occupancy permit for the undeveloped parcels.”

The applicant is requesting the City Council to change the City Staff’s Condition for the plans and improvements to Vereda Callada to be the same as for Bernardo Avenue.

The Vereda Callada condition that “the Improvement Plans shall be approved by the City Engineer and all improvement bonded for prior to completion to annexation” is unreasonable and imposing an economic hardship to the applicant for the following reasons:

**Mr. Paul Bingham**

**May 15, 2013**

**Page 2 of 3**

- 1) To obtain bonds, the applicant will need to secure a construction loan to construct the homes and improvements. Presently, and due to the present economy, the banks are very hesitant to approve loans for new homes.
- 2) The City Council was informed by the City Staff that Vereda Callada was not a part of the annexation. City Staff stated that the Environmental Review did not include Vereda Callada and impacts for Vereda Callada did not need to be assessed and it was not a part of the annexation. Therefore, the City Council did not discuss the Vereda Callada condition and the applicant did not have an opportunity to discuss the Vereda Callada condition and request that the City Council approve the Vereda Callada condition the same as for Bernardo Avenue and as stated in our letter dated October 25, 2011.
- 3) The existing Vereda Callada is a County rural road, which is presently in good condition and being used by the City of Escondido Fire Department for fire protection in contract with the Rincon Del Diablo MWD. The existing AC roadway pavement is presently maintained by the adjacent property owners. To provide Improvement Plans and bonds until such a time that the improvements are needed is not necessary and should not be a condition to annex the properties to the City of Escondido but a condition of the building permits for the undeveloped parcels.
- 4) There are other existing rural roads within the City of Escondido, which presently do not have concrete curb, gutter and sidewalks. Leaving Vereda Callada in its present conditions until the improvements are required or as a part of the building permits for the undeveloped parcels is a more reasonable condition.
- 5) Presently, according to City Staff, Bernardo Avenue is completely in the County. The condition to improve Bernardo Avenue is with the building permits for the undeveloped parcels and not "prior to annexation".
- 6) The City Council stated at the hearing that the City wants property owners to build homes rather than impose conditions that do not allow them to do so.
- 7) The City Council also stated at the hearing that the City should streamline the process for annexation and it should not take years to annex a property. Due to the many requirements by the City, we have been processing this annexation since August 12, 2009.
- 8) LAFCO approval of the annexation will expire September 20, 2013. If the annexation is not accepted by the City before that date, all of the efforts by the applicant to annex the property to the City of Escondido will be lost.

We are also enclosing the following:

- Copy of DVD with the City Council meeting of November 9, 2011. Please review and listen to Item 9, statements from City Staff and comments from City Council.
- Copy of our letter dated October 25, 2011
- Copy of City Resolution No. 2011-144R
- Copy of LAFCO Preliminary Staff Report
- Copy of LAFCO Resolution No. R010-02
- Copy of CEQA categorical exemptions, which states that widening of an existing street does not require environmental review, Section 15301

**Mr. Paul Bingham**  
**May 15, 2013**  
**Page 3 of 3**

In view of the above facts, and on behalf of the applicant, we hereby ask the City Staff to forward this letter and our request for modification of the Vereda Callada Condition to the City Council for their review and consideration of the modification as soon as possible.

Thank you.

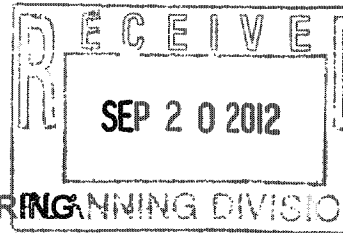
Sincerely,  
JP ENGINEERING, INC.



Jorge H. Palacios, RCE  
Principal Engineer

JHP/jw

cc: Mr. Leroy Young, Applicant  
Ms. Rozanne Cherry, Planning



**THE SAN DIEGO  
LOCAL AGENCY FORMATION COMMISSION  
HAS ADOPTED A RESOLUTION APPROVING AND ORDERING  
THE "YOUNG - BERNARDO AVENUE REORGANIZATION"  
(CITY OF ESCONDIDO)**

The following filings to be made after the Local Agency Formation Commission (LAFCO) has ordered the changes of organization (boundary changes) must be processed by the LAFCO office:

- |                    |                                |                    |
|--------------------|--------------------------------|--------------------|
| 1. County Recorder | 3. County Assessor             | 5. County Surveyor |
| 2. County Auditor  | 4. State Board of Equalization |                    |

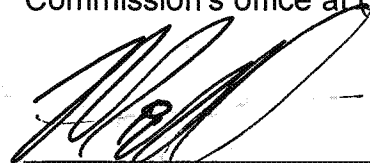
Any other filings remain LAFCO's responsibility. If conducting authority proceedings are required, they must be initiated within 35 days after adoption of the Commission's resolution, and completed within one year after LAFCO approval, or the proposal must be considered abandoned (Government Code Sections 57001 and 57002).

The following materials must be forwarded to the LAFCO office prior to recordation of the resolution:

1. Certificate Re: Terms and Conditions and Indebtedness (use attached form). Please return signed, original copy.
2. State Board of Equalization (SBE) fee in the amount of \$350.00 (make check payable to "State Board of Equalization"). The SBE will only accept checks dated less than six months prior to receipt.
3. Map of limiting addresses (2 copies), vicinity map (2 copies), estimated population, and an alphabetical list of all streets within the affected area to include beginning and ending street numbers.

The Executive Officer will assemble all documents before filings are made. Amendments to the LAFCO resolution, including boundary modifications, can only be made by the Commission. Copies of the recorded documents and letters of acknowledgement will be forwarded to the affected agency.

If you need additional information, or require further assistance, please call the Commission's office at (858) 614-7755.

  
\_\_\_\_\_  
MICHAEL D. OTT, Executive Officer

\_\_\_\_\_  
September 17, 2012  
Date

Minute Item: 6  
Ref. No.: RO10-02

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
OF THE COUNTY OF SAN DIEGO  
MAKING DETERMINATIONS, APPROVING, AND ORDERING THE  
"YOUNG - BERNARDO AVENUE REORGANIZATION"  
(CITY OF ESCONDIDO)**

On motion of Commissioner Horn, seconded by Commissioner Janney, the following resolution is adopted:

WHEREAS, a petition was submitted to this Commission for reorganization of territory including annexation to the City of Escondido, with concurrent detachment from County Service Area No. 135 (San Diego County Regional Communications System); and exclusion from the Rincon del Diablo Municipal Water District Improvement District "E", which petition was certified sufficient by the Executive Officer on July 11, 2012; and

WHEREAS, the reason for the proposed reorganization is to obtain urban services for three parcels. One parcel is developed with a single-family home and already receives public sewer service from the City of Escondido on a contractual basis due to a septic system failure that had threatened the public's health and safety. The other two parcels are vacant, are the subject of a development plan that allows construction of one single-family home on each parcel, and include a segment of Bernardo Avenue. The proposal has been modified to add a portion of adjacent roadway (Vereda Callada). The detachment from CSA No. 135 and exclusion from Rincon del Diablo MWD's ID "E" will avoid an overlap of service responsibility between the City and the Districts; and

WHEREAS, the territory proposed for reorganization is as described in the application on file with the Local Agency Formation Commission; and

WHEREAS, the Executive Officer of the Commission has filed his report on said reorganization, which report was received and considered by the Commission; and

WHEREAS, it has been determined that the proposal area is uninhabited, that all owners of land have consented in writing to the reorganization, and that no agency either gaining or losing territory has opposed the waiver of conducting authority proceedings;

NOW THEREFORE, pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000, et seq.) the Local Agency Formation Commission of the County of San Diego does hereby resolve, determine, and order as follows:

(1) The Commission finds that, acting as a responsible agency, has considered the environmental effects of the project as shown in the mitigated negative declaration prepared by the City of Escondido. The mitigation is under the jurisdiction of the City and not LAFCO because the affected resources and the extension of public services will be within the city limits upon annexation; and

(2) The Commission find in accordance with the Executive Officer's determination, that pursuant to Section 15301(c) of the State CEQA Guidelines, the addition of Vereda Callada to the reorganization area is not subject to the environmental impact evaluation process because the additional territory consists of an existing street involving no expansion of existing use.

(3) The Commission hereby approves the reorganization with boundaries as described in Exhibit A attached hereto for the reasons set forth in the Executive Officer's report, waives the conducting authority proceedings, and orders the following actions:

- (a) Annexation of the territory described in Exhibit A to the City of Escondido; and
- (b) Detachment of the territory described in Exhibit A from the County Service Area No. 135 (San Diego County Regional Communications System); and
- (c) Exclusion of territory described in Exhibit A from the Rincon del Diablo Municipal Water District Improvement District "E".

(4) The territory to be reorganized is hereby designated the "Young-Bernardo Avenue Reorganization" (City of Escondido). The exterior boundaries of such territory, as approved by the Commission and described in Exhibit A attached hereto, are definite and certain.

(5) The territory includes 4.2 acres and the boundaries do conform to lines of assessment and ownership.

(6) The terms and conditions of the proposed reorganization as approved by the Commission are as follows:

- (a) Payment by property owner of City annexation fees and State Board of Equalization charges.

- (7) These districts are registered-voter districts.
- (8) The regular County assessment role is utilized by these districts.
- (9) The affected territory will not be taxed for existing general bonded indebtedness of any agencies whose boundaries are changed.
- (10) The effective date for this annexation shall be the date of recordation but not before September 5, 2012.
- (11) The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Sections 56880-56882 of the Government Code.
- (12) The Executive Officer is further authorized and directed to prepare, execute, and record a Certificate of Completion, make the required filings with the County Assessor, County Auditor, and the State Board of Equalization as required by Section 57200, et seq., of the Government Code.

Passed and adopted by the Local Agency Formation Commission of the County of San Diego this 6<sup>th</sup> day of August, 2012, by the following vote:

AYES: Commissioner Horn, Ingalls, Jacob, Janney, Pocklington, Vanderlaan, Zapf, and Alternate Commissioner Abed

NOES: None

ABSENT: Commissioner Lewis

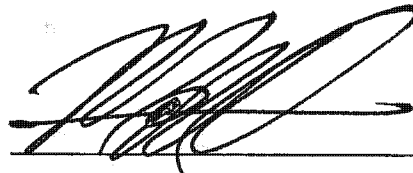
ABSTAINING: None

---

STATE OF CALIFORNIA)  
COUNTY OF SAN DIEGO)

I, MICHAEL D. OTT, Executive Officer of the Local Agency Formation Commission of the County of San Diego, State of California, hereby certify that I have compared the foregoing copy with the original resolution adopted by said Commission at its regular meeting on August 6, 2012, which original resolution is now on file in my office; and that same contains a full, true, and correct transcript therefrom and of the whole thereof.

Witness my hand this 17<sup>th</sup> day of September, 2012.



---

MICHAEL D. OTT, Executive Officer  
San Diego Local Agency Formation Commission





**Chairwoman**

Dianne Jacob  
County Board of  
Supervisors

**Vice Chairman**

Andrew L. Vanderlaan  
Public Member

**Members**

Bill Horn  
County Board of  
Supervisors

Bud Pocklington  
South Bay  
Irrigation District

Mark Lewis  
Mayor  
City of El Cajon

John Ingalls  
Santa Fe  
Irrigation District

Lorie Zapf  
Councilmember  
City of San Diego

Jim Janney  
Mayor  
City of Imperial Beach

**Alternate Members**

Greg Cox  
County Board of  
Supervisors

Sherri Lightner  
Councilmember  
City of San Diego

Sam Abed  
Mayor  
City of Escondido

Jo MacKenzie  
Vista Irrigation District

Harry Mathis  
Public Member

**Executive Officer**

Michael D. Ott

**Counsel**

Thomas Bosworth

**CERTIFICATE RE: TERMS AND CONDITIONS AND INDEBTEDNESS**

Subject: "Young-Bernardo Avenue Reorganization" (City of Escondido)  
(RO10-02)

Certain terms and conditions are required by the Local Agency Formation Commission to be fulfilled prior to the completion of the above-named change of organization.

I \_\_\_\_\_  
(Name) (Title)

do hereby certify that the terms and conditions listed below have been fully met.

**City of Escondido**

(a) Payment by property owner of City annexation fees and State Board of Equalization charges.

Will the affected property be taxed for any existing bonded indebtedness or contractual obligation?

Yes \_\_ No \_\_ If yes, specify.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



**Chairwoman**

Dianne Jacob  
County Board of  
Supervisors

**Vice Chairman**

Andrew L. Vanderlaan  
Public Member

**Members**

Bill Horn  
County Board of  
Supervisors

Bud Pocklington  
South Bay  
Irrigation District

Mark Lewis  
Mayor  
City of El Cajon

John Ingalls  
Santa Fe  
Irrigation District

Lorie Zapf  
Councilmember  
City of San Diego

Jim Janney  
Mayor  
City of Imperial Beach

**Alternate Members**

Greg Cox  
County Board of  
Supervisors

Sherri Lightner  
Councilmember  
City of San Diego

Sam Abed  
Mayor  
City of Escondido

Jo MacKenzie  
Vista Irrigation District

Harry Mathis  
Public Member

**Executive Officer**

Michael D. Ott

**Counsel**

Thomas Bosworth

**CERTIFICATE RE: TERMS AND CONDITIONS AND INDEBTEDNESS**

Subject: "Young-Bernardo Avenue Reorganization" (City of Escondido)  
(RO10-02)

Certain terms and conditions are required by the Local Agency Formation Commission to be fulfilled prior to the completion of the above-named change of organization.

I \_\_\_\_\_  
(Name) (Title)

do hereby certify that the terms and conditions listed below have been fully met.

**County Service Area No. 135 (San Diego County Regional Communications System)**

(a) None

Will the affected property be taxed for any existing bonded indebtedness or contractual obligation?

Yes \_\_\_ No \_\_\_ If yes, specify.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



**Chairwoman**

Dianne Jacob  
County Board of  
Supervisors

**CERTIFICATE RE: TERMS AND CONDITIONS AND INDEBTEDNESS**

**Vice Chairman**

Andrew L. Vanderlaan  
Public Member

Subject: "Young-Bernardo Avenue Reorganization" (City of Escondido)  
(RO10-02)

**Members**

Bill Horn  
County Board of  
Supervisors

Certain terms and conditions are required by the Local Agency Formation Commission to be fulfilled prior to the completion of the above-named change of organization.

Bud Pocklington  
South Bay  
Irrigation District

I \_\_\_\_\_  
(Name) (Title)

Mark Lewis  
Mayor  
City of El Cajon

do hereby certify that the terms and conditions listed below have been fully met.

John Ingalls  
Santa Fe  
Irrigation District

**Rincon del Diablo Municipal Water District Improvement District "E"**

(a) None

Lorie Zapf  
Councilmember  
City of San Diego

Will the affected property be taxed for any existing bonded indebtedness or contractual obligation?

Jim Janney  
Mayor  
City of Imperial Beach

Yes \_\_\_ No \_\_\_ If yes, specify.

**Alternate Members**

Greg Cox  
County Board of  
Supervisors

Sherri Lightner  
Councilmember  
City of San Diego

\_\_\_\_\_  
Signature

Sam Abed  
Mayor  
City of Escondido

\_\_\_\_\_  
Date

Jo MacKenzie  
Vista Irrigation District

Harry Mathis  
Public Member

**Executive Officer**

Michael D. Ott

**Counsel**

Thomas Bosworth

ANNEXATION NO. R010-02

AUG - 6 2012

ANNEXATION TO CITY OF ESCONDIDO

GEOGRAPHIC DESCRIPTION



ALL THAT CERTAIN REAL PROPERTY, SITUATED IN A PORTION OF LOT 22 OF HOMELAND ACRES ADDITION TO ESCONDIDO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1205, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, AUGUST 13, 1909, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION POINT OF THE WESTERLY LINE OF BERNARDO AVENUE 40 FEET WIDE AS SHOWN ON SAID MAP NO. 1205 AND THE WESTERLY EXTENSION OF THE SOUTHERLY LINE OF VEREDA CALLADA 30 FEET WIDE, SAID POINT ALSO BEING A POINT ON THE EASTERLY BOUNDARY OF THE CITY OF ESCONDIDO AS ESTABLISHED BY THEIR RESOLUTION NO. 89-019, ADOPTED FEBRUARY 10, 1989, BY SAID CITY, SAID POINT ALSO BEING THE TRUE POINT OF BEGINNING;

THENCE, LEAVING SAID WESTERLY BERNARDO AVENUE RIGHT OF WAY AND SAID CITY BOUNDARY, ALONG THE WESTERLY EXTENSION OF SAID CENTERLINE, (1) SOUTH 77°48'00" EAST 40.00 FEET;

THENCE, LEAVING SAID CENTERLINE, (2) NORTH 12°12'30" EAST 15.00 FEET, TO A POINT ON THE INTERSECTION OF THE EASTERLY BERNARDO AVENUE RIGHT OF WAY AND THE NORTHERLY VEREDA CALLADA RIGHT OF WAY;

THENCE, LEAVING SAID EASTERLY BERNARDO AVENUE RIGHT OF WAY, ALONG SAID NORTHERLY VEREDA CALLADA RIGHT OF WAY, (3) SOUTH 77°48'00" EAST 453.59 FEET;

THENCE, LEAVING SAID NORTHERLY RIGHT OF WAY, (4) SOUTH 12°18'30" WEST 263.00 FEET;

THENCE, (5) NORTH 77°48'00" WEST 238.35 FEET;

THENCE, (6) SOUTH 12°18'30" WEST 145.00 FEET;

THENCE, (7) SOUTH 70°21'36" WEST 124.73 FEET;

THENCE, (8) SOUTH 79°09'09" WEST 118.00 FEET, TO A POINT ON THE EASTERLY RIGHT OF WAY OF SAID BERNARDO AVENUE;

THENCE, (9) NORTH 77°47'30" WEST 40.00 FEET, TO A POINT ON SAID CITY BOUNDARY, WITHIN THE RIGHT OF WAY OF SAID BERNARDO AVENUE;

THENCE, (10) NORTH 12°12'30" EAST 504.99 FEET, ALONG SAID CITY BOUNDARY TO THE POINT OF BEGINNING AND CONTAINING 4.217 ACRES OF LAND MORE OR LESS.

FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED.

EXHIBIT A

Page 1 of 1

(1) S77°48'00"E 40.00'  
 APN 238-401-15  
 APN 238-401-16  
 APN 238-401-17  
 (3) S77°48'00"E 453.59'

EXISTING CITY OF ESCONDIDO BOUNDARY  
 (2) N12°12'30"E 15.00'  
 VEREDA CALLADA  
 POINT OF BEGINNING

APN 238-533-24  
 APN 238-533-22  
 APN 238-400-12  
 APN 238-400-11  
 (4) S12°18'30"W 263.00'

EMERAUDE GLEN (PRIVATE STREET)  
 APN 238-533-23  
 (10) N12°12'30"E 504.99'  
 BERNARDO AVENUE  
 APN 238-400-32  
 APN 238-400-29  
 (5) N77°48'00"W 238.35'

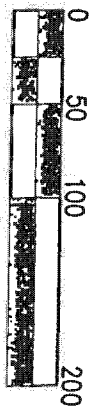
(6) S12°18'30"W 145.00'  
 (7) S70°21'36"W 124.73'  
 (8) S79°09'09"W 118.00'  
 (9) N 77°47'30"W 40.00'  
 APN 238-400-33  
 BLOCK 22  
 HOMELAND ACRES  
 MAP 1205

ASSESSOR'S PARCEL NUMBERS: 230-400-11, 230-400-12 AND 230-400-32	LAFCO RESOLUTION NO.	ACREAGE	DATE:	SCALE:
		4.217	10/12/2009	1"=100'

CITY OF ESCONDIDO ANNEXATION NO. \_\_\_\_\_  
 BEING A PORTION OF LOT 22 OF HOMELAND ACRES ADDITION TO ESCONDIDO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1205 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, AUGUST 13, 1909.

APN 238-400-15  
 EXISTING CITY OF ESCONDIDO BOUNDARY  
 PROPOSED CITY OF ESCONDIDO BOUNDARY

APN 238-400-16



SCALE: 1" = 100'

**DISCLAIMER:**  
 "FOR ASSESSMENT PURPOSES ONLY, THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED."

Approved by the Local Agency Formation Commission of San Diego

AUG - 6 2012

Prepared by: JP ENGINEERING, INC. \* 4849 RONSON COURT, SUITE 105, SAN DIEGO, CA 92111 \* TELEPHONE (858) 569-7377

JOB NO. 881

*Kathy Hein  
Planning*

RESOLUTION NO. 2011-144R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, MAKING APPLICATION TO THE LOCAL AGENCY FORMATION COMMISSION FOR INITIATION OF PROCEEDINGS FOR THE ANNEXATION/ REORGANIZATION OF THREE RESIDENTIAL PROPERTIES AND ADJACENT ROADWAY TOTALING 3.891 ACRES AND PREZONING THE AREA TO PZ-RE-40 (RESIDENTIAL ESTATES, 40,000 SF MINIMUM LOT SIZES)

Planning Case Nos. PHG09-0021, PHG09-0022, ENV11-0002

WHEREAS, the Planning Commission on September 27, 2011, considered a proposed annexation and prezone at a noticed public hearing and recommended that the City Council approve the jurisdictional reorganization consisting of an annexation to the City of Escondido and rezoning to PZ-RE-40 (Residential Estates, 40,000 SF minimum lot size) three residential properties and an adjacent segment of Bernardo Avenue totaling 3.891 acres located at the southeast corner of Bernardo Avenue and Vereda Callada, more particularly described in Exhibit "C" and depicted in Exhibit "D"; and

WHEREAS, the following determinations were made:

1. That a notice was published and mailed as required by the Escondido Zoning Code and applicable State law.
2. That the application was assessed in conformance with the California Environmental Quality Act and that a Mitigated Negative Declaration was issued on May 19, 2011, City Log No. ENV11-0002.
3. That a staff report was presented discussing the issues in the matter.
4. That a public hearing was held and that all persons desiring to speak did so.

5. That Ordinance No. 78-02, enacted pursuant to Section 65974 of the Government Code and pertaining to the dedication of land and fees for school facilities, has been adopted by the City of Escondido; and

WHEREAS, this City Council has considered the request, the staff report, the recommendations of the Planning Commission and the appropriate agencies, and public testimony presented at the Council hearing and incorporates by reference the findings made therein; and

WHEREAS, that this annexation/reorganization is necessary in order for the subject properties to receive urban services available from the City of Escondido; and

WHEREAS, that this reorganization is consistent with the Sphere of Influence of the City of Escondido and affected districts; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve said Prezone, Annexation/Reorganization, and adopt the Mitigated Negative Declaration and Mitigation Monitoring Report, as reflected in the Details of Request contained in the staff reports, and on the plans and documents on file in the offices of the City Clerk and Planning Division; and

WHEREAS, the City Council of the City of Escondido desires to initiate proceedings pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000, Division 3, commencing with Section 56000 of the California Government Code for the proposed annexation/reorganization.

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

1. That the above recitations are true.

2. That the City Council has reviewed and considered the Mitigated Negative Declaration prepared for this project in conformance with the California Environmental Quality Act (CEQA), the staff reports, and has heard and considered testimony given at the public hearing, and certifies the project would not result in any significant impacts to the environment since all project related impacts will be mitigated to less than significant levels.

3. That the Findings of Facts and Factors to be Considered, attached as Exhibit "A" to this resolution and is incorporated by this reference, were made by said Council, and upon their consideration along with the staff reports (copies of which are on file in the Planning Division), public testimony presented at the hearing, and all other oral and written evidence on this project, this City Council approves the proposed Prezone, Annexation/Reorganization (Case Nos. PHG09-0021 and PHG09-0022), and adopts Mitigated Negative Declaration (Case No. ENV11-0002) as reflected on plans and documents on file in the offices of the City Clerk and Planning Division, and subject to the Conditions of Approval set forth as Exhibit "B," attached to this resolution and incorporated by this reference.

4. That the following changes of reorganization are proposed:

- a. Annexation of the subject territory to the City of Escondido as legally described in Exhibit "C" and shown in Exhibit "D." Exhibits "C" and "D" are attached to this resolution and are incorporated by this reference; and
- b. Detachment of the subject territory from the County Communications District Service Area 135; and



c. Detachment of the subject territory from the Rincon Del Diablo Fire Protection District.

5. That application and proposal is hereby made to the Local Agency Formation Commission of the County of San Diego for the following annexation/reorganization:

a. This proposal is made pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000, as amended, commencing with Section 56000 of the Government Code of the State of California.

b. The following changes of organization are proposed:

1) Annexation of territory legally described in Exhibit "C" and shown in Exhibit "D"; and

2) Detachment of the subject territory from the County Communications District Service Area No. 135; and

3) Detachment of the subject territory from the Rincon Del Diablo Fire Protection District.

c. This reorganization is necessary in order for the subject properties to receive urban services available from the City of Escondido.

d. The Local Formation Commission of the County of San Diego is hereby requested to undertake proceedings for the annexation/reorganization proposed herein.

6. That the City Council of the City of Escondido hereby requests the Local Agency Formation Commission to designate the City of Escondido as conducting agency, and that the City of Escondido be authorized to order the proposed annexation.

7. That the City Clerk of the City of Escondido is hereby authorized and directed to file a certified copy of this resolution with the applicable fees required by Section 54902.5 of the California Government Code to the executive officer of the Local Agency Formation Commission of San Diego County.

BE IT FURTHER RESOLVED that, pursuant to Government Code Section 66020(d)(1):

1. NOTICE IS HEREBY GIVEN that the project is subject to certain fees described in the City of Escondido's Development Fee Inventory on file in both the Community Development Department and Public Works Department. The project is also subject to dedications, reservations, and exactions, as specified in the Conditions of Approval.

2. NOTICE IS FURTHER GIVEN that the 90-day period during which to protest the imposition of any fee, dedication, reservation, or other exaction described in this resolution begins on the effective date of this resolution and any such protest must be in a manner that complies with Section 66020.

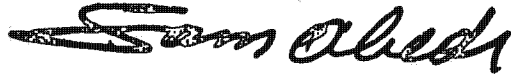
PASSED, ADOPTED AND APPROVED by the City Council of the City of Escondido at a regular meeting thereof this 9th day of November, 2011 by the following vote to wit:

AYES : Councilmembers: DIAZ, GALLO, MORASCO, WALDRON, ABED

NOES : Councilmembers: NONE

ABSENT : Councilmembers: NONE

APPROVED:

A handwritten signature in black ink, appearing to read "Sam Abed".

SAM ABED, Mayor of the  
City of Escondido, California

ATTEST:

A handwritten signature in black ink, appearing to read "Marsha Whalen".

MARSHA WHALEN, City Clerk of the  
City of Escondido, California

RESOLUTION NO. 2011-144R

**EXHIBIT "A"**

**FINDINGS OF FACT/ FACTORS TO BE CONSIDERED  
PHG 09-0021 PHG 09-0022**

Prezone/Annexation

1. The public health, safety and welfare will not be adversely affected by the proposed change since the zoning will be consistent with the existing Estate I General Plan designation on the subject properties and the primary use of the properties will remain residential.
2. The properties involved are suitable for the uses permitted by the proposed zone since the permitted use will be the same single-family residential use permitted by the previous County zoning. In addition, the proposed density is consistent with surrounding residential development.
3. Annexation will result in jurisdictional detachment from County Service Area (CSA) No. 135 (San Diego Regional Communications System). Fire protection which is currently provided by the City of Escondido through an agreement with the County will continue, but come under the City of Escondido Fire Department jurisdiction. Police protection will change from County Sherriff to the City of Escondido Police Department jurisdiction.
4. All three properties are greater in size than one acre and thus larger than the 40,000 SF minimum lot size under the proposed RE-40 prezone designation. They would therefore all be conforming. None of the properties are large enough to split and no increase in the number of lots is possible.
5. The proposed prezone designation of RE-40 is consistent with the Estate I designations of the General Plan which allows up to 1 du/acre and a minimum lot size of 40,000 SF. The combined total of the three properties involved in this request is 3.42 acres or 148,975 SF, making the average lot size 49,658 SF.
6. The proposed pre zoning will not conflict with any specific development plans for the properties, since none are being requested. The conceptual development plan is only to satisfy a San Diego LAFCO requirement. Any future development will be subject to the provisions of the Escondido General Plan and Zoning Code upon annexation.
7. If and when tree removal to accommodate grading on these properties is to be done, the current property owner will be required to mitigate for the removal of the more sensitive tree species according to the Mitigation Measures as detailed in the Mitigated Negative Declaration (MND case ENV 11-0002) and per the MND's signed Enforceable Commitment.

**EXHIBIT "B"**

**CONDITIONS OF APPROVAL**  
PHG 09-00021, PHG 09-0022

**General**

1. All construction shall comply with all applicable requirements of the Escondido Zoning Code and requirements of the Planning Division, Director of Building, and the Fire Chief.
2. The legal description attached to the application has been provided by the applicant and neither the City of Escondido nor any of its employees, commissioners, or board members assume responsibility for the accuracy of said legal description.
3. The City of Escondido hereby notifies the applicant that State Law (SB 1535) effective January 1, 2007, requires certain projects to pay fees for purposes of funding the California Department of Fish and Game. If the project is found to have a significant impact to wildlife resources and/or sensitive habitat, in accordance with state law, the applicant should remit to the City of Escondido Planning Division, within two (2) working days of the effective date of this approval (the "effective date" being the end of the appeal period, if applicable), a certified check payable to "County Clerk", in the current amount required for a project with a Mitigated Negative Declaration. These fees must also include the current authorized County administrative handling fee. Failure to remit the required fees in full within the time specified above will result in County notification to the State that a fee was required but not paid, and could result in State imposed penalties and recovery under the provisions of the Revenue and Taxation code. Commencing January 1, 2007, the State Clearinghouse and/or County Clerk will not accept or post a Notice of Determination filed by a lead agency unless it is accompanied by one of the following: 1) a check with the correct Fish and Game filing fee payment, 2) a receipt or other proof of payment showing previous payment of the filing fee for the same project, or 3) a completed form from the Department of Fish and Game documenting the Department's determination that the project will have no effect on fish and wildlife. If the required filing fee is not paid for a project, the project will not be operative, vested or final and any local permits issued for the project will be invalid (Section 711.4(c)(3) of the Fish and Game Code).

**Planning**

1. Documentation or findings pursuant to Section 33-1241 shall be submitted to the Planning Division for any accessory structures, or additions to existing structures on the three lots being annexed, demonstrating that each was constructed legally in the County. Each structure without supporting documentation or findings must be removed prior to final annexation recordation.
2. Any improvements proposed for the subject lots will be evaluated for conformance with the mitigation measures identified in the Mitigated Negative Declaration (City log no. ENV11-0002) prepared for this project (see the Mitigation Monitoring's Attachment "A").

**Utilities**

1. The two vacant properties fronting Bernardo Avenue (APNs 238-400-1200 and 238-400-3200) will be required to submit a capacity study to the City's Utilities Division prior to development, which must demonstrate that enough remaining capacity exists to adequately serve these properties.

**Engineering****STREET IMPROVEMENTS AND TRAFFIC**

1. All required street improvements shall be provided with adequate right-of-way and improved in accordance with the City of Escondido's Design Standards and SUSMP.
2. Prior to recordation of the annexation, an Irrevocable Offer of Dedication to the City of Escondido for 11 feet of right-of-way along Vereda Callada along the frontages of the two northerly lots, APNs 238-400-1100 and 238-400-1200, shall be executed by the owner.
3. Bernardo Avenue shall be improved to Local Collector Street standards along the frontages of APNs 238-400-1200 and 238-400-3200, as a condition of the first building permit for either lot. Improvement plans shall be approved by the City Engineer and all improvements bonded for, prior to the issuance of a building permit. All improvements shall be completed prior to the issuance of an occupancy permit for either lot.

***The City of Escondido intends to approve the annexation request with its new jurisdictional boundary to include the adjacent portion of Bernardo Avenue but not Vereda Callada. The following conditions would apply to this situation:***

**Engineering**

1. Prior to recordation of the annexation, documents shall be submitted to and approved by the Engineering Department for the relinquishment of access rights to Vereda Callada along the frontage of the corner lot, APN 238-400-1200, to be recorded concurrently with the annexation.
2. Upon final LAFCO approval of the annexation, grading plans for the new driveway access from Bernardo Avenue to the existing house on APN 238-400-1100 shall be submitted to and approved by the City's Engineering Department, and the driveway shall be constructed or a bond for the construction shall be provided, prior to the recordation of the annexation. These driveway improvements shall be designed to accommodate the future Bernardo Avenue street improvements.

**Fire**

1. The applicant's conceptual development plan includes creating a new access driveway for lot APN 238-400-1100 from Bernardo Avenue and extending over a utility easement between APNs 238-400-1200 and 238-400-3200. The new driveway shall be to City Standards including a minimum 16' width with no parking, the grade not to exceed 20%, and may be required to provide a fire turn-around acceptable to the City's Fire Department. Driveways with grades over 15% must be of Portland cement with a rough broom finish.

***In the event that Vereda Callada is included in the annexation, the Engineering conditions #1 & #2 and Fire condition #1 (see above) shall be omitted and the following Engineering condition will be added:***

1. Vereda Callada shall be improved to Residential Street standards (half street +12') along APN 238-400-1100 and 238-400-1200 as a condition of annexation. Improvement plans shall be approved by the City Engineer and all improvements bonded for prior to completion of annexation. Improvements to Vereda Callada would also necessitate further environmental review.

EXHIBIT "C"  
LEGAL DESCRIPTION

PHG 09-0021; PHG 09-0022

GEOGRAPHIC DESCRIPTION

ALL THAT CERTAIN REAL PROPERTY, SITUATED IN A PORTION OF BLOCK 22 OF HOMELAND ACRES ADDITION TO ESCONDIDO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1205, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, AUGUST 13, 1909, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION POINT OF THE WESTERLY LINE OF BERNARDO AVENUE 40 FEET WIDE AS SHOWN ON SAID MAP NO. 1205 AND THE WESTERLY EXTENSION OF THE SOUTHERLY LINE OF VEREDA CALLADA 30 FEET WIDE, SAID POINT ALSO BEING A POINT ON THE EASTERLY BOUNDARY OF THE CITY OF ESCONDIDO AS ESTABLISHED BY THEIR RESOLUTION NO. 89-019, ADOPTED FEBRUARY 10, 1989, BY SAID CITY, SAID POINT ALSO BEING THE TRUE POINT OF BEGINNING;

THENCE, LEAVING SAID WESTERLY BERNARDO AVENUE RIGHT OF WAY AND SAID CITY BOUNDARY, ALONG THE WESTERLY EXTENSION OF SAID SOUTHERLY LINE, (1) SOUTH 77°48'00" EAST 40.00 FEET TO A POINT ON THE INTERSECTION OF THE EASTERLY BERNARDO AVENUE RIGHT OF WAY AND THE SOUTHERLY VEREDA CALLADA RIGHT OF WAY;

THENCE, LEAVING SAID EASTERLY BERNARDO AVENUE RIGHT OF WAY, ALONG SAID SOUTHERLY VEREDA CALLADA RIGHT OF WAY, (2) SOUTH 77°48'00" EAST 453.54 FEET;

THENCE, LEAVING SAID SOUTHERLY RIGHT OF WAY, (3) SOUTH 12°18'30" WEST 233.00 FEET;

THENCE, (4) NORTH 77°48'00" WEST 238.35 FEET;

THENCE, (5) SOUTH 12°18'30" WEST 145.00 FEET;

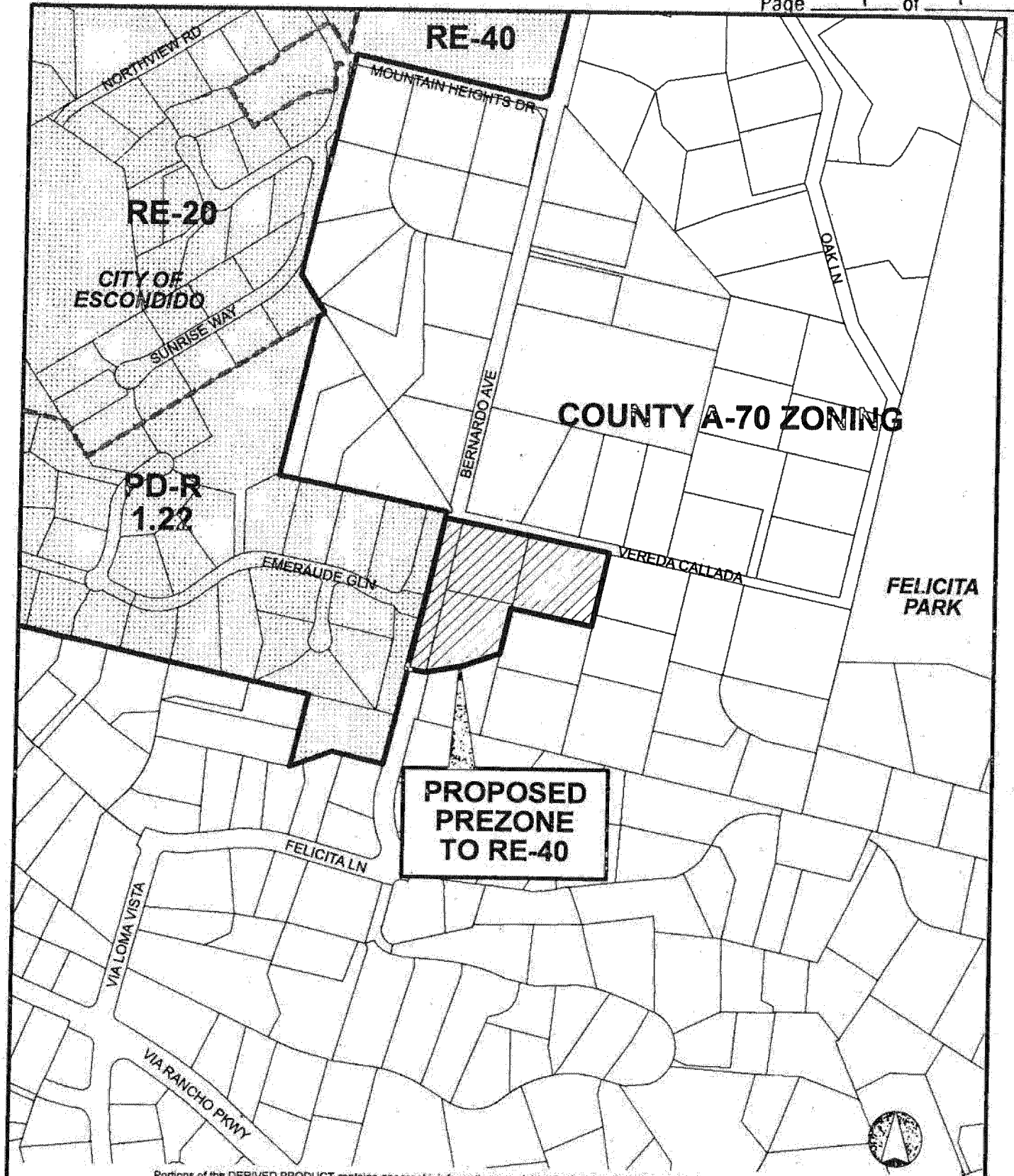
THENCE, (6) SOUTH 70°21'36" WEST 124.73 FEET;

THENCE, (7) SOUTH 79°09'09" WEST 118.00 FEET, TO A POINT ON THE EASTERLY RIGHT OF WAY OF SAID BERNARDO AVENUE;

THENCE, (9) NORTH 77°47'30" WEST 40.00 FEET, TO A POINT ON SAID CITY BOUNDARY, WITHIN THE RIGHT OF WAY OF SAID BERNARDO AVENUE;

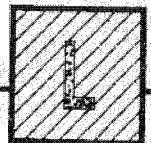
THENCE, (10) NORTH 12°12'30" EAST 489.99 FEET, ALONG SAID CITY BOUNDARY TO THE TRUE POINT OF BEGINNING AND CONTAINING 3.891 ACRES OF LAND MORE OR LESS.

FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED.



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**PROPOSED PREZONE AND ANNEXATION  
PHG 09-0021/PHG 09-0022/ENV 11-0002**



LOCATION/ZONING



**CITY COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

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

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

**Agenda Item No.:** \_\_\_\_\_

**Date: November 9, 2011**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Barbara J. Redlitz, Director of Community Development  
**SUBJECT:** Bernardo-Young Prezone & Annexation (Case No. PHG09-0021, PHG09-0022, ENV11-0002)

**RECOMMENDATION:**

It is requested that Council adopt Ordinance 2011-10 and Resolution 2011-144 to prezone as RE-40 and annex into the City of Escondido three unincorporated properties addressed as 2950 Bernardo Avenue (APN 238-400-3200), 1029 Vereda Callada (APN 238-400-1100) and a third unaddressed lot on Bernardo (APN 238-400-1200).

**COUNCIL ACTION PLAN:**

The Financial Stability category of the Council's Action Plan includes a "Focus on Core Services" goal. One of the goal's strategies is "an emphasis on reducing the annual pothole/edge repair work required of in-house forces" (see page 20). Vereda Callada is a County owned and privately maintained rural road that is far below City standards and would need extensive improvements. Staff's recommended Conditions of Approval ensuring that this substandard roadway is kept out of the City's jurisdiction are consistent with the Council's Action Plan goal. The Image and Appearance category of the Action Plan includes a pro-active Code Enforcement goal to implement existing ordinances (see page 24). Pursuant to the City's policy not to accept illegal structures when annexing properties, Staff has in its Conditions of Approval requested documentation ensuring that all existing accessory buildings/additions were created legally. See Exhibit "B" of the attached Planning Commission staff report.

**FISCAL ANALYSIS:**

The property owner will be required to pay fees to cover all administrative costs and staff time for processing a prezone/annexation and to bond for and construct all improvements required by the Conditions of Approval.

**BACKGROUND:**

On September 23, 2009, the City Council approved the initiation of an annexation/prezoning of an existing residence together with two adjacent unimproved residential lots also owned by the applicant. This action was based on preliminary information provided at the time. After further study, staff found the two vacant properties would be problematic to bring into the City due to a number of Engineering, Planning and Utility issues regarding access, available sewer capacity, required improvements and impacts of future development as detailed in the Planning Commission staff report. On March 10, 2010, the City Council approved a contractual Out-of-Agency Service Agreement to connect to City sewer for the residentially developed property at 1029 Vereda Callada (APN 238-400-1100), which was experiencing septic failure; this property is now connected to the City sewer system. By the end

November 9, 2011

Page 3

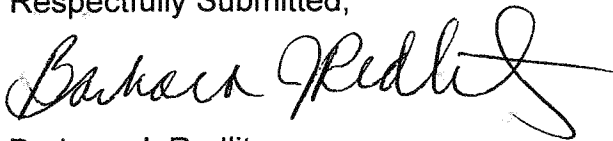
constructed and the existing driveway out to Vereda Callada to be closed upon annexation, in addition to relinquishing access rights to Vereda Callada. These conditions are to ensure that none of the three properties annexed would continue to need Vereda Callada for their primary and emergency access. Specifically, with the existing driveway to the care facility closed to Vereda Callada, and a new driveway created for its access from Bernardo Avenue, there will no longer be the traffic impacts to the nearby County residents who have voiced their concerns and no reason for LAFCO to stipulate that the Vereda Callada roadway be included in the annexation. Recent conversation with LAFCO staff underscored this issue, saying that LAFCO would require annexation of Vereda Callada if the road provided primary or emergency access to any of the three lots proposed for annexation. Requiring that road improvements on Bernardo Avenue to be constructed in front of both vacant properties upon either of them developing provides continuity with the improved western edge of the street, smoother transitions and improved traffic flow and safety overall.

Staff's condition relating to the existing garage on the corner lot is that it be allowed to remain if it can be determined prior to annexation that it was built legally in the County. If documentation is not provided, the garage would need to be removed prior to recordation of the annexation. This is consistent with the City's policy regarding annexations and prior built accessory structures.

SUMMARY:

Based on LAFCO's statements, staff feels that allowing the current driveway connecting the developed property with Vereda Callada to remain open and allowing the applicant to defer the construction of a new driveway off of Bernardo Avenue, will result in a LAFCO condition forcing the City to accept Vereda Callada, a substandard roadway, as part of this annexation. Since annexing Vereda Callada would not create any additional contiguity to existing City boundaries and because the City does not want to be responsible for the extensive improvements needed to Vereda Callada and its burden of maintenance for the future, staff is requesting Council adopt Ordinance 2011-10 and Resolution 2011-144 with the original Conditions of Approval recommended by staff without the alterations Planning Commission included in its motion.

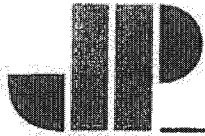
Respectfully Submitted,



Barbara J. Redlitz  
Director of Community Development



Paul K. Bingham  
Assistant Planner II



• CIVIL ENGINEERING  
• LAND PLANNING  
• SURVEYING

## ENGINEERING

4849 Ronson Court  
Suite No. 105  
San Diego, CA 92111  
Tel 858.569.7377  
Fax 858.569.0830

Web [www.jpeng.com](http://www.jpeng.com)  
Email [jp@jpeng.com](mailto:jp@jpeng.com)

October 25, 2011

Mr. Paul Bingham  
Planning Division  
City of Escondido  
201 North Broadway  
Escondido, CA 92025

Re: Cases # PHG09-0021&-0022, 1029 Vereda Callada  
(AKA Bernardo-Young Prezone and Annexation)

Dear Paul:

Attached please find a copy of the letter sent to Mr. Sam Abed, Honorable Mayor and City Council Members to be included in the Staff Report for the City Council meeting of November 9, 2011.

Please contact the Fire Marshall and find out if the City Council approves a drive-thru for the developed parcel, are we able to delete the fire turn-around that the Fire Marshall is requesting in Fire Condition No. 1. The Planning Commission asked at their meeting if the Fire Marshall was contacted about the drive-thru but City Staff could not respond if the Fire Marshall would approve a drive-thru rather than a fire turn-around. The same question most likely will be raised at the City Council Meeting.

If you need any additional information, please let us know.

Sincerely,  
JP ENGINEERING, INC.

Jorge H. Palacios, RCE  
Principal Engineer

JHP/jw

cc: Leroy Young, Application  
Rozanne Cherry, Planning Division

Mr. Sam Abed, Honorable Mayor and  
City Council Members  
October 25, 2011  
Page 2 of 3

**Engineering - Street Improvements and Traffic**

Condition No. 1:  
No Comment.

Condition No. 2:  
Vereda Callada is not a part of the City annexation and an Irrevocable Offer of Dedication to the City of Escondido for 11 feet of right of way along Vereda Callada should not be required prior to the recordation of the annexation since Vereda Callada would still be in the County of San Diego. The Irrevocable Offer of Dedication, if required in the future, should be a part of a future building permit, not of a City annexation. Staff has previously indicated in their report that the City does not want to maintain Vereda Callada at this time, therefore, asking for an Offer of Dedication should not be required.

Condition No. 3:  
Bernardo Avenue shall be improved to local collector street standards along each frontage of the undeveloped parcel 2 and 3, A.P.N.'s 238-400-12-00 and 238-400-32-00, as a condition of the Building Permit for each undeveloped parcel instead of either undeveloped parcel. Improvement plans shall be approved by the City Engineer and all improvements bonded for or constructed, prior to the issuance of the occupancy permit for each undeveloped parcel instead of either undeveloped parcel.

**Engineering**

Condition No. 1:  
Vereda Callada is not a part of the City Annexation. Relinquishment of access rights to Vereda Callada along the frontages of the two north parcels 1 and 2, A.P.N.'s 238-400-11-00 and 238-400-12-00 is premature and it shall not be required to be recorded concurrently with the annexation. The applicant still wants to continue using the existing driveway access to Vereda Callada. Furthermore, the Development Plan for the vacant parcel 2, A.P.N. 238-400-12-00, is still conceptual and until the final plans are submitted for approval by the City, access from Vereda Callada to the future home could be required. Vereda Callada is still maintained by each adjacent property owner. If the access to Vereda Callada is not allowed, the applicant will no longer be required to maintain Vereda Callada.

Condition No. 2:  
The new driveway access from Bernardo Avenue to the existing house on the developed parcel 1, A.P.N. 238-400-11-00, shall be conditioned to be built with the grading plans for the future building permit for the undeveloped parcel 2, A.P.N. 238-400-12-00, and not within 6 months of the recordation of the annexation. The new driveway access is not needed at this time. It would be very expensive and unrealistic to build the new driveway access and accommodate the future Bernardo Avenue street improvements before development of parcel 2.

**EXHIBIT "B"**

**CONDITIONS OF APPROVAL**

PHG 09-00021, PHG 09-0022

**General**

1. All construction shall comply with all applicable requirements of the Escondido Zoning Code and requirements of the Planning Division; Director of Building, and the Fire Chief.
2. The legal description attached to the application has been provided by the applicant and neither the City of Escondido nor any of its employees, commissioners, or board members assume responsibility for the accuracy of said legal description.
3. The City of Escondido hereby notifies the applicant that State Law (SB 1535) effective January 1, 2007, requires certain projects to pay fees for purposes of funding the California Department of Fish and Game. If the project is found to have a significant impact to wildlife resources and/or sensitive habitat, in accordance with state law, the applicant should remit to the City of Escondido Planning Division, within two (2) working days of the effective date of this approval (the "effective date" being the end of the appeal period, if applicable), a certified check payable to "County Clerk", in the amount of \$2,060.25 for a project with a Mitigated Negative Declaration. These fees include an authorized County administrative handling fee of \$50.00. Failure to remit the required fees in full within the time specified above will result in County notification to the State that a fee was required but not paid, and could result in State imposed penalties and recovery under the provisions of the Revenue and Taxation code. Commencing January 1, 2007, the State Clearinghouse and/or County Clerk will not accept or post a Notice of Determination filed by a lead agency unless it is accompanied by one of the following: 1) a check with the correct Fish and Game filing fee payment, 2) a receipt or other proof of payment showing previous payment of the filing fee for the same project, or 3) a completed form from the Department of Fish and Game documenting the Department's determination that the project will have no effect on fish and wildlife. If the required filing fee is not paid for a project, the project will not be operative, vested or final and any local permits issued for the project will be invalid (Section 711.4(c)(3) of the Fish and Game Code).

**Planning**

1. Documentation or findings pursuant to Zoning Code Section 33-1241 shall be submitted to the Planning Division for any accessory structures, or additions to existing structures on the three lots being annexed, demonstrating that each was constructed legally in the County, or successfully obtain a building permit for each structure and/or addition. Said documentation or a bond for the removal of the undocumented structures/additions within 90 days of recordation, shall be submitted to the Planning Division prior to final annexation recordation.
2. Any improvements proposed for the subject lots will be evaluated for conformance with the mitigation measures identified in the Mitigated Negative Declaration (City log no. ENV11-0002) prepared for this project (see the Mitigation Monitoring's Attachment "A").

and shall include a fire turn-around acceptable to the City's Fire Department. Driveways with grades over 15% must be of Portland cement with a rough broom finish.

***In the event that Vereda Callada is included in the annexation, the Engineering conditions #1 & #2 and Fire condition #1 (see above) shall be omitted and the following Engineering condition will be added:***

**Engineering**

1. Vereda Callada shall be improved to Residential Street standards (half street +12') along APN 238-400-1100 and 238-400-1200 as a condition of the building permit for development of the vacant lot, APN 238-400-1200. Improvement plans shall be approved by the City Engineer and all improvements bonded for prior to completion of annexation. Improvements to Vereda Callada would also necessitate further environmental review prior to approval of improvement plans. All improvements to Vereda Callada shall be completed prior to the issuance of an occupancy permit for APN 238-400-1200.



# PLANNING COMMISSION

Agenda Item No.: G.1

Date: September 27, 2011

**CASE NUMBERS:** PHG 09-0021, PHG 09-0022, ENV 11-0002

**APPLICANT:** The Young Family Trust

**LOCATION:** Along the east side of Bernardo Avenue, just south of the intersection of Bernardo Avenue and Vereda Callada, addressed as 2950 Bernardo Avenue (APN 238-400-3200), 1029 Vereda Callada (APN 238-400-1100) and a third unaddressed lot on Bernardo to the west (APN 238-400-1200).

**TYPE OF PROJECT:** Proposed Prezone and Annexation

**PROJECT DESCRIPTION:** The project involves a proposed Prezone and Annexation to the City of Escondido of three properties totaling approximately 3.42 acres. The three lots would also be detached from County Service Area No. 135 and the Rincon Del Diablo Fire Protection District. The 1.04 acre lot addressed as 2950 Bernardo Avenue (APN 238-400-3200) is vacant. The 1.28 acre lot addressed as 1029 Vereda Callada (APN 238-400-1100) is fully developed with a residence and the adjacent 1.1 acre lot directly to the west (APN 238-400-1200) is vacant except for two outbuildings. Prezoning designation for this area will be PZ-RE-40 (40,000 SF minimum lot size).

**STAFF RECOMMENDATION:** Approval

**GENERAL PLAN DESIGNATION/TIER:** Estate I (single-family residential, maximum 1 du/ac) /Felicitia Tier 2A

**ZONING:** *Currently under County Zoning of A-70 (Limited Agriculture, Single-Family Residential Development, 1 dwelling unit per acre, 1 acre minimum lot size).*  
Proposed Prezone: RE-40 (Single-Family Residential, 40,000 SF minimum lot size).

**BACKGROUND/SUMMARY OF ISSUES:** Annexation Policy D6.1 (page VII-14) states that the City will not actively seek to annex unincorporated lands, except those owned by the City, and will rely on applications from property owners for proposed annexation to the City. On September 23, 2009, the City Council approved the applicant's request for initiation of an Annexation/Prezoning of an existing residence together with two adjacent unimproved residential lots also owned by the applicant. This decision was based on information provided at the time. After further study, staff found the two vacant properties fronting Bernardo would be problematic to bring into the City due to a number of issues raised by Engineering, Planning and Utilities regarding access, available sewer capacity, required improvements and the impacts of future development. The applicant then submitted a letter from the County's Department of Environmental Health dated November 18, 2009, documenting eminent failure of the existing Vereda Callada residence's septic system and suggested connecting to the City's sewer line in Bernardo Avenue. On March 10, 2010 the City Council approved a contractual service agreement to provide sewer service and on April 5, 2010 San Diego LAFCO granted an Out-of-Agency Service Agreement allowing the existing residence to receive the required sewer service. As part of that approval, the property owner signed an Irrevocable Offer of Annexation for the Vereda Callada property.

On July 27, 2010 the applicant paid the remaining fees and submitted a renewed application to annex all three lots. Their revised development plans for the two vacant lots required by LAFCO, show two single family residences and associated grading. The plan proposes to close the existing Vereda Callada driveway from the residence at 1029 Vereda Callada and provide a new driveway out to Bernardo Road running between the two vacant lots. The two vacant lots would be graded to create pads high enough to allow gravity flow to sewer service in Bernardo Road. The pads would be located to avoid detrimental impacts to the most sensitive oaks on site. The segment of Bernardo Avenue fronting along the subject site would also be annexed into the City. No other properties are involved in the current Annexation or Prezone applications.

This project was placed on the July 26, 2011 Planning Commission agenda. Prior to that meeting a number of neighbors contacted the City with concerns regarding the project's potential impacts to the neighborhood. The applicant then asked that the item be continued so they could modify the project. The project was ultimately not changed and the item currently being considered is the project as originally proposed. The applicant submitted a letter dated 9/1/11 requesting changes to the Conditions of Approval, which staff feels are not appropriate. (See discussion under section D.)

Staff believes that the remaining issues are as follows:

1. Whether the proposed RE-40 zoning is appropriate and adequately reflects the development character of the properties and those adjacent.
2. Whether the conceptual access and grading designs are appropriate for the site.
3. Whether the proposed prezone should be extended to include surrounding properties.

**REASONS FOR STAFF RECOMMENDATION:**

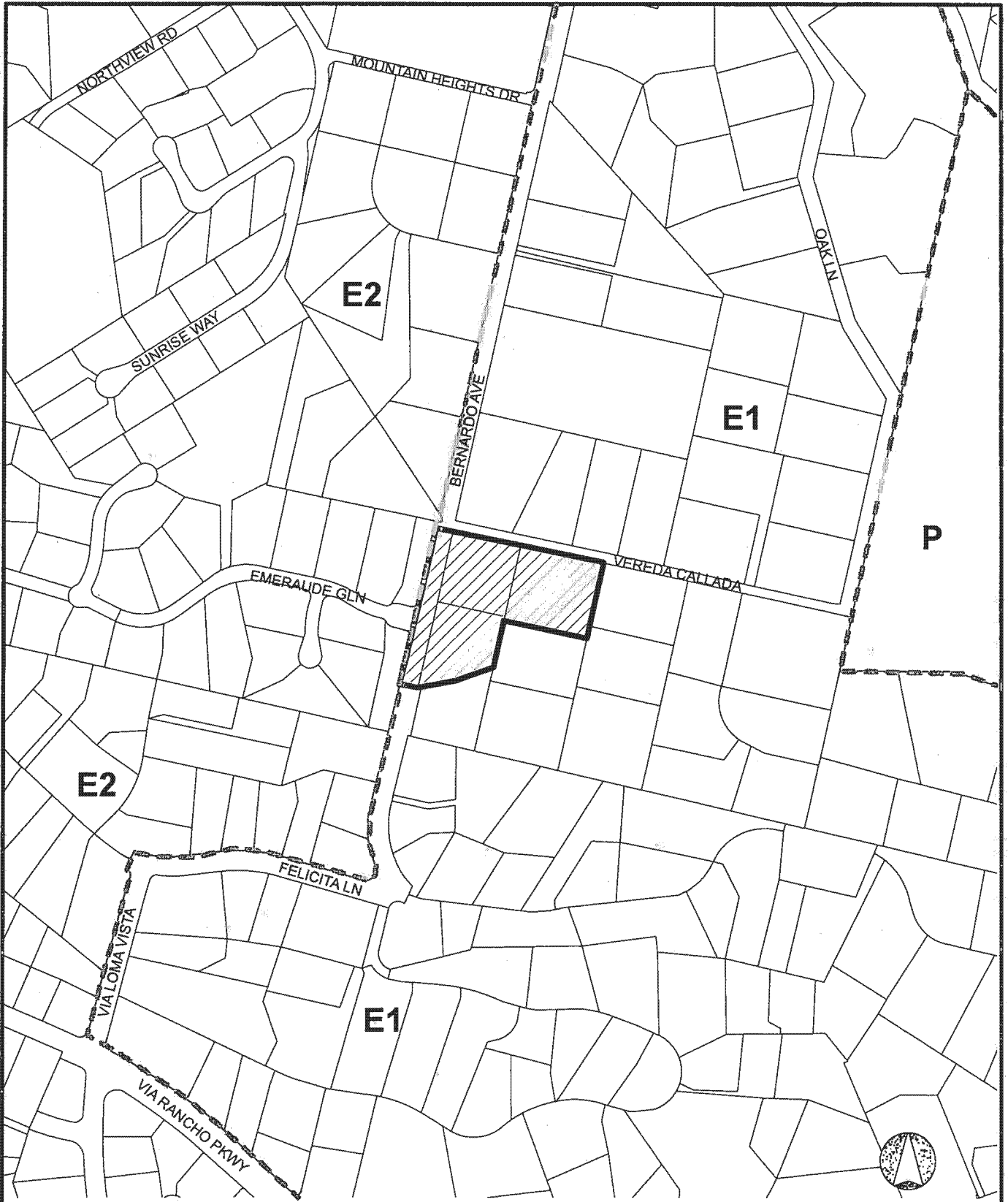
1. The proposed prezone establishes the appropriate zoning designation (RE-40) for the subject parcels, which is consistent with the Estate I General Plan Use designation and is consistent with development patterns of the area within the same General Plan designation.
2. The conceptual access and grading design in the most recent revised plans avoids impacts to the most sensitive naturally occurring plant species and mitigation will be required for those less sensitive plants species that may be removed or impacted by future development.
3. Four properties were initially contacted by the applicant regarding annexation and showed no interest. The City has subsequently sent notices to surrounding properties within 500 feet. While this has generated comments from neighbors, none has expressed interest in joining the annexation. As a result, no additional properties have been included in this annexation and prezone request. San Diego LAFCO staff has reviewed the current proposed boundary and has indicated their support; therefore, staff feels that support for this proposal is warranted.

Respectfully submitted,



Paul K. Bingham  
Assistant Planner II

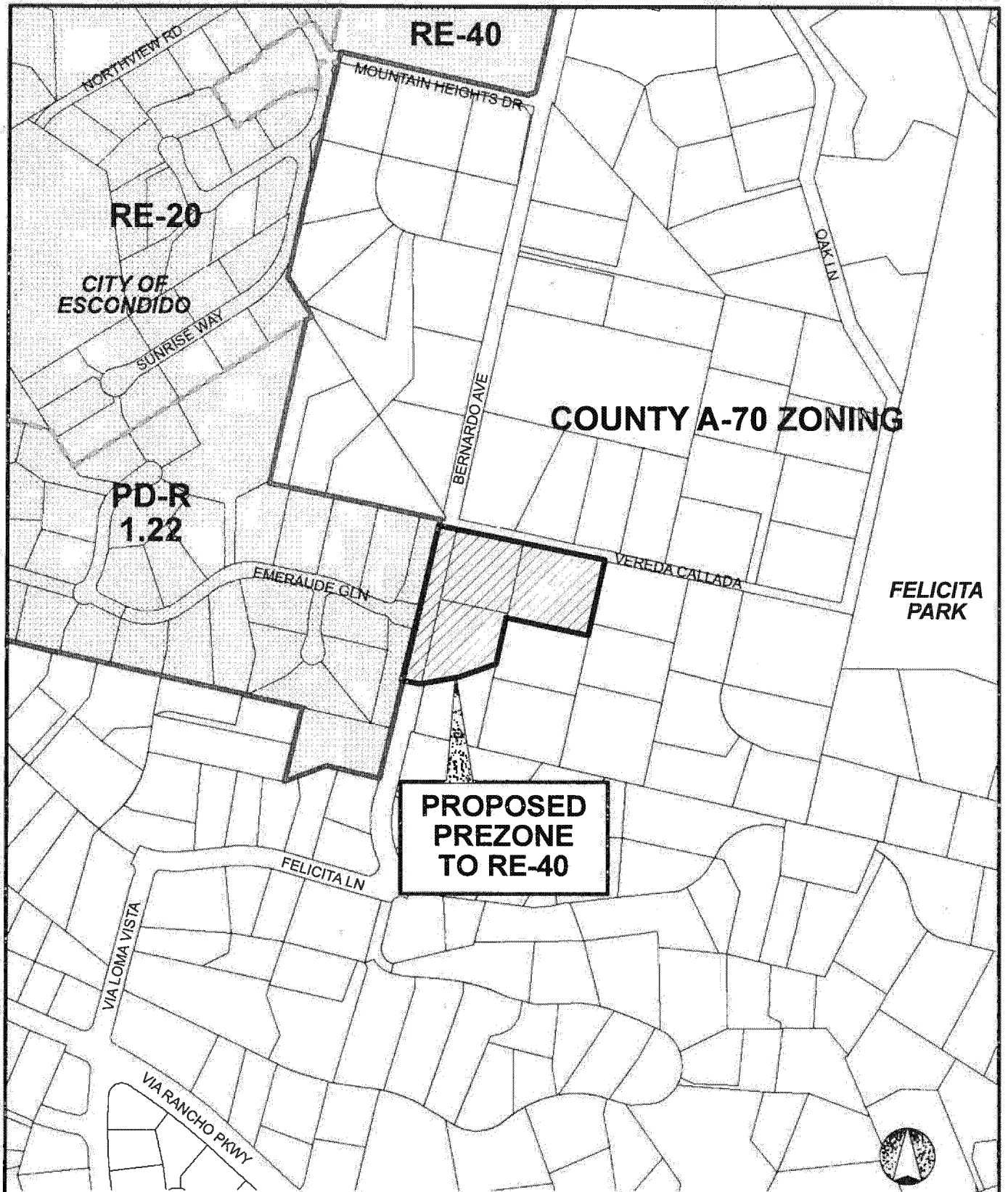




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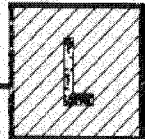
**PROPOSED PREZONE AND ANNEXATION  
PHG 09-0021/PHG 09-0022/ENV 11-0002**





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**PROPOSED PREZONE AND ANNEXATION  
PHG 09-0021/PHG 09-0022/ENV 11-0002**



LOCATION/ZONING



## ANALYSIS

### A. LAND-USE COMPATIBILITY/SURROUNDING ZONING

- NORTH:** Across Vereda Callada, a rural street, the properties are County zoned A-70 (limited agriculture, 1 du/acre). One-story single-family residential homes and small orchards on lots ranging in size from approximately 1.05 to 1.69 acres are located north of the three properties proposed for annexation.
- SOUTH:** County zoned A-70 (limited agriculture, 1 du/acre) properties that have one and two-story single-family residential homes on lots ranging in size from approximately 0.95 to 1.06 acres are located south of the three properties proposed for annexation.
- EAST:** County zoned A-70 (limited agriculture, 1 du/acre) and have single-family dwellings on 1-acre or larger lots. One- and two-story single-family residential homes on lots ranging in size from approximately 1.07 to 1.15 acres are located east of the three properties proposed for annexation.
- WEST:** Across Bernardo Avenue (a Local Collector roadway) are two ornamentally landscaped Open Space parcels which serve as detention basins for the Planned Development (PD-R) known as "The Reserve". The detention basins and subdivision are within the City of Escondido and the zoning is PD-R-1.22 (single-family residential – 1.22 du/acre on lots between ½-acre to 1-acre in size). The development's residential lots closest to Bernardo Avenue range in size from 0.53 to 0.81 acre. The General Plan designation for The Reserve development and other surrounding properties west of Bernardo Avenue is EII (Estate II) single family residential with a maximum density of 2 du/acre.

### B. AVAILABILITY OF PUBLIC SERVICES

- 1. Effect on Police Service** – The County parcels currently are served by the County Sheriff's Department. Upon annexation, the parcels and future homes would be served by the City of Escondido Police Department. Development of the site would result in an incremental increase in demand for Police Services. However, the Escondido Police Department indicated their ability to adequately serve the proposed project and no significant impacts to police services are anticipated.
- 2. Effect on Fire Service** – The City Fire Department has indicated their ability to adequately serve the proposed project. The area currently is served by the City's Fire Station No 5 located at 2317 Felicita Road. The county parcels are within the Rincon Del Diablo Municipal Water District (MWD) Fire Department (Improvement District "E"). The subject county parcels would detach from the MWD and annex into the City Fire District. Since by agreement the City of Escondido already provides fire protection services to residents within this area of Improvement District "E," there would effectively be no change in service. Detachment from County Communications District # 135 would also occur. Water service is provided by Rincon Water and the three properties would continue to receive service from Rincon after annexation.
- 3. Traffic** – Two of the three lots front onto and take access from Bernardo Avenue (a Local Collector), the third lot with the existing residence currently takes access from Vereda Callada (a privately maintained road). The Engineering Department indicated the proposed project would not result in a significant direct impact to the existing levels of service on the adjacent streets since a stable flow of traffic is maintained along the street segments. The Engineering Department also indicated the proposed project is not anticipated to have any significant individual or cumulative impacts to the circulation system or degrade the levels of service on any of the adjacent roadways or intersections since the project would not add 200 additional trips to a circulation element street with a service level below the mid-range of LOS D, and the

v/c ratio would not increase more than 0.02. The annexed portion of Bernardo Avenue (approximately 485 linear feet) can be adequately maintained by the City of Escondido.

4. **Utilities & Drainage** – Water service for the subject site is currently provided by Rincon Water. The applicant has entered into an agreement with the Water District to provide water service to the project. This will continue after annexation. The lot addressed off Vereda Callada is already connected to City sewer. It was granted an emergency Out of Agency Sewer Service Agreement in 2010 by San Diego LAFCO. Service to the remaining two properties would be provided by connecting to the existing sewer main in Bernardo Avenue. Prior to the two vacant properties developing, a capacity study would need to be submitted to our Utilities Division for review. The development of the site would not cause any diversion to or from the existing watershed. The project would be required to comply with National Pollution Discharge Elimination System (NPDES) standards and standard BMPs would be implemented during construction to adequately control erosion and siltation.

### **C. ENVIRONMENTAL STATUS**

1. In compliance with CEQA, a Mitigated Negative Declaration (MND, case no.: ENV11-0002) was issued for the project on May 19, 2011.
2. The mailing of the MND Public Review Notice prompted neighbors with questions and concerns to contact Planning, but no additional environmental issues were identified. With the future development of a single family residence on each of the vacant lots, a pad would have to be created at an elevation that would allow the sewer lateral to gravity flow to the City's sewer main in Bernardo Avenue. The grading for the pads would potentially impact Coast Live Oak trees. The project will be required to plant replacement trees for the Oaks removed and to maintain existing grades and drainage flow around the remaining Oaks.
3. It is staff's opinion that with the implementation of the mitigation measures and conditions of approval, the project is not expected to have any significant impacts.

### **D. CONFORMANCE WITH CITY POLICY**

**General Plan** – The three properties (totaling 3.42 acres) which are proposed for prezone and annexation have a General Plan land-use designation of Estate I, which would allow up to 1 du/ac. Each of the existing lots is over 1 acre in size and one of the subject properties is already developed with a single-family residence. The two remaining lots are largely undeveloped and vacant. The future construction of a single family residence on each of these lots would be consistent with the Estate I designation. Many of the surrounding lots, which were legally established, are 1 acre or larger in size and are County zoned A-70 (limited agriculture, 1 du/acre). The City of Escondido's General Plan designates these properties as Estate I (40,000 SF min. lot size, 1 du/acre). Essentially the status of these three properties as 1-acre single family residential lots would not change after annexation and no increase in density would be allowed and none of the lots could be split.

**Care Facilities** – The applicant recently submitted an application to the State of California's Department of Social Service's Community Care Licensing Division for a 6-bed residential care facility at the existing house. The State mandates that all jurisdictions within California allow care facilities in residential neighborhoods of 6 beds or less by right. The City's zoning code stipulates that requests for facilities of more than 6 beds must apply for a Conditional Use Permit which requires a public hearing and notices sent to property owners within 500 feet of the site. The owner could potentially build single family homes on the two vacant properties and establish 6-bed facilities in each. Each permit would be subject only to the approval of the State Community Care Licensing agency. If the lots are annexed into the City, any applications for a care facility of more than 6 beds would require a Conditional Use Permit.

Annexation of Roadway Segments – This discusses the applicant’s request to change the Conditions of Approval pursuant to the letter dated 9/1/11. When the City Reviews properties requesting to annex, often the logical boundary to be drawn must also include adjacent roadway segments. These are necessary to create contiguity and to provide access to the properties being annexed. Upon annexation, the roadway segment becomes part of the City’s jurisdiction and thus it is responsible for maintenance, repair and providing City services along that roadway. In this case, the adjacent section of Bernardo Avenue will be annexed to provide the contiguity to the existing City boundary. The road segment adjacent to the two vacant subject properties is already improved to City standards from the western edge to 10 feet easterly of the center line. Once the easterly edge is improved, this segment can provide access to all three of the properties being annexed without impacts to other roadways and intersections. Improvements along Bernardo Avenue would be the responsibility of the owner(s) at the time either of the vacant lots develops. In the case of Vereda Callada, this is currently a privately maintained rural country road. The roadway is far below the City’s street standards and improving this segment to meet City standards would involve expensive construction impacting a wide swath of adjacent county properties. These would include both the two subject properties fronting Vereda Callada and those across the street due to the existing topography. These impacts have not been assessed environmentally. For these reasons, and the fact that annexing Vereda Callada would not create any additional contiguity to existing City boundaries, the City does not want to be responsible for Vereda Callada and has asked the applicant’s engineer to provide a plan for access to the three subject lots from Bernardo Avenue and to relinquish access to Vereda Callada. When the annexation goes forward to San Diego LAFCO, it is possible that that commission could insist on the City accepting Vereda Callada as part of this annexation. In that event, a condition has been added to those in Exhibit B (see attached), which stipulates that Vereda Callada be improved to City Standards. Staff recommends maintaining the Conditions of Approval as currently drafted and shown in Exhibit B.

Conditions of Approval/Acceptance of Prior Built Structures, Roadways and Infrastructure – This discusses the applicant’s request to change the Conditions of Approval pursuant to the letter dated 9/1/11. It has been the long-standing policy of the City not to accept illegal uses or structures as part of any annexation. Existing structures being annexed must always provide documentary proof that they were legally constructed in the County or be removed prior to annexation. Since LAFCO determines the boundaries of annexations as it relates to streets, and the City does not yet have the final determination from LAFCO, the City’s conditions must reflect the need for improvements to roadways, closures or reconstruction of existing driveways, future dedications and access restrictions. The Conditions of Approval for this project related to the timing and extent of improvements along Bernardo Avenue and Vereda Callada have been crafted to provide for a better coordinated design and construction of improvements overall with less impact on traffic safety and the surrounding neighborhood. Staff recommends maintaining the Conditions of Approval as currently drafted and shown in Exhibit B.

## **E. ANALYSIS**

Whether the proposed RE-40 zoning is appropriate and adequately reflects the development character of the properties and those adjacent.

The rezoning designation would be RE-40 (Residential Estate, 40,000 SF minimum lot size), a change from the County zoning of A-70 (limited agriculture, 1 du/acre minimum). The RE-40 zoning is consistent with the area’s General Plan designation of Estate I as it exists east of Bernardo Avenue. The proposed project would not alter the residential land use in the area and the property owners could develop, make further improvements, and/or additions to their existing single-family residence provided they are in compliance with the City’s RE-40 zone standards. All three properties are greater in size than one acre and thus larger than the 40,000 SF minimum lot size under the proposed RE-40 rezoning designation. They would therefore all be conforming. None of the properties are large enough to split and no increase in the number of lots is possible. The project is consistent with the development character of the area, which is single family homes on large lots generally over 1 acre in size. Surrounding properties within the County also are designated Estate I in the City’s General Plan, there-

fore annexation of adjacent properties in the future would result in consistent zoning and land use designation.

Whether the conceptual access and grading designs are appropriate for the site.

No permits to develop are part of this current request. However, the project's applicant, engineer and biologist have worked with City Staff to revise and refine a conceptual development plan that minimizes impacts to species on the three subject properties as well as impacts to adjacent properties if and when future development occurs. The driveway connecting the existing residence at 1029 Vereda Callada will be abandoned and a new access drive from Bernardo Avenue will replace it prior to recordation of the annexation. By shifting future residential building pads away from Oak woodland and incorporating retaining walls on the properties closest to Bernardo Avenue, impact to the most sensitive species, the Mesa Oaks, will be avoided. Overall tree loss would be limited to smaller Coastal Live Oaks and non-native ornamentals according to the latest plan. As a Mitigation Measure, these Oaks will have to be replaced by specimen stock of the same variety at a 1:1 or 2:1 ratio depending on the caliper of each tree lost. Grading will be below heights requiring a Grading Exemption. All development will be required to meet the most current Stormwater standards at the time of permit issuance.

Whether the proposed rezoning and annexation should be extended to include surrounding properties.

As suggested by San Diego LAFCO, a survey was conducted of four properties immediately to the south to gauge property owner interest in the annexation. None were interested in joining the request. San Diego LAFCO reviewed the original 3-lot annexation request and stated that they were supportive of the configuration. Various City and County departments have also received the proposed prezone and annexation request for review and concur that the subject properties are within the Escondido Sphere of Influence and can be adequately supplied services by the City. Utilities Department did, however, say that the existing sewer capacity in this area is limited and additional properties annexing now may require costly infrastructure upgrades. LAFCO agrees that bringing additional properties in at this time may be premature. Therefore, staff feels the proposed boundary for the prezone and annexation of three lots is appropriate as currently envisioned.

## SUPPLEMENT TO STAFF REPORT/DETAILS OF REQUEST

### A. PHYSICAL CHARACTERISTICS

The properties range in size from 1.04 to 1.28 acres. Vegetation on the 3.42 acres consists of an Urban/Developed vegetation community (ornamental landscaping and areas of non-native vegetation which is mowed periodically to prevent weed growth and fire danger to adjacent residences) as well as Coastal Live Oak Woodland with the understory removed. No existing landscaping is proposed for removal under this Annexation/Prezone request.

### C. GENERAL PLAN COMPLIANCE

1. Land Use Element Designation: The proposed prezone to RE-40 (Residential Estate, 40,000 SF minimum lot size) from the current County A-70 (limited agriculture, 1 du/acre) zone is consistent with the current Estate I General Plan land-use designation.
2. Circulation Element: The properties are presently located near the intersection of Bernardo Avenue and Vereda Callada. Bernardo Avenue is currently classified as a Local Collector (66'/42') in the Circulation Element. Vereda Callada is not a Circulation Element street, but a County-owned, privately maintained rural road. The conceptual design accompanying this annexation request abandons the existing driveway off Vereda Callada and proposes that all three properties gain future access off of Bernardo Avenue. This would not significantly impact levels-of-service to the adjacent streets or intersections.
3. Noise Element: None of the properties proposing to annex are located within a projected noise contour.
4. Trails: The City's Master Plan for Parks, Trails and Open Space does not identify any proposed trails that would affect the properties proposing to annex.
5. Hillside/Ridgeline: There are no skyline or intermediate ridges within the proposed prezone area.



## EXHIBIT "A"

### FINDINGS OF FACT/ FACTORS TO BE CONSIDERED PHG 09-0021 PHG 09-0022

#### Prezone/Annexation

1. The public health, safety and welfare will not be adversely affected by the proposed change since the zoning will be consistent with the existing Estate I General Plan designation on the subject properties and the primary use of the properties will remain residential.
2. The properties involved are suitable for the uses permitted by the proposed zone since the permitted use will be the same single-family residential use permitted by the previous County zoning. In addition, the proposed density is consistent with surrounding residential development.
3. Annexation will result in jurisdictional detachment from County Service Area (CSA) No. 135 (San Diego Regional Communications System). Fire protection which is currently provided by the City of Escondido through an agreement with the County will continue, but come under the City of Escondido Fire Department jurisdiction. Police protection will change from County Sherriff to the City of Escondido Police Department jurisdiction.
4. All three properties are greater in size than one acre and thus larger than the 40,000 SF minimum lot size under the proposed RE-40 prezone designation. They would therefore all be conforming. None of the properties are large enough to split and no increase in the number of lots is possible.
5. The proposed prezone designation of RE-40 is consistent with the Estate I designations of the General Plan which allows up to 1 du/acre and a minimum lot size of 40,000 SF. The combined total of the three properties involved in this request is 3.42 acres or 148,975 SF, making the average lot size 49,658 SF.
6. The proposed rezoning will not conflict with any specific development plans for the properties, since none are being requested. The conceptual development plan is only to satisfy a San Diego LAFCO requirement. Any future development will be subject to the provisions of the Escondido General Plan and Zoning Code upon annexation.
7. If and when tree removal to accommodate grading on these properties is to be done, the current property owner will be required to mitigate for the removal of the more sensitive tree species according to the Mitigation Measures as detailed in the Mitigated Negative Declaration (MND case ENV 11-0002) and per the MND's signed Enforceable Commitment.

## EXHIBIT "B"

### CONDITIONS OF APPROVAL

PHG 09-00021, PHG 09-0022

#### General

1. All construction shall comply with all applicable requirements of the Escondido Zoning Code and requirements of the Planning Division, Director of Building, and the Fire Chief.
2. The legal description attached to the application has been provided by the applicant and neither the City of Escondido nor any of its employees, commissioners, or board members assume responsibility for the accuracy of said legal description.
3. The City of Escondido hereby notifies the applicant that State Law (SB 1535) effective January 1, 2007, requires certain projects to pay fees for purposes of funding the California Department of Fish and Game. If the project is found to have a significant impact to wildlife resources and/or sensitive habitat, in accordance with state law, the applicant should remit to the City of Escondido Planning Division, within two (2) working days of the effective date of this approval (the "effective date" being the end of the appeal period, if applicable), a certified check payable to "County Clerk", in the current amount required for a project with a Mitigated Negative Declaration. These fees must also include the current authorized County administrative handling fee. Failure to remit the required fees in full within the time specified above will result in County notification to the State that a fee was required but not paid, and could result in State imposed penalties and recovery under the provisions of the Revenue and Taxation code. Commencing January 1, 2007, the State Clearinghouse and/or County Clerk will not accept or post a Notice of Determination filed by a lead agency unless it is accompanied by one of the following: 1) a check with the correct Fish and Game filing fee payment, 2) a receipt or other proof of payment showing previous payment of the filing fee for the same project, or 3) a completed form from the Department of Fish and Game documenting the Department's determination that the project will have no effect on fish and wildlife. If the required filing fee is not paid for a project, the project will not be operative, vested or final and any local permits issued for the project will be invalid (Section 711.4(c)(3) of the Fish and Game Code).

#### Planning

1. Documentation or findings pursuant to Section 33-1241 shall be submitted to the Planning Division for any accessory structures, or additions to existing structures on the three lots being annexed, demonstrating that each was constructed legally in the County. Each structure without supporting documentation or findings must be removed prior to final annexation recordation.
2. Any improvements proposed for the subject lots will be evaluated for conformance with the mitigation measures identified in the Mitigated Negative Declaration (City log no. ENV11-0002) prepared for this project (see the Mitigation Monitoring's Attachment "A").

#### Utilities

1. The two vacant properties fronting Bernardo Avenue (APNs 238-400-1200 and 238-400-3200) will be required to submit a capacity study to the City's Utilities Division prior to development, which must demonstrate that enough remaining capacity exists to adequately serve these properties.

## **Engineering**

### **STREET IMPROVEMENTS AND TRAFFIC**

1. All required street improvements shall be provided with adequate right-of-way and improved in accordance with the City of Escondido's Design Standards and SUSMP.
2. Prior to recordation of the annexation, an Irrevocable Offer of Dedication to the City of Escondido for 11 feet of right-of-way along Vereda Callada along the frontages of the two northerly lots, APNs 238-400-1100 and 238-400-1200, shall be executed by the owner.
3. Bernardo Avenue shall be improved to Local Collector Street standards along the frontages of APNs 238-400-1200 and 238-400-3200, as a condition of the first building permit for either lot. Improvement plans shall be approved by the City Engineer and all improvements bonded for, prior to the issuance of a building permit. All improvements shall be completed prior to the issuance of an occupancy permit for either lot.

***The City of Escondido intends to approve the annexation request with its new jurisdictional boundary to include the adjacent portion of Bernardo Avenue but not Vereda Callada. The following conditions would apply to this situation:***

## **Engineering**

1. Prior to recordation of the annexation, documents shall be submitted to and approved by the Engineering Department for the relinquishment of access rights to Vereda Callada along the frontages of the two northerly lots, APNs 238-400-1100 and 1200, to be recorded concurrently with the annexation.
2. Upon final LAFCO approval of the annexation, grading plans for the new driveway access from Bernardo Avenue to the existing house on APN 238-400-1100 shall be submitted to and approved by the City's Engineering Department, and the driveway shall be constructed or a bond for the construction shall be provided, prior to the recordation of the annexation. These driveway improvements shall be designed to accommodate the future Bernardo Avenue street improvements.

## **Fire**

1. The applicant's conceptual development plan includes closing the existing driveway currently connecting APN 238-400-1100 with Vereda Callada and creating a new access driveway for this lot from Bernardo Avenue and extending over a utility easement between APNs 238-400-1200 and 238-400-3200. The new driveway shall be to City Standards including a minimum 16' width with no parking, the grade not to exceed 20%, and shall include a fire turn-around acceptable to the City's Fire Department. Driveways with grades over 15% must be of Portland cement with a rough broom finish.

***In the event that Vereda Callada is included in the annexation, the Engineering conditions #1 & #2 and Fire condition #1 (see above) shall be omitted and the following Engineering condition will be added:***

1. Vereda Callada shall be improved to Residential Street standards (half street +12') along APN 238-400-1100 and 238-400-1200 as a condition of annexation. Improvement plans shall be approved by the City Engineer and all improvements bonded for prior to completion of annexation. Improvements to Vereda Callada would also necessitate further environmental review.

## Paul Bingham

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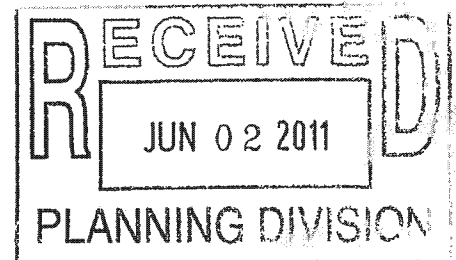
**From:** Judi Marnella <jmarnella@pacbell.net>  
**Sent:** Thursday, June 02, 2011 3:12 PM  
**To:** Paul Bingham  
**Subject:** Case # ENV11-0002

Dear Paul,

Thank you for discussing the above project with me this morning. The web site that mentions an "11 bed assisted living facility" is *Senior Care Authority*.

I Googled: **Senior Care Authority and Rosie's Place, Escondido.**  
It says the license is **pending**.

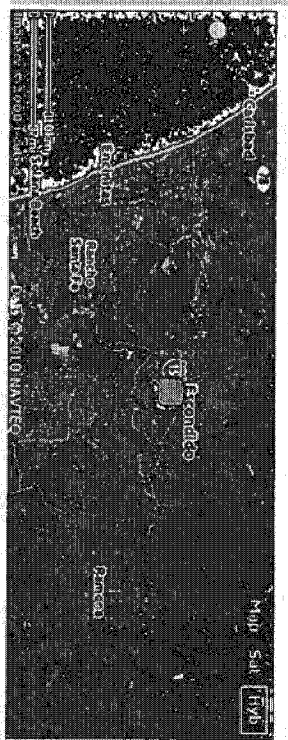
Again, Thank you for your help.  
Judy





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CITY OR COUNTY

ZIP CODE

KEYWORDS

welcome  
homepage  
about  
our services  
helping you  
make the right choice  
care options  
for seniors  
evaluate  
your needs  
contact  
senior care authority  
articles  
on senior care  
blog  
senior transitions  
interviews  
the aging process  
what  
they're saying

assisted living  
facility directory  
YOUR OWN  
senior care authority

Home » California-Assisted Living » San Diego County » Escondido »  
**Rosie's Place**  
Assisted Living Facility in Escondido, CA

Capacity: 11 people  
Licensed? Pending  
Address: Rosie's Place  
1029 Yeruda Callada  
Escondido, CA 92029  
County: San Diego  
Telephone: Call 866-717-2477 for assistance with this location  
and others in the area

Inquire about Rosie's Place  
Please submit the form below to receive information about your  
requested location. Your submission will be kept strictly confidential.

First Name  Last Name

Your E-Mail Address  Your Phone Number

Additional Comments

Though our search program  
(above) lists all the licensed  
assisted living and memory  
care locations in California, our  
team of Senior Care Advisors  
are available to provide you  
with an objective view of these  
locations.



Learn More About  
Senior Care Authority Network

## Paul Bingham

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**From:** Valdez, Debbie <dvaldez@parks.ca.gov>  
**Sent:** Monday, June 13, 2011 9:54 PM  
**To:** Paul Bingham  
**Subject:** case # ENV11-0002

Hello Mr. Bingham,

I spoke with you recently regarding the Young Family Trust, Case # ENV11-0002. I have received a notice of proposed mitigation negative declaration. I am very concerned about the removal of any Oak Tree / Trees in the area, they are very very old at least 200 to 300 years old. I feel it would be horrible for the environment to lose such a beautiful Historical resource.

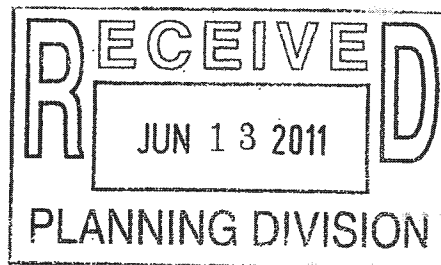
I am a close neighbor who has lived in this neighborhood for over 14 years and have chosen to live in this area because of the beautiful / quiet surroundings. I am strongly against this project.

Thank you for your time, and if you have any questions or concerns please feel free to contact me.

Concerned Neighbor,

Debbie Valdez  
1005 Vereda Callada  
Escondido, CA 92029

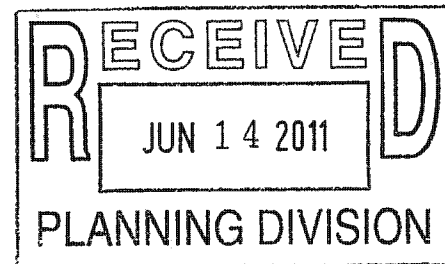
Home (760)-747-7536  
Cell (760)715-5264



## Paul Bingham

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**From:** Steve Marnella <sciplast@pacbell.net>  
**Sent:** Tuesday, June 14, 2011 1:57 PM  
**To:** Paul Bingham  
**Subject:** Concerns for Case ENV11-0002



Hello Paul,

I am responding to your 05/19/11 Notice regarding Case No. ENV 11-0002.

It is difficult, as a layperson, to fully understand the intent or ramifications of this proposed annexation. In speaking with many of my neighbors, it appears that we are all equally uncertain.

We are aware of the related sewer annexation for this property, as well as, the recent construction activity and the conversion of the residence to a senior board & care facility known as "Rosie's Place". It is my understanding that a six bed facility is permitted by law within a residential neighborhood. And in accordance with that, I do not object. However, it has previously been stated by an employee of Rosie's Place that the ultimate plan is to expand the facility to 11 beds. In addition, there are indications on the internet that a license is pending for 11 beds. If the full intent of this current annexation application is to ultimately facilitate an 11 bed licensing then we would certainly object.

I have been told that the stated reason for this application is that the owner may want to sell the two undeveloped parcels. I question the need for annexation to accomplish that goal. Can they not currently be sold as individual county parcels?

Our neighborhood is a rural environment comprised of 1+ acre parcels, many with very large native oak trees. It is my belief that future development of the adjoining parcels might lead to the removal of many of the oaks, especially on the south-most parcel. In addition, a means would need to be constructed for these parcels to be accessed directly from Bernardo Avenue. There is natural drainage passing under Bernardo Avenue at this parcel, which causes a significant drop in elevation from the street level. Also the water flow (& damage to our street) was already negatively affected by the changes to drainage resulting from the annexation & development of the "Reserve" project to our west across Bernardo Avenue.

As you are aware, Vereda Callada is a private street, maintained by the residents of this neighborhood. Access to these Bernardo Avenue parcels should not be allowed from our street. Our privately maintained street has already been damaged by the contractors hired to install the sewer lines as they moved in equipment to complete the project. The contractor was unwilling to accept responsibility for the damage and/or make repairs. He instead relied on the tactic of "innocence by intimidation". I personally felt physically threatened by the actions and statements of this contractor when I made a request to obtain his business card. Other neighbors also had confrontations with this contractor during their work.

I fear that the **TRUE** purpose of this annexation is to facilitate the commercialization of a board & care facility. Our rural setting and atmosphere would be compromised by an expansion of Rosie's Place beyond the currently permitted 6 beds. If this is just an intermediate step that somehow facilitates further commercialization then I am in opposition to its approval.

As a side but related issue, I believe you have stated that Vereda Callada is an unmaintained county road, owned by the county but maintained by the residents. Can you please clarify that point and how it works? If

the street is owned by the county, why is it not maintained by them. This information is in conflict with what I believe we were told a number of years ago when our street was in need of extensive repairs. We were told then that the street was both privately owned & maintained. That each property owner was responsible for maintaining the easement across their individual parcel.

Thank you for hearing and responding to my concerns regarding this project.

Steve Marnella



## Paul Bingham

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**From:** Stephen Marnella <sciplast@pacbell.net>  
**Sent:** Thursday, June 16, 2011 8:52 AM  
**To:** Paul Bingham  
**Subject:** Re: More on Case ENV11-0002

Good Morning Paul,

Thank you for that clarification.

In addition to preservation of the oaks and drainage integrity, I do remain concerned that the TRUE long term (and perhaps hidden) agenda is to facilitate expansion of the commercial care facility. Please remain tuned in to that possibility on any additional applications and keep me posted of any further plans in that regard.

Thank you for your continued assistance.

Steve

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**From:** Paul Bingham <Pbingham@ci.escondido.ca.us>  
**To:** Stephen Marnella <sciplast@pacbell.net>  
**Sent:** Wed, June 15, 2011 5:34:49 PM  
**Subject:** RE: More on Case ENV11-0002

Hello Stephen,

This annexation request is to join the City and leave the County. We will not allow them any more lots, so density is not the issue. Their reason for annexing, we are told, is to gain sewer service access.

It is ultimately the San Diego Local Area Formation Commission (LAFCO) that approves or rejects annexation requests. If the City's Planning Commission votes in favor, that will simply be sent to them for consideration.

It is LAFCO that now requires a conceptual development plan just to change jurisdictions. Since we reviewed the plan, too, California Environmental Quality Act requires us to then evaluate that potential project environmentally. That is where the mitigation for the Oaks came in.

This current request is not to gain approval for any development. Once in the City, any development requests will have to come in separately. They will then have to meet strict building, stormwater and other standards.

The State mandates that we – or the County – or any jurisdiction – allow 6-bed care facilities in residential zones. If it exceeds 6, we require a Conditional Use Permit here in the City. If they came in with three neighboring houses all asking for 6-bed permits, I think we would see that as a red flag and insist on a CUP application from them.

Thanks, for your questions and comments,

- Paul

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**From:** Stephen Marnella [mailto:sciplast@pacbell.net]  
**Sent:** Wednesday, June 15, 2011 2:51 PM  
**To:** Paul Bingham  
**Subject:** Re: More on Case ENV11-0002

Hello Paul,

Thank you very much for your email. I appreciate your vigilance in working to maintain the tranquility and park-like setting of our neighborhood. We have lived here for 23 years and the massive oak trees were a big

part of what originally attracted us to this neighborhood. We have always felt like an extension of the Felicita Park. I am sure you are familiar with the charm & splendor of the park. Well, that is the environment we wake up to and enjoy living in each and every day. It is the primary reason we chose to build our home in this neighborhood. I would not want to see this beauty diminished or the tranquility & uniqueness of this neighborhood compromised by a commercial endeavor.

In your email you mention a conceptual development plan. Unfortunately the day-to-day operation of my business does not afford me the opportunity to be able to come to City Hall to review these plans. Could you give me a brief overview of what is being proposed?

If the plan is detailed enough to have identified individual trees for removal, have they also proposed a specific "type" of development? Have conceptual buildings been identified?

What is the stated reason for this proposal? If annexation is approved, will the next step be to propose building two more 6 bed facilities on the two adjoining parcels?

If these two parcels are developed, has the impact on drainage been considered? As I stated in my previous correspondence, we came up on the short end of that issue when the "Reserve" project was annexed and developed several years ago. I do not profess to be an engineer and with all due respect to the engineers that worked on the Reserve project at the time, they were not correct in stating that the Reserve would not have a negative impact on our neighborhood. My evaluation and comments are not based in engineering calculations but instead actual day-to-day living in this neighborhood for the past 23 years. I can say, without a doubt, that our privately owned street HAS been negatively affected (and damaged) by the increased water runoff from the Reserve, even during "dry" days and seasons. On rainy days we are totally inundated with water runoff from the Reserve and all of this water is channeled through these subject parcels and then subsequently dumped onto our private street.

Thank you for your continued assistance and information.

Regards,  
Steve

---

**From:** Paul Bingham <Pbingham@ci.escondido.ca.us>  
**To:** Steve Marnella <sciplast@pacbell.net>  
**Sent:** Tue, June 14, 2011 4:59:33 PM  
**Subject:** RE: More on Case ENV11-0002

Hello Steve,

Thank you for both of your e-mails. Let me attempt quick answers to your latest two questions here.

1) Once the properties are annexed, they would be under City jurisdiction. While allowing up to a 6 bed facility is mandated by State law, anything above that requires a Conditional Use Permit that must go before the City's Planning Commission. Historically requests to put them in residential neighborhoods have failed.

2) In the City he cannot remove any native trees without first getting a Tree Removal Permit. We would study carefully what was requested in light of California CEQA law.

The revised conceptual development plan the applicant has put forward proposes the removal of some non-protected smaller Oaks and other existing non-native ornamentals. We understand that there is probably no way to develop either site and gain the necessary access to each without losing at least some. We have worked with the applicant's engineer and biologist to come up with a plan that greatly reduces the harm to larger and more sensitive Oaks growing there. In addition, the applicant will have to mitigate for the Oaks he does remove at either 1:1 or 2:1 ratio (depending on the caliper lost) with specimen sized oaks of the same species. In the end we are pushing for more Oaks, not less.

Thank you again for your comments. Copies will be given to the Planning Commissioners and the contents folded into the staff report I am currently writing.

Should you have any further questions or concerns, please feel free to contact me.

- Paul

-----Original Message-----

From: Steve Marnella [mailto:[sciplast@pacbell.net](mailto:sciplast@pacbell.net)]

Sent: Tuesday, June 14, 2011 2:47 PM

To: Paul Bingham

Subject: More on Case ENV11-0002

Hello Paul,

I have one more thought regarding the annexation application referred to as case no ENV11-0002. Would it be possible as a condition for approval to have the applicant agree in writing that:

- 1) He will not expand the board & care facility beyond 6 beds, and
- 2) He will not remove oak trees to facilitate development.

Thanks.

Steve Marnella

## Paul Bingham

---

**From:** Paul Bingham  
**Sent:** Tuesday, July 05, 2011 8:01 AM  
**To:** 'Karen Thurman'  
**Subject:** RE: 1029 Vereda Callada

Hi Karen,

I'm not sure what the bonding process is. That is something handled through our Engineering Dept. They are the ones that are also requiring the driveway be built, so it would be best to contact them. The number there is 760-839-4651. Homi Namdari, the City Engineer who wrote the condition, can be reached at 760-839-4085.

Thanks,  
Paul

---

**From:** Karen Thurman [mailto:[pinkthurman@yahoo.com](mailto:pinkthurman@yahoo.com)]  
**Sent:** Thursday, June 30, 2011 6:32 PM  
**To:** Paul Bingham  
**Cc:** pink Thurman  
**Subject:** 1029 Vereda Callada

Hi Paul.

This is Karen again. When you called me back today I forgot to ask you about obtaining a bond for the construction of Bernardo driveway stated on page 2, item #4 of your conditions for the driveway. What is the bond process and would a driveway still have to be built before annexation approval? I'd sure like to be present at this meeting next Wed.,

Regards,

Karen

## Paul Bingham

---

**From:** Rozanne Cherry  
**Sent:** Tuesday, July 19, 2011 9:34 AM  
**To:** Jorge  
**Cc:** Leroy Young; Paul Bingham; Homi Namdari  
**Subject:** RE: Bernardo-Young Annexation PHG 09-0021, PHG 00922

Jorge,

I understand that Paul Bingham and Homi Namdari discussed your letter of July 6, 2011 at the meeting you attended with them on that same day. Further staff discussions have occurred regarding your comments and some revisions to the draft conditions of approval are being made. The conditions are also being adjusted to clearly indicate which conditions will apply depending on whether LAFCO will require the City to annex Vereda Callada or not. Paul will forward the revised conditions to you as soon as they are ready.

Regards,

Rozanne Cherry  
Principal Planner  
City of Escondido  
201 N. Broadway  
Escondido, CA 92025  
760-839-4536  
[rcherry@escondido.org](mailto:rcherry@escondido.org)

---

**From:** Jorge [<mailto:jp@jpeng.com>]  
**Sent:** Wednesday, July 13, 2011 12:09 PM  
**To:** Rozanne Cherry  
**Cc:** Leroy Young  
**Subject:** Bernardo-Young Annexation PHG 09-0021, PHG 00922

Re: Bernardo-Young Annexation  
PHG 09-0021, PHG 00922

Rozanne;

Have you been able to review our attached letter delivered to your office on July 6, 2011?

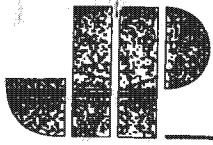
Your response is appreciated.

Sincerely,

**Jorge H. Palacios, RCE**

**JP Engineering, Inc.**  
4849 Ronson Court, Suite 105  
San Diego, CA 92111  
858-569-7377  
858-569-0830 Fax

[jp@jpeng.com](mailto:jp@jpeng.com)  
[www.jpeng.com](http://www.jpeng.com)



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▪ LAND PLANNING  
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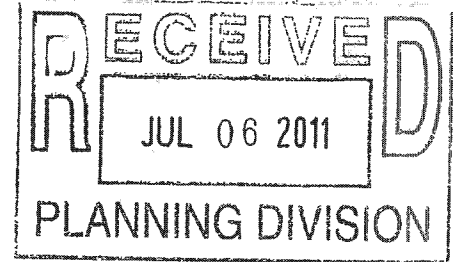
# ENGINEERING

4849 Ronson Court  
Suite No. 105  
San Diego, CA 92111  
Tel 858.569.7377  
Fax 858.569.0830

Web [www.jpeng.com](http://www.jpeng.com)  
Email [jp@jpeng.com](mailto:jp@jpeng.com)

July 6, 2011

Ms. Rozanne Cherry  
Planning Division  
City of Escondido  
201 North Broadway  
Escondido, CA 92025



Re: Bernardo-Young Annexation  
PHG 09-0021, PHG 09-0022

File Code: 881-09

Dear Ms. Cherry;

We have reviewed the enclosed draft Conditions of Approval for the proposed annexation referenced above, which were e-mailed to us by Mr. Paul Bingham of your department on June 23, 2011 and we have the following comments:

## Planning

### Condition No. 1:

There is an existing tool and storage shed in A.P.N. 238-400-12-00. There are not accessory buildings in A.P.N. 238-400-32-00. A lot tie agreement of A.P.N. 238-400-12-00 to A.P.N. 238-400-11-00 will prevent the current owner to sell the legal parcel, A.P.N. 238-400-12-00, to a future buyer for development of this parcel. The tool and storage shed in A.P.N. 238-400-12-00 has been used for over twenty years. The applicant feels that the shed should remain and if the City still insists on it being removed, it should be done with the issuance of the Building Permit for A.P.N. 238-400-12-00 and not with the annexation.

### Condition No. 2:

No Comment.

## Fire

### Condition No. 1:

The applicant's conceptual development plan does not include closing the existing driveway currently connecting A.P.N. 238-400-11-00 with Vereda Callada. The applicant has agreed to create a new access driveway for this lot from Bernardo Avenue at the request of the City, to avoid annexation of Vereda Callada. A drive-thru will be a better solution for fire rather than a fire turn-around.

Ms. Rozanne Cherry  
July 6, 2011  
Page 2 of 3

## Engineering

Condition No. 1:  
No Comment.

Condition No. 2:  
Bernardo Avenue shall be improved to local collector street standards along each frontage of A.P.N.'s 238-400-12-00 and 238-400-32-00 as a condition of the Building Permit for each lot. Improvement plans shall be approved by the City Engineer and all improvements bonded for or constructed, prior to the issuance of the occupancy permit for each lot.

Condition No. 3:  
The applicant does not want to give up the access rights to Vereda Callada prior to recordation of the annexation. The Development Plan is still conceptual and until the final construction plans are drawn, it is premature for the City to ask the applicant to give up the access rights with the recordation of the annexation. This issue should be dealt with the final building plans for A.P.N. 238-400-12-00. The applicant also contributes to the maintenance of Vereda Callada and he feels that he should still be entitled to use Vereda Callada for A.P.N. 238-400-11-00 and 238-400-12-00.

Condition No. 4:  
The new driveway access from Bernardo Avenue to the existing house on A.P.N. 238-400-11-00 shall be constructed as a part of the building permit for A.P.N. 238-400-12-00 not prior to the recordation of the annexation.

Condition No. 5:  
There is no need for an irrevocable offer of dedication to the City for 11 feet of right-of-way along Vereda Callada along the frontages of A.P.N. 238-400-11-00 and A.P.N. 238-400-12-00, since Vereda Callada is not being annexed to the City.

Condition No. 6:  
This condition shall be deleted since the agreement of the new driveway access from Bernardo Avenue to A.P.N. 238-400-11-00 is for the purpose to not annex Vereda Callada to the City of Escondido. If LAFCO requires us to annex Vereda Callada to the City of Escondido, all of the above conditions would need to be revised or amended prior to annexation of the three (3) legal parcels.

Ms. Rozanne Cherry  
July 6, 2011  
Page 3 of 3

Your consideration and response to the above request prior to our Planning Commission Hearing of July 26, 2011 will be appreciated.

Sincerely,  
JP ENGINEERING, INC.



Jorge H. Palacios, RCE  
Principal Engineer

JHP/jw

Enclosures

cc: Paul Bingham, Planning Division  
Homi Namdari, Engineering Division  
Fire Division  
Leroy Young



## EXHIBIT "B"

### DRAFT CONDITIONS OF APPROVAL PHG 09-00021, PHG 09-0022

#### General

1. All construction shall comply with all applicable requirements of the Escondido Zoning Code and requirements of the Planning Division, Director of Building, and the Fire Chief.
2. The legal description attached to the application has been provided by the applicant and neither the City of Escondido nor any of its employees, commissioners, or board members assume responsibility for the accuracy of said legal description.
3. The City of Escondido hereby notifies the applicant that State Law (SB 1535) effective January 1, 2007, requires certain projects to pay fees for purposes of funding the California Department of Fish and Game. If the project is found to have a significant impact to wildlife resources and/or sensitive habitat, in accordance with state law, the applicant should remit to the City of Escondido Planning Division, within two (2) working days of the effective date of this approval (the "effective date" being the end of the appeal period, if applicable), a certified check payable to "County Clerk", in the amount of \$2,060.25 for a project with a Mitigated Negative Declaration. These fees include an authorized County administrative handling fee of \$50.00. Failure to remit the required fees in full within the time specified above will result in County notification to the State that a fee was required but not paid, and could result in State imposed penalties and recovery under the provisions of the Revenue and Taxation code. Commencing January 1, 2007, the State Clearinghouse and/or County Clerk will not accept or post a Notice of Determination filed by a lead agency unless it is accompanied by one of the following: 1) a check with the correct Fish and Game filing fee payment, 2) a receipt or other proof of payment showing previous payment of the filing fee for the same project, or 3) a completed form from the Department of Fish and Game documenting the Department's determination that the project will have no effect on fish and wildlife. If the required filing fee is not paid for a project, the project will not be operative, vested or final and any local permits issued for the project will be invalid (Section 711.4(c)(3) of the Fish and Game Code).

#### Planning

1. The City of Escondido's Zoning Code does not allow accessory buildings alone on single family zoned lots. If accessory structure(s) still exist on the two lots APN 238-400-1200 and 238-400-3200 at the time of final LAFCO annexation approval, they must be removed; relocated to the lot with a single family residence; or a Lot-Tie agreement tying the non-conforming lot(s) to APN 238-400-1100 must be immediately applied for with the City of Escondido and the document recorded. In the event of a Lot-Tie, the subject lot(s) cannot then be sold, transferred or further developed until the accessory structure(s) have been removed and a Lot-Tie Rescission application approved and the document recorded.
2. Any improvements proposed for the lots will be evaluated for conformance with the mitigation measures identified in the Mitigated Negative Declaration (City log no. ENV11-0002) prepared for this project (see the Mitigation Monitoring's Attachment "A").

#### Fire

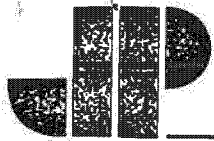
1. The applicant's conceptual development plan includes closing the existing driveway currently connecting APN 238-400-1100 with Vereda Callada and creating a new access driveway for this lot

from Bernardo Avenue and extending over a utility easement between APNs 238-400-1200 and 238-400-3200. The new driveway shall be to City Standards including a minimum 16' width with no parking, the grade not to exceed 20%, and shall include a fire turn-around acceptable to the City's Fire Department. Driveways with grades over 15% must be of Portland cement with a rough broom finish.

**DRAFT ENGINEERING CONDITIONS OF APPROVAL**  
PHG 09-0021, PHG 09-0022

**STREET IMPROVEMENTS AND TRAFFIC**

1. All required street improvements shall be provided with adequate right-of-way and improved in accordance with the City of Escondido's Design Standards and SUSMP.
2. Bernardo Avenue shall be improved to Local Collector Street standards along the frontages of APNs 238-400-1200 and 238-400-3200, as a condition of first building permit for either lot. Improvement plans shall be approved by the City Engineer and all improvements bonded for, prior to the issuance of a building permit. All improvements shall be completed prior to the issuance of an occupancy permit for either lot.
3. Prior to recordation of the annexation, documents shall be submitted to and approved by the Engineering Department for the relinquishment of access rights to Vereda Callada along the frontages of the two northerly lots, APNs 238-400-1100 and 1200, to be recorded concurrently with the annexation.
4. Upon final LAFCO approval of the annexation, grading plans for the new driveway access from Bernardo Avenue to the existing house on APN 238-400-1100 shall be submitted to and approved by the City's Engineering Department, and the driveway shall be constructed or a bond for the construction shall be provided, prior to the recordation of the annexation. These driveway improvements shall be designed to accommodate the future Bernardo Avenue street improvements.
5. Prior to recordation of the annexation, an Irrevocable Offer of Dedication to the City for 11 feet of right-of-way along Vereda Callada along the frontages of the two northerly lots, APNs 238-400-1100 and 238-400-1200, shall be executed by the owner.
6. In the event that Vereda Callada is annexed to the City of Escondido, Vereda Callada shall be improved to Residential Street standards (half street +12') along APN 238-400-1100 and 238-400-1200 as a condition of annexation. Improvement plans shall be approved by the City Engineer and all improvements bonded for prior to completion of annexation. Improvements to Vereda Callada would also necessitate further environmental review.



- CIVIL ENGINEERING
- LAND PLANNING
- SURVEYING

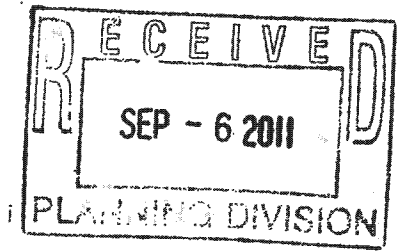
4849 Ronson Court  
 Suite No. 105  
 San Diego, CA 92111  
 Tel 858.569.7377  
 Fax 858.569.0830

**ENGINEERING**

Web [www.jpeng.com](http://www.jpeng.com)  
 Email [jp@jpeng.com](mailto:jp@jpeng.com)

September 1, 2011

Mr. Paul Bingham  
 Planning Division  
 City of Escondido  
 201 North Broadway  
 Escondido, CA 92025



Re: Bernardo-Young Annexation  
 PHG 09-0021, PHG 09-0022

File Code: 881-09

Dear Mr. Bingham;

We have reviewed the Conditions of Approval for the proposed annexation referenced above, which were included as Exhibit "B" of the previous Staff Report and on behalf of the owner, Young Family Trust, we have the following requests for your consideration:

**General**

Condition Nos. 1, 2 and 3:  
 No Comment

**Planning**

Condition No. 1:

There is an existing tool and storage shed in A.P.N. 238-400-12-00. There are not accessory buildings in A.P.N. 238-400-32-00. The tool and storage shed in A.P.N. 238-400-12-00 has been used for over twenty years. The applicant feels that the shed should remain and if the City still insists on it being removed, it should be done with the issuance of the Building Permit for A.P.N. 238-400-12-00 and not with the annexation. Another option is to allow the applicant to permit the existing shed with the future building permit for A.P.N. 238-400-12-00

Condition No. 2:  
 No Comment.

**Utilities**

Condition No. 1:  
 No Comment

Mr. Paul Bingham  
September 1, 2011  
Page 2 of 3

**Engineering - Street Improvements and Traffic**

Condition No. 1:  
No Comment.

Condition No. 2:  
Vereda Callada is not a part of the City annexation and an offer of dedication should not be required prior to the annexation. The offer of dedication, if required, should be a part of a building permit, not of a City annexation.

Condition No. 3:  
Bernardo Avenue shall be improved to local collector street standards along each frontage of A.P.N.'s 238-400-12-00 and 238-400-32-00 as a condition of the Building Permit for each lot instead of either lot. Improvement plans shall be approved by the City Engineer and all improvements bonded for or constructed, prior to the issuance of the occupancy permit for each lot instead of either lot.

**Engineering**

Condition No. 1:  
Vereda Callada is not a part of the City Annexation. Relinquishment of access rights to Vereda Callada along the frontages of the two north parcels, A.P.N.'s 238-400-11-00 and 238-400-12-00 is premature and it shall not be required prior to annexation.

Condition No. 2:  
The new driveway access from Bernardo Avenue to the existing house on A.P.N. 238-400-11-00 shall be conditioned to be built with the grading plans for the future building permit for A.P.N. 238-400-11-00 and not prior to the recordation of the annexation.

**Fire**

Condition No. 1:  
The applicant's conceptual development plan does not include closing the existing driveway currently connecting A.P.N. 238-400-11-00 with Vereda Callada. The applicant has agreed to create a new access driveway for this lot from Bernardo Avenue at the request of the City, to avoid annexation of Vereda Callada. A drive-thru rather than closing the driveway at Vereda Callada will be a better solution for fire rather than a fire turn-around. The fire condition shall be reworded to include the 16' driveway from Bernardo Avenue to connect to the existing 16' driveway of A.P.N. 238-400-12-00 and should not include a fire turn-around.

**Mr. Paul Bingham**  
**September 1, 2011**  
**Page 3 of 3**

Your consideration to this request will be appreciated.

Sincerely,  
JP ENGINEERING, INC.



Jorge H. Palacios, RCE  
Principal Engineer

JHP/jw

Enclosures

cc: Leroy Young

"This copy of Exhibit "B" came with the applicant's letter on 9/6/11."

## EXHIBIT "B"

### CONDITIONS OF APPROVAL PHG 09-00021, PHG 09-0022

#### General

1. All construction shall comply with all applicable requirements of the Escondido Zoning Code and requirements of the Planning Division, Director of Building, and the Fire Chief.
2. The legal description attached to the application has been provided by the applicant and neither the City of Escondido nor any of its employees, commissioners, or board members assume responsibility for the accuracy of said legal description.
3. The City of Escondido hereby notifies the applicant that State Law (SB 1535) effective January 1, 2007, requires certain projects to pay fees for purposes of funding the California Department of Fish and Game. If the project is found to have a significant impact to wildlife resources and/or sensitive habitat, in accordance with state law, the applicant should remit to the City of Escondido Planning Division, within two (2) working days of the effective date of this approval (the "effective date" being the end of the appeal period, if applicable), a certified check payable to "County Clerk", in the amount of \$2,060.25 for a project with a Mitigated Negative Declaration. These fees include an authorized County administrative handling fee of \$50.00. Failure to remit the required fees in full within the time specified above will result in County notification to the State that a fee was required but not paid, and could result in State imposed penalties and recovery under the provisions of the Revenue and Taxation code. Commencing January 1, 2007, the State Clearinghouse and/or County Clerk will not accept or post a Notice of Determination filed by a lead agency unless it is accompanied by one of the following: 1) a check with the correct Fish and Game filing fee payment, 2) a receipt or other proof of payment showing previous payment of the filing fee for the same project, or 3) a completed form from the Department of Fish and Game documenting the Department's determination that the project will have no effect on fish and wildlife. If the required filing fee is not paid for a project, the project will not be operative, vested or final and any local permits issued for the project will be invalid (Section 711.4(c)(3) of the Fish and Game Code).

#### Planning

1. Documentation or findings pursuant to Section 33-1241 shall be submitted to the Planning Division for any accessory structures, or additions to existing structures on the three lots being annexed, demonstrating that each was constructed legally in the County. Each structure without supporting documentation or findings must be removed prior to final annexation recordation.
2. Any improvements proposed for the subject lots will be evaluated for conformance with the mitigation measures identified in the Mitigated Negative Declaration (City log no. ENV11-0002) prepared for this project (see the Mitigation Monitoring's Attachment "A").

#### Utilities

1. The two vacant properties fronting Bernardo Avenue (APNs 238-400-1200 and 238-400-3200) will be required to submit a capacity study to the City's Utilities Division prior to development, which must demonstrate that enough remaining capacity exists to adequately serve these properties.

## Engineering

### STREET IMPROVEMENTS AND TRAFFIC

1. All required street improvements shall be provided with adequate right-of-way and improved in accordance with the City of Escondido's Design Standards and SUSMP.
2. Prior to recordation of the annexation, an Irrevocable Offer of Dedication to the City for 11 feet of right-of-way along Vereda Callada along the frontages of the two northerly lots, APNs 238-400-1100 and 238-400-1200, shall be executed by the owner.
3. Bernardo Avenue shall be improved to Local Collector Street standards along the frontages of APNs 238-400-1200 and 238-400-3200, as a condition of first building permit for either lot. Improvement plans shall be approved by the City Engineer and all improvements bonded for, prior to the issuance of a building permit. All improvements shall be completed prior to the issuance of an occupancy permit for either lot.

***The City of Escondido intends to approve the annexation request with its new jurisdictional boundary to include the adjacent portion of Bernardo Avenue but not Vereda Callada. The following conditions would apply to that configuration:***

## Engineering

1. Prior to recordation of the annexation, documents shall be submitted to and approved by the Engineering Department for the relinquishment of access rights to Vereda Callada along the frontages of the two northerly lots, APNs 238-400-1100 and 1200, to be recorded concurrently with the annexation.
2. Upon final LAFCO approval of the annexation, grading plans for the new driveway access from Bernardo Avenue to the existing house on APN 238-400-1100 shall be submitted to and approved by the City's Engineering Department, and the driveway shall be constructed or a bond for the construction shall be provided, prior to the recordation of the annexation. These driveway improvements shall be designed to accommodate the future Bernardo Avenue street improvements.

## Fire

1. The applicant's conceptual development plan includes closing the existing driveway currently connecting APN 238-400-1100 with Vereda Callada and creating a new access driveway for this lot from Bernardo Avenue and extending over a utility easement between APNs 238-400-1200 and 238-400-3200. The new driveway shall be to City Standards including a minimum 16' width with no parking, the grade not to exceed 20%, and shall include a fire turn-around acceptable to the City's Fire Department. Driveways with grades over 15% must be of Portland cement with a rough broom finish.

***In the event that Vereda Callada is included in the annexation, the Engineering conditions #1 & #2 and Fire condition #1 (see above) shall be omitted and the following Engineering condition will be added:***

1. Vereda Callada shall be improved to Residential Street standards (half street +12') along APN 238-400-1100 and 238-400-1200 as a condition of annexation. Improvement plans shall be approved by the City Engineer and all improvements bonded for prior to completion of annexation. Improvements to Vereda Callada would also necessitate further environmental review.

# CITY COUNCIL

For City Clerk's Use:

**APPROVED**       **DENIED**

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

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

**Agenda Item No.:** \_\_\_\_\_

**Date:** January 27, 2010

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

**FROM:** Jonathan Brindle, Director of Community Development

**SUBJECT:** Resolution to document initiation of an Out-of-Agency Sewer Service Agreement, Case number PHG09-0021.

**RECOMMENDATION:**

Adopt Resolution R2010-08 making application to LAFCO for an Out-of-Agency Sewer Service Agreement for connection to the City's sewer, and authorizing staff to process an Irrevocable Offer of Annexation.

**PROJECT DESCRIPTION:**

A request for an Out-of-Agency Service Agreement, including an Irrevocable Offer of Annexation, for the provision of sewer service for one single family residence on a 1.28 acre lot experiencing septic failure at 1029 Vereda Callada (APN 238-400-1100). The project was previously initiated for simple Annexation/Prezoning together with two other lots on September 23, 2009.

**FISCAL ANALYSIS:**

The property owner will be required to pay fees to cover all administrative costs and staff time for processing the extension of sewer service. The applicant would pay a fair share cost of future annexation. A bond would not presently be requested.

**BACKGROUND:**

On September 23, 2009, the City Council approved the initiation of an Annexation/Prezoning of an existing residence together with two adjacent unimproved residential lots also owned by the applicant. This decision was based on information provided in the previous staff report, which is attached. After further study, staff found the two vacant properties fronting Bernardo would be problematic to bring into the City and develop at this time due to a number of issues raised by Engineering, Planning and Utilities. The applicant has now received a letter from the County's Department of Environmental Health, documenting eminent failure of the existing residence's septic system on Vereda Callada and suggesting connection to public sewer, which is available in Bernardo Avenue.

The connection will cross the adjacent corner parcel (owned by the applicant) which will require a deed restriction or other mechanism to insure long term maintenance across the adjacent parcel. Because LAFCO now requires a resolution of action, staff is requesting that the Council adopt Resolution No. R2010-08 authorizing staff to make application to LAFCO for



PHG09-0021  
January 27, 2010  
Page 2

an Out-of-Agency Service Agreement and to process an Irrevocable Offer of Annexation. This will solve the immediate problem with the failing septic system while allowing staff to continue working with the applicant to resolve the annexation issues associated with the two undeveloped lots.

Respectfully submitted,

Jonathan H. Brindle  
Director of Community Development

Paul K. Bingham  
Assistant Planner II



CITY OF ESCONDIDO  
 PLANNING DIVISION  
 201 NORTH BROADWAY  
 ESCONDIDO, CA 92025-2798  
 (760) 839-4671

**MITIGATED NEGATIVE DECLARATION**

CASE NO.: ENV11-0002

DATE ISSUED: July 3, 2011

PUBLIC REVIEW PERIOD: July 3, 2011 through July 25, 2011

PROJECT DESCRIPTION: The proposed annexation and rezoning of three properties totaling approximately 3.42 acres. The 1.04 acre lot addressed as 2950 Bernardo Avenue (APN 238-400-3200) is vacant. The 1.28 acre lot addressed as 1029 Vereda Callada (APN 238-400-1100) is fully developed with a residence and the adjacent 1.1 acre lot directly to the west (APN 238-400-1200) is vacant except for two outbuildings. Rezoning designation for this area will be PZ-RE-40 (40,000 SF minimum lot size).

LOCATION: Along the east side of Bernardo Avenue, just south of the intersection of Bernardo Avenue and Vereda Callada, addressed as 2950 Bernardo Avenue (APN 238-400-3200), 1029 Vereda Callada (APN 238-400-1100) and a third unaddressed lot on Bernardo to the west (APN 238-400-1200).

APPLICANT: The Young Family Trust

An Initial Study has been prepared to assess this project as required by the California Environmental Quality Act and Guidelines, Ordinance and Regulations of the City of Escondido. The Initial Study is on file in the City of Escondido Planning Division.

Findings: The findings of this review are that the Initial Study identified potentially significant impacts associated with existing native vegetation and the grading needed for development. However, mitigation measures incorporated into the project, and agreed to by the applicant, would reduce impacts to a less than significant level.

*Paul K. Bingham*

Paul K. Bingham  
 Assistant Planner II

**FILED**  
 Ernest J. Dronenburg, Jr., Recorder County Clerk

JUN 30 2011

BY L. Kesian  
 DEPUTY  
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FILED IN THE OFFICE OF THE COUNTY CLERK  
 San Diego County on JUN 30 2011  
 Posted JUN 30 2011 Removed \_\_\_\_\_  
 Returned to agency on \_\_\_\_\_  
 Deputy L. Kesian



### Environmental Checklist Form (Initial Study Part II)

1. Project title and case file numbers: Bernardo-Young Annexation, PHG 09-0021, Pre-Zone PHG09-0022, and Mitigated Negative Declaration ENV11-0002.
2. Lead agency name and address: City of Escondido, 210 N. Broadway, Escondido, CA 92025
3. Lead agency contact person name, title, phone number and email: Paul K. Bingham, 760-839-4306
4. Project location: Along the east side of Bernardo Avenue, just south of the intersection of Bernardo Avenue and Vereda Callada, addressed as 2950 Bernardo Avenue (APN 238-400-3200), 1029 Vereda Callada (APN 238-400-1100) and a third unaddressed lot on Bernardo to the west (APN 238-400-1200).
5. Project applicant's name, address, phone number and email: Leroy Young, Trustee of the Young Family Trust, P.O. Box 84450, San Diego, CA 92138, 858-337-4707.
6. General Plan designation: Estate I, which allows up to 1 du/ac.
7. Zoning: 1 acre residential lots with County zoning for the development of single-family residences.
8. Description of project: (Describe the whole action involved, including, but not limited to, later phases of the project and any secondary, support, or off-site features necessary for its implementation. Attach additional sheets if necessary.)

The proposed annexation and rezoning of three properties totaling approximately 3.42 acres. The three lots would also be detached from County Service Area No. 135 and the Rincon Del Diablo Fire Protection District. The 1.04 acre lot addressed as 2950 Bernardo Avenue (APN 238-400-3200) is vacant. The 1.28 acre lot addressed as 1029 Vereda Callada (APN 238-400-1100) is fully developed with a residence and the adjacent 1.1 acre lot directly to the west (APN 238-400-1200) is vacant except for two outbuildings. Rezoning designation for this area will be PZ-RE-40 (40,000 SF minimum lot size).

9. Surrounding land uses and setting (briefly describe the project's surroundings):  
Other similarly zoned 1 acre+ residential lots, some developed with single family residences and some still vacant with disturbed Oak woodland.
10. Other public agencies whose approval is required (e.g., permits, financing approval, or participation agreement).

San Diego LAFCO must approve the proposed annexation request before any City authorized development can take place.

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

The environmental factors checked below potentially would be affected by this project involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> Aesthetics                      | <input type="checkbox"/> Agricultural Resources        | <input type="checkbox"/> Air Quality                                   |
| <input checked="" type="checkbox"/> Biological Resources | <input type="checkbox"/> Cultural Resources            | <input type="checkbox"/> Geology and Soils                             |
| <input type="checkbox"/> Greenhouse Gas Emissions        | <input type="checkbox"/> Hazards & Hazardous Materials | <input type="checkbox"/> Hydrology/Water Quality                       |
| <input type="checkbox"/> Land Use/Planning               | <input type="checkbox"/> Mineral Resources             | <input type="checkbox"/> Noise   |
| <input type="checkbox"/> Population/Housing              | <input type="checkbox"/> Public Services               | <input type="checkbox"/> Recreation                                    |
| <input type="checkbox"/> Transportation/Traffic          | <input type="checkbox"/> Utilities/Service Systems     | <input checked="" type="checkbox"/> Mandatory Findings of Significance |

DETERMINATION: (To be completed by the Lead Agency)

On the basis of this initial evaluation:

- I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION shall be prepared.
- I find that, although the proposed project might have a significant effect on the environment, there would not be a significant effect in this case because revisions in the project have been made, or agreed to, by the project proponent. A MITIGATED NEGATIVE DECLARATION shall be prepared.
- I find that the proposed project might have a significant effect on the environment and/or deficiencies exist relative to the City's General Plan Quality of Life Standards, and the extent of the deficiency exceeds the levels identified in the City's Environmental Quality Regulations pursuant to Zoning Code Article 47, Section 33-924 (b), and an ENVIRONMENTAL IMPACT REPORT shall be required.
- I find that the proposed project might have a "potentially significant impact" or "potentially significant unless mitigated impact" on the environment, but at least one effect: a.) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and b.) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT shall be required, but it shall analyze only the effects that remain to be addressed.
- I find that, although the proposed project might have a significant effect on the environment, no further documentation is necessary because all potentially significant effects: (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project.

\_\_\_\_\_  
Signature

Paul K. Bingham, Assistant Planner II

\_\_\_\_\_  
Printed Name and Title

\_\_\_\_\_  
Date

## EVALUATION OF ENVIRONMENTAL IMPACTS:

1. This section evaluates the potential environmental effects of the proposed project, generally using the environmental checklist from the State CEQA Guidelines as amended and the City of Escondido Environmental Quality Regulations (Zoning Code Article 47). A brief explanation in the Environmental Checklist Supplemental Comments is required for all answers except "No Impact" answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. All answers must take into account the whole action involved, including off-site, on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts and mitigation measures. Once the lead agency has determined that a particular physical impact might occur, then the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. The definitions of the response column headings include the following:
  - A. "Potentially Significant Impact" applies if there is substantial evidence that an effect might be significant. If there are one or more "Potentially Significant Impact" entries once the determination is made, an EIR shall be required.
  - B. "Less Than Significant with Mitigation Incorporated" applies where the incorporation of mitigation measures has reduced an effect from "Potentially Significant Impact" to a "Less Than Significant Impact." The lead agency must describe the mitigation measures and briefly explain how they reduce the effect to a less than significant level (mitigation measures from Section 2 below, "Earlier Analyses," may be cross-referenced). Measures incorporated as part of the Project Description that reduce impacts to a "Less than Significant" level shall be considered mitigation.
  - C. "Less Than Significant Impact" applies where the project creates no significant impacts, only less than significant impacts.
  - D. "No Impact" applies where a project does not create an impact in that category. "No Impact" answers do not require an explanation if they are adequately supported by the information sources cited by the lead agency which show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A "No Impact" answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project would not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
2. Earlier Analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or Negative Declaration. Section 15063(c)(3)(D). In this case, a brief discussion should identify the following:
  - A. Earlier Analysis Used. Identify and state where it is available for review.
  - B. Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of an adequately analyzed earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.
  - C. Mitigation Measures. For effects that are "Less than Significant with Mitigation Measures Incorporated," describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.
3. Lead agencies are encouraged to incorporate references to information sources for potential impacts into the checklist (e.g., general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.
4. Supporting Information Sources: A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.
5. The explanation of each issue should identify the significance of criteria or threshold, if any, used to evaluate each question, as well as the mitigation measure identified, if any, to reduce the impact to less than significant.

**ISSUES:**

Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
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**I. AESTHETICS. Would the project:**

- |  |                          |                          |                                     |                                     |
|--|--------------------------|--------------------------|-------------------------------------|-------------------------------------|
| a. Have a substantial adverse effect on a scenic vista?  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| b. Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| c. Substantially degrade the existing visual character or quality of the site and its surroundings?  | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| d. Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?                                    | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |

**II. AGRICULTURAL RESOURCES. In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. Would the project:**

- |  |                          |                          |                                     |                                     |
|--|--------------------------|--------------------------|-------------------------------------|-------------------------------------|
| a. Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency or (for annexations only) as defined by the adopted policies of the Local Agency Formation Commission, to non-agricultural use? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| b. Conflict with existing zoning for agricultural use, or a Williamson Act contract?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| c. Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to non-agricultural use?   | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |

**III. AIR QUALITY. Where applicable, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:**

- |   |                          |                          |                                     |                          |
|---|--------------------------|--------------------------|-------------------------------------|--------------------------|
| a. Conflict with or obstruct implementation of the applicable air quality plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|---|--------------------------|--------------------------|-------------------------------------|--------------------------|

	Potentially Significant Impact	Less Than Significant with Mltigation Incorporated	Less Than Significant Impact	No Impact
b. Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. Create objectionable odors affecting a substantial number of people?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**IV. BIOLOGICAL RESOURCES: Would the project:**

a. Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. Interfere substantially with the movement of any native resident or migratory fish or wildlife species, or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. Conflict with any local policies or ordinances protecting biological resources such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
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**V. CULTURAL RESOURCES. Would the project:**

- |   |                          |                          |                          |                                     |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a. Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d. Disturb any human remains, including those interred outside of formal cemeteries?                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

**VI. GEOLOGY AND SOILS. Would the project:**

- |  |                          |                          |                                     |                                     |
|--|--------------------------|--------------------------|-------------------------------------|-------------------------------------|
| a. Expose people or structures to potentially substantial adverse effects, including the risk of loss, injury, or death involving:   |                          |                          |                                     |                                     |
| i. Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| ii. Strong seismic ground shaking?   | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| iii. Seismic-related ground failure, including liquefaction?   | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| iv. Landslides?  | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| b. Result in substantial soil erosion or the loss of topsoil?  | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| c. Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |



Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
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- d. Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?
- e. Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?

**VII. GREENHOUSE GAS EMISSIONS.** Would the project:

- a. Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?
- b. Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gasses?

**VIII. HAZARDS AND HAZARDOUS MATERIALS.** Would the project:

- a. Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?
- b. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?
- c. Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?
- d. Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?
- e. For a project located within an airport land-use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in safety hazard for people residing or working in the project area?
- f. For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
g. Impair implementation of, or physically interfere with, an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
h. Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**IX. HYDROLOGY AND WATER QUALITY. Would the project:**

a. Violate any water quality standards or waste discharge requirements, including but not limited to increasing pollutant discharges to receiving waters (Consider temperature, dissolved oxygen, turbidity and other typical storm water pollutants)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Have potentially significant adverse impacts on ground water quality, including but not limited to, substantially depleting groundwater supplies or substantially interfering with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river in a manner which would result in substantial/increased erosion or siltation on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site and/or significant adverse environmental impacts?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. Cause significant alteration of receiving water quality during or following construction?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f. Cause an increase of impervious surfaces and associated run-off?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g. Create or contribute runoff water which would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
h. Cause potentially significant adverse impact on ground water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
i. Cause or contribute to an exceedance of applicable surface or ground water receiving water quality objectives or degradation of beneficial uses?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
j. Is the project tributary to an already impaired water body, as listed on the Clean Water Act Section 303(d) list? If so, can it result in an increase in any pollutant for which the water body is already impaired?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
k. Create or exacerbate already existing environmentally sensitive areas?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
l. Create potentially significant environmental impact on surface water quality, to either marine, fresh, or wetland waters?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
m. Impact aquatic, wetland or riparian habitat?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
n. Otherwise substantially degrade water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
o. Place housing within a 100-year flood hazard area as mapped on a Federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
p. Place within a 100-year flood hazard area structures which would impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
q. Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
r. Inundation by seiche, tsunami, or mudflow?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>X. <u>LAND USE PLANNING.</u> Would the project:</b>				
a. Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
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b. Conflict with any applicable land-use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to, the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?

c. Conflict with any applicable habitat conservation plan or natural community conservation plan?

**XI. MINERAL RESOURCES.** Would the project:

a. Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?

b. Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan, or other land-use plan?

**XII. NOISE.** Would the project result in:

a. Exposure of persons to, or generation of, noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?

b. Exposure of persons to, or generation of, excessive groundborne vibration or groundborne noise levels?

c. A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?

d. A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?

e. For a project located within an airport land-use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?

f. For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?

Potentially Significant Impact	Less Than Significant with Mitigation incorporated	Less Than Significant Impact	No Impact
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**XIII. POPULATION AND HOUSING. Would the project:**

- a. Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?
- b. Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?
- c. Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?

**XIV. PUBLIC SERVICES. Would the project:**

- a. Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:
  - i. Fire protection?
  - ii. Police protection?
  - iii. Schools?
  - iv. Parks?
  - v. Other public facilities?

**XV. RECREATION. Would the project:**

- a. Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?
- b. Include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?

Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
--------------------------------	--	------------------------------	-----------

**XVI. TRANSPORTATION/TRAFFIC. Would the project:**

- |  |                          |                          |                                     |                          |
|--|--------------------------|--------------------------|-------------------------------------|--------------------------|
| a. Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths and mass transit? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?   | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?  | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d. Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?   | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e. Result in inadequate emergency access?  | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| f. Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?   | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

**XVII. UTILITIES AND SERVICE SYSTEMS. Would the project:**

- |  |                          |                          |                                     |                                     |
|--|--------------------------|--------------------------|-------------------------------------|-------------------------------------|
| a. Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?  | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| b. Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| c. Require, or result in, the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?        | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
d. Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. Result in a determination by the wastewater treatment provider which serves, or may serve, the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f. Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g. Comply with federal, state, and local statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**XVIII. MANDATORY FINDINGS OF SIGNIFICANCE. Would the project:**

a. Have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number, or restrict the range, of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Does the project have environmental effects which would cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Where deficiencies exist relative to the City's General Plan Quality of Life Standards, does the project result in deficiencies that exceed the levels identified in the Environmental Quality Regulations {Zoning Code Section 33-924 (a) }?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>



CITY OF ESCONDIDO  
PLANNING DIVISION  
201 NORTH BROADWAY  
ESCONDIDO, CA 92025-2798  
(760) 839-4671

## MITIGATED NEGATIVE DECLARATION

(Case No.: ENV11-0002)

### ENVIRONMENTAL CHECKLIST SUPPLEMENTAL COMMENTS

#### INTRODUCTION

This **Mitigated Negative Declaration (MND)** assesses the environmental effects of the proposed project involving the proposed annexation and pre-zoning of three properties on approximately 3.42 acres of land, addressed as 2950 Bernardo Avenue (APN 238-400-3200), 1029 Vereda Callada (APN 238-400-1100) and an adjacent unaddressed lot also fronting Bernardo Avenue (APN 238-400-1200).

An Initial Study Environmental Checklist was prepared for this project and is included as a separate attachment to the Supplemental Comments within this report. The information contained in the Initial Study Environmental Checklist and the Supplemental Comments will be used by the City of Escondido to determine potential impacts associated with the proposed development.

*The detailed Supplemental Comments included in this document identifies and evaluates physical impacts to the environment associated with developing or implementing the proposed project based on preliminary review of a variety of environmental factors identified in the attached Environmental Checklist. In analyzing the project it has been determined that impacts related to vegetation removal would occur. Based on information and documentation incorporated in the analysis, it has been concluded that this Initial Study warrants issuing a Mitigated Negative Declaration (MND). The MND acknowledges that certain aspects of the project would cause significant impact(s) on the environment but those impacts would be reduced to an acceptable level by incorporating Mitigation Measures. As provided by CEQA, the City of Escondido will act as a responsible agency because of its role in reviewing and potentially approving or issuing permits for the project.*

As mandated by CEQA Guidelines Section 15105, affected public agencies and the interested public may submit comments on the **Mitigated Negative Declaration (MND)** in writing before the end of the 20-day public review period starting on July 3, 2011 and ending on July 25, 2011. Written comments on this environmental document shall be submitted to the following address by 5:00 p.m. July 25, 2011. Following the close of the public comment review period, the City of Escondido will consider this **Mitigated Negative Declaration (MND)** and all received comments in determining the approval of this project.

City of Escondido  
Planning Division  
201 North Broadway  
Escondido, CA 92025-2798

Case No.: ENV11-0002 Page 1



Contact: Paul Bingham, Planner  
Telephone: (760) 839-4306  
Fax: (760) 839-4313  
e-mail: pbingham@escondido.org

A hard copy of this document and any associated plans and/or documentation are available for review during normal operation hours for the duration of the public review period at the City of Escondido Planning Division

## **DETAILED PROJECT DESCRIPTION / LOCATION**

The proposal involves the pre-zoning and annexation of three properties, each just over 1 acre in size, totaling approximately 3.42 acres of land. The properties are addressed as 2950 Bernardo Avenue (APN 238-400-3200), 1029 Vereda Callada (APN 238-400-1100) and the unaddressed parcel on the southeastern corner of Bernardo Avenue and Vereda Callada (APN 238-400-1200). The lot addressed as 1029 Vereda Callada is fully developed with an existing single-family residence and ornamental landscaping. The remaining two parcels which front Bernardo Avenue are mostly undeveloped, except for a few outbuildings, and the natural cover remaining on both having been disturbed by human activity.

It is proposed that the three properties be pre-zoned as PZ-RE-40 (Residential Estates, Single-Family, 40,000 SF minimum lot size), consistent with the City of Escondido's General Plan designation of one acre residential lots and the County's General Plan of Residential 2 (1 du/acre). Annexation to the City of Escondido would involve the detachment from County Service Area (CSA) No. 135 and the Rincon Del Diablo Fire Protection District (RDDFPD). RDDFPD fire protection is currently provided to this area by agreement by the City of Escondido via its Fire Station #5, therefore no actual change to fire services to the three subject properties would actually take place. Water service would continue with Rincon Del Diablo Municipal Water District. Sewer services will be provided by the City of Escondido by attaching to the existing City sewer line in Bernardo Avenue.

With Local Area Formation Commission (LAFCO) approval in April, 2010, the property at 1029 Vereda Callada was allowed to connect to City sewer through an Out of Agency Service Agreement and is already connected to the City's sewer service. It has been determined that the two undeveloped lots fronting Bernardo Avenue also cannot be adequately served by septic systems due to a high water table.

These two lots along Bernardo Avenue are anticipated to be developed in the future with single-family residential units. A conceptual design for grading and residential unit pad creation has been submitted and reviewed for consistency with the RE-40 zoning code development standards which will apply. These properties will both take access off of Bernardo Avenue and full street improvements along the eastern side of Bernardo Avenue would have to be completed to City standards. The grading and utilities improvements required for constructing residential units on these two properties will necessitate the removal of some native vegetation. The impact to these two properties has been evaluated by Pacific Southwest Biological Services, Inc. It is not anticipated that any Grading Exemptions will be necessary. No existing structures of any historical value will need to be removed.

The subject properties do not include any Open Space areas, trails, recreation facilities, Landscape Maintenance District areas or oversight by any existing HOAs. Overhead utilities do exist along the eastern side

of Bernardo Avenue and may be subject to undergrounding requirements once the two vacant residential lots develop.

#### **ANTICIPATED PUBLIC MEETINGS/HEARINGS:**

##### ***-Planning Commission:***

The proposal is tentatively scheduled for Planning Commission consideration on July 26, 2011. A separate public hearing notice will be mailed confirming the Planning Commission time and date.

#### **PROJECT ENVIRONMENTAL SETTING**

The subject properties have been utilized as a private residence with appurtenant structures and contain largely intact Coast live oak Woodland with the understory removed. The overall appearance is rural suburban, with the existing single-family dwelling having been built in 1969. Surrounding dwellings to the north, east and south have similar ages. The lot sizes are mostly 1 acre or larger, which is consistent with the County's Residential II General Plan designation. County zoning is A-70, denoting limited agriculture and 1 dwelling unit per acre density. A Planned Development across Bernardo Avenue to the west is within the City of Escondido and most of the subdivision lots there are smaller than ½ acre each. Access to the existing residence addressed as 1029 Vereda Callada is from Vereda Callada via a long private gated driveway.

Surrounding properties rely on on-site septic systems. The house at 1029 Vereda Callada is currently served by City sewer, having obtained an emergency Out of Agency Sewer Service Agreement April 5, 2010. A covenant was also recorded at that time allowing a private sewer line to be installed between the two subject properties along Bernardo Avenue so that the existing residence can connect to the City's sewer line. Because of high water table conditions on the three subject properties, it has been determined that septic systems will not be viable on any of them. Water service to the properties is provided by Rincon Del Diablo MWD. Existing overhead lines along the eastern side of Bernardo Avenue supply the subject site with other utilities.

The zoning and land uses adjacent to the proposed development area are as follows:

North: Across Vereda Callada the properties are County zoned A-70 (limited agriculture, 1 du/acre) and have small orchards and single-family dwellings on 1-acre or larger lots.

South: The properties are County zoned A-70 (limited agriculture, 1 du/acre) and have single-family dwellings on 1-acre or larger lots.

East: The properties are County zoned A-70 (limited agriculture, 1 du/acre) and have single-family dwellings on 1-acre or larger lots.

West: Across Bernardo Avenue (a Local Collector roadway) are two ornamentally landscaped public Open Space properties which serve as detention basins for the Queen's Gate Planned Development (PD-R). The detention basins and subdivision are within the City of Escondido and the zoning is PD-R-1.22 (single-family residential – 1.22 du/acre on lots between ½-acre to 1-acre in size).

#### **I. LAND USE PLANNING AND AESTHETICS**

##### **Significance Criteria and Impact Analysis**

*The effects of a project on existing or planned land uses are considered significant if the proposed project would:*

a. *Physically divide an established community;*

- b. *Conflict with any applicable land-use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to, the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect;*

The City of Escondido General Plan designates the proposed project site as Estate I, which allows single family residential estate development, and is to be pre-zoned RE-40 (Residential Estates, 40,000 SF minimum lot size). The project is surrounded by ½-acre to 1-acre lots. From a land use perspective no adverse impacts from the project, and off-site improvements are anticipated because these existing lots to be annexed do not exceed the density or character of development already anticipated in the City's General Plan. The proposed project would not disrupt or divide the physical arrangement of the area because no change in lot configurations are proposed. Access to the subject site's three lots currently are provided by Bernardo Avenue and Vereda Callada. Bernardo Avenue will have a 66' R.O.W, which is a public roadway. The street is identified on the City's Circulation Element as a 42'/66' Local Collector. Development of the project and proposed improvements would not adversely alter or impact the existing circulation pattern throughout the surrounding neighborhood, nor preclude the development of surrounding parcels because the segment of road adjacent to the project would be improved to its full width. The project's construction also would not create any new land use barriers, or otherwise divide or disrupt the physical arrangement of the surrounding community because no new lots or roadways would be created. Further, the configuration of the areas' existing street network and sidewalks would not be affected by the project because no increased density beyond that already anticipated would occur. Adequate public facilities are available and water and sewer service can be provided to the project with nominal extension of nearby existing facilities.

- c. *Conflict with any applicable habitat conservation plan or natural community conservation plan;*

The proposed project would not conflict with applicable environmental plans since the subject site do not contain any sensitive species/habitat, or any area designated for preservation (as indicated on the latest MHCP maps) or any other conservation planning area. The removal of any mature trees would be replaced in conformance with the Escondido Zoning Code Article 55 with specimen sized trees at a minimum 1:1 ratio and protected trees at a minimum 2:1 ratio.

- d. *Have a substantial adverse effect on a scenic vista;*  
e. *Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway;*  
f. *Substantially degrade the existing visual character or quality of the site and its surroundings;*

The 3-lot subject site slopes from 665 to 610 with an elevation change of 55 feet across the site. There are no significant visual resources or any significantly prominent topographical features as identified in the City's General Plan or Area Plans. The property is not located on a ridgeline identified in the Community Open Space/Conservation Element of the General Plan. Development of the proposed use and off-site improvements would not significantly alter the developed character of the site nor adversely impact any scenic views through and across the property. Existing vegetation would be replaced by new landscaping. The project would not damage any significant scenic resources within a designated State scenic highway or create an aesthetically offensive site open to the public since the site is not located along a State scenic highway and the property would be developed with single family residential development in accordance with the underlying General Plan land-use designation. A moderate amount of grading is proposed for the site and any grading and subsequent compaction of the site, as necessary, will be per City standards (Article 55, Escondido Zoning Code) to the satisfaction of the City Engineer.

Cumulative Impacts: Existing and planned developments have altered and would continue to alter the existing landforms and visual setting throughout the general project area. However, given the existing, approved and proposed development pattern in the project area, as well as what is anticipated in the General Plan buildout, the change in the visual setting would not represent a significant individual or cumulatively significant impact.

*g. Create a new source of substantial light or glare that would adversely affect day or nighttime views in the area.*

Development of the subject site would create some additional sources of light and glare in the area. The primary source of light would be from typical on-site residential lighting. All proposed lighting near adjacent properties would be designed to minimize the overflow of light onto off-site areas. Compliance with the City's Outdoor Lighting Ordinance would ensure that impacts related to light and glare, resulting from development of the site, are less than significant.

## **II. AGRICULTURE RESOURCES**

### **Significance Criteria and Impact Analysis**

*In determining whether impacts to agricultural resources are significant environmental effects, the City has referred to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. The effects of a project on agricultural resources are considered significant if the proposed project would:*

- a. Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use;*
- b. Conflict with existing zoning for agricultural use, or a Williamson Act contract; or,*
- c. Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to non-agricultural use?*

The project site is within a residential area and under County A-70 zoning, limited agriculture is also permitted. The site is not listed as Prime Agricultural Lands as identified in the General Plan Final EIR, which was prepared for the City's most recent General Plan revisions in 2000. The site does not appear to have been used for agricultural purposes, however it is not involved in a Williamson Act Contract or other agricultural land contract. Therefore, the proposed development would not result in significant individual or cumulative impacts to agricultural resources.

## **III. TRANSPORTATION/TRAFFIC**

*According to the City of Escondido Environmental Quality Regulation (Article 47, Sec. 33-924), impacts are considered significant if the project:*

- 1. Causes the level of service (LOS) of a circulation element street to fall below a mid-range of LOS "D" and /or adds more than 200 ADT to a circulation element street with a LOS below the mid-range "D" yet above LOS "F". According to the Escondido General Plan, the minimum acceptable LOS is "C";*
- 2. Exceeds, either individually or cumulatively, a level of service standard established by the county congestion management agency for designated roads and highways;*

3. *Results in a change of air traffic patterns, including either an increase in traffic levels or in a location that results in substantial safety risks or increased hazards due to a design feature; or,*
4. *Results in inadequate emergency access or parking capacity, or conflicts with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks).*
5. *General Plan Circulation Policy D2.3 states that: "...Due to the physical design characteristics, environmental resource considerations, existing development, freeway interchange impacts and incomplete system improvements, level of service "C" may not be feasible in all areas at all times. However, level of service "C" should be pursued in the ultimate implementation of the circulation system."*

Project Impacts – Two of the three lots front onto and take access from Bernardo Avenue, the third from Vereda Callada. The Engineering Department indicated the proposed project would not result in a significant direct impact to the existing levels of service on the adjacent streets since a stable flow of traffic is maintained along the street segments. The Engineering Department also indicated the proposed project is not anticipated to have any significant individual or cumulative impacts to the circulation system or degrade the levels of service on any of the adjacent roadways or intersections since the project would not add 200 additional trips to a circulation element street with a service level below the mid-range of LOS D, and the v/c ratio would not increase more than 0.02.

Design Features/Hazards/Emergency Access – The proposed development would not result in inadequate emergency access, as determined by the Fire Department. Emergency and non emergency response times of the Escondido Fire Department would remain the same with the proposed development. Appropriate sight distance along Bernardo Avenue would be provided at the project driveways. The driveway from 1029 Vereda Callada is already existing and would not change.

Off-Site Improvements – The project proposes off-site circulation improvements involving installing curb, gutter and sidewalks along the eastern side of Bernardo Avenue in order to facilitate adequate access to the property and to address appropriate circulation.

Cumulative Impacts – The above traffic data indicated the project would not result in any significant direct or cumulative impact to the Levels-of-Service of the adjacent road segments and intersections. The project is subject to all citywide development and traffic impacts fees at the time of building permit issuance to offset project related impacts.

Temporary Construction Traffic – Temporary construction-related traffic impacts would occur during grading and construction activities. Moderate grading is anticipated to prepare the site and equipment used for grading and excavation generally would remain on site and would not contribute to a substantial increase in traffic. Approximately 385 truck loads would be anticipated over the course of the grading operations to bring in the fill material to the site. Additional traffic would be associated with employee trips to and from the site, equipment delivery and removal, and other related activities. Potential impacts from hauling and construction operations would be avoided by requiring the project proponent to coordinate and implement safety/traffic control measures with the City that minimize potential conflicts. All measures would be implemented prior to the onset of construction activities.

On-Site Parking – Appropriate on-site parking would be provided for each phase of the project. On-street parking along Vereda Callada would continue to be provided.

Airport-Impacts - The project is not located within the vicinity of a public or private airstrip and would not result in a change in air traffic patterns, increase in traffic levels, or a change in location that results in substantial safety risks.

Adopted Plans/Policies – The project would not conflict with adopted policies, plans, or programs supporting alternative transportation. There are no bus stops along the project frontage. The proposed project would not impact any proposed bus routes or stops, or require the development of new or relocated bus stops.

#### IV. AIR QUALITY

##### Significance Criteria and Impact Analysis

Where applicable, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Impacts would be significant if the project:

- a. Conflicts with or obstruct implementation of the applicable air quality plan;
- b. Violates any air quality standard or contribute substantially to an existing or projected air quality violation;
- c. Results in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors);
- d. Exposes sensitive receptors to substantial pollutant concentrations; or,
- e. Creates objectionable odors affecting a substantial number of people.

##### City of Escondido Significance Criteria:

Project related impacts exceeding any of the following South Coast Air Quality Management District (SCAQMD) daily emissions criteria can be considered significant:

- |                                |         |
|--------------------------------|---------|
| • Carbon Monoxide (CO)         | 550 lbs |
| • Reactive Organic Gases (ROG) | 55 lbs  |
| • Oxides of Nitrogen (NOx)     | 55 lbs  |
| • Fine Particulate Matter (PM) | 150 lbs |

The project area is within the San Diego Air Basin (SDAB). Air quality at a particular location is a function of the kinds and amounts of pollutants being emitted into the air locally, and throughout the basin, and the dispersal rates of pollutants within the region. The major factors affecting pollutant dispersion are wind, speed and direction, the vertical dispersion of pollutants (which is affected by inversions) and the local topography. The air basin currently is designated a state and federal non-attainment area for ozone and particulate matter. However, in the SDAB, part of the ozone contamination is derived from the South Coast Air Basin (located in the Los Angeles area). This occurs during periods of westerly winds (Santa Ana condition) when air pollutants are windborne over the ocean, drift to the south and then, when the westerly winds cease, are blown easterly into the SDAB. Local agencies can control neither the source nor transportation of pollutants from outside the basin. The Air Pollution Control District (APCD) policy therefore, has been to control local sources effectively enough to reduce locally produced contamination to clean air standards.

For long-term emissions, the direct impacts of a project can be measured by the project's consistency with regional plans to improve and maintain air quality. Local air-quality impacts are directly related to the number of vehicle trips and operation levels on adjacent streets and intersections. For planning purposes, the APCD assumed the City's General

Plan designation of E1 in calculating the air quality impacts. According to CEQA Guidelines, a project normally is considered to have a significant air quality impact if it violates any ambient air quality standard, contributes substantially to an existing or projected air-quality violation, or exposes sensitive receptors to substantial pollution concentrations.

Project-Related Impacts – Long-term emissions are related to the amount of vehicular traffic generated by the project. The Engineering Department indicated the anticipated additional trips (24 ADTs) generated from the two future residences would not significantly impact the existing Levels of Service on the adjacent streets or intersections. Therefore, the anticipated daily emissions would not exceed local or South Coast Air Quality Management District (SCAQMD) daily emissions criteria. Since the project would not deteriorate the level of service on adjacent streets and intersections, and is not anticipated to exceed SCAQMD thresholds of significance, the project would not result in a significant impact to local or regional air quality. While the proposed project would have an incremental impact to basin-wide air-quality, the individual impacts attributed to the project are immeasurably small on a regional scale and would not cause ambient air-quality standards to be exceeded on a regional scale. Therefore, the project will not have a significant impact on air quality and no mitigation measures are required.

#### Construction-Related Emissions

Construction-related activities are temporary, short-term sources of air emissions. Sources of construction-related air emission include:

- Fugitive dust from grading activities;
- Construction equipment exhaust;
- Construction-related trips by worker, delivery trucks and material-hauling trucks; and
- Construction-related power consumption.

Typical earthwork operations would include clearing, grubbing, building demo, and general pad formation and construction of retaining walls. Proposed grading for the two future residences consists of approximately 406 cubic yards of cut and approximately 4,980 cubic yards of fill, with import of approximately 4,574 cubic yards of material. Construction equipment primarily would be utilized in an incremental fashion over the course of construction. Due to the relatively small amount of grading anticipated and small size of the project, no significant earthwork or diesel truck impacts are anticipated. Approximately 385 truck loads would be anticipated over the course of the grading operations to bring in the fill material to the site. Maximum daily emissions of NO<sub>x</sub> during construction periods are not projected to exceed City thresholds or APCD standards based on similar studies performed for similar size grading operations.

Construction activities also are a source of fugitive dust emissions that may be a substantial, but temporary impact on local air quality. Dust from grading and other site preparation would generate particulate matter emission. With appropriate use of grading and operation procedures (in conformance with APCD Best Management Practice for dust control), the project would not generate significant particulate matter or dust. The City of Escondido Grading Ordinance and erosion control requirements include provisions for dust control to reduce impacts to air quality during grading and construction activities. At a minimum, these ordinances and provisions require projects to perform regular watering and timely revegetation of disturbed areas to minimize the dust and airborne nuisance impacts to off-site receptors.

Emissions from construction equipment, worker and delivery and material-hauling trucks, and construction-related power consumption would be temporary and would result in an extremely small contribution to the SDAB and therefore would not result in a significant impact. Operations emissions come from area sources, including

natural gas for space and water heating, and gasoline-powered landscaping and maintenance equipment, and from vehicle operations associated with the project. The proposed project would not significantly increase traffic volumes on local streets and intersections, as indicated in the Traffic/Transportation Section III above, and the proposed project would not result in a substantial increase in the number of vehicles operating in cold start mode or substantially increase the number of vehicles on local roadways. Therefore, the project would not cause an unacceptable concentration of CO at any project-affected intersection.

Since the project would not adversely impact area roadways and intersections the development of the project would not violate any air quality standard or contribute substantially to an existing or projected air quality violation and would have a less than significant impact on local and regional air quality. Individual impacts attributed to the proposed project are small on a regional scale and will not cause ambient air-quality standards to be exceeded, nor contribute to any adverse cumulative impacts.

Consistency with the RAQS - Consistency with the Regional Air-Quality Standards (RAQS) assumptions is determined by analyzing the project with the assumptions in the RAQS. Forecasts used in the RAQS are developed by the San Diego Association of Governments (SANDAG). The SANDAG forecasts are based on local general plans and other related documents that are used to develop population projections and traffic projections. The current City plans allow for and encourage the project's two vacant lots to be developed as a single family residential, thus, the proposed project would not exceed the assumptions used to develop the RAQS and would not obstruct or conflict with the SDAPCD's RAQS.

Odors - During construction, diesel equipment operating at the site may generate some nuisance odors. However, due to the temporary nature of construction, odors associated with project construction would not be considered significant.

Global Climate Change - Global climate change alleged to be caused by greenhouse gases (GHG) is currently one of the important and widely debated scientific, economic, and political issues in the United States. Global climate change is a change in the average weather of the earth, which can be measured by wind patterns, storms, precipitation, and temperature. With the adoption of AB 32, the California Global Warming Solutions Act of 2006, the State of California has determined that global warming proposes a serious threat to the State's economy, public health and environment. As such, actions which may contribute to global warming are beginning to be addressed in CEQA documents. The adopted legislation defines the greenhouse gasses to be considered and regulated as follows: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

An individual project of this scale and nature would not generate enough greenhouse gas emissions to significantly influence global climate change. Greenhouse gas emissions occur in a worldwide system and the project does participate in this potential impact through its incremental contribution, which is combined with the cumulative increase of all other sources of greenhouse gases. There currently are no published thresholds for measuring the significance of a project's cumulative contribution to global climate change. The State of California currently is working to define the greenhouse gas inventory which existed in 1990 to provide a statewide benchmark against which to measure progress. Once that inventory is determined, AB 32 measures future acceptable emissions against that standard over a period of several years. Although the incremental contribution to CHG is not considered significant due to the relatively small size and potential for impacts from the project, newer projects throughout the City of Escondido continue to implement certain California Air



## V. BIOLOGICAL RESOURCES

### Significance Criteria and Impact Analysis

*The effects of a project on biological resources are considered to be significant if the proposed project would:*

- a. Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service;*
- b. Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service;*
- c. Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means;*
- d. Interfere substantially with the movement of any native resident or migratory fish or wildlife species, or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites;*
- e. Conflict with any local policies/ ordinance that protect biological resources (e.g. tree preservation policy or ordinance); or,*
- f. Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan.*

The 3.42-acre site has been disturbed and all native understory plant cover has been removed from the project site through past urban uses. The site does not contain any sensitive or protected habitat or animal species. Mature trees on the site consist of native Coastal Live Oaks (*Quercus agrifolia*), Mesa Oaks (*Quercus engelmannii*) and various other non-native landscape tree species. Two existing Mesa Oaks, which are designated as a vulnerable species by the California Department of Fish & Game, will not be effected by the project. Eighteen (18) smaller Coast Live Oak trees will be removed and/or adversely affected by the development of the subject site. The City of Escondido's Grading Ordinance (Article 55) requires that the removal of any Oak tree with a trunk caliper of 4 inches or greater as measured 4.5 feet from grade must be replaced at a ratio of 1:1 and any Oak tree with a trunk caliper of 10 inches or above must be replaced at a 2:1 ratio with specimen-sized trees. The development of the proposed project would not conflict with the provisions of an adopted or proposed Habitat Conservation Plan. A review of the City's draft MHCP planning efforts indicates that the project site is not considered biologically significant or strategically located to warrant being included in a regional or local natural open space preserve.

No plant or animal species recognized as threatened or endangered by the U.S. Fish and Wildlife Service, or California Department of Fish and Game are located or anticipated to be present within the proposed development area as indicated in reports and addenda dating from July 13, 2010, November 10, 2010, December 23, 2010 and February 17, 2011 prepared by R. Mitchel Beauchamp (for Pacific Southwest Biological Services, Inc.) who assessed the site. The property is not listed as an open space corridor or animal migration corridor on any City open space planning maps, nor is the site listed on the City' Parks, Trails and Open Space Plan, or any local or regional plan. No drainage courses meeting the standards of Jurisdictional Waters exist on the subject property. No Resource Agency permits would be required for the proposed development since the project would not remove any protected or endangered habitats or species.

## MITIGATION MEASURES

The applicant must submit grading plans and landscaping plans demonstrating:

(1) by the use of retaining walls or other devices that no grade changes will occur around any remaining Coast Live Oak or Mesa Oak trees within 1 foot of their driplines; (2) that no drainage courses will be diverted into or away from those dripline protected zones; and, (3) that replacement Coast Live Oak trees will be planted of sufficient size and on a 1:1 or 2:1 ratio for all such trees lost to grading to the satisfaction of the Director of Community Development and consistent with Article 55. The replacement trees are to be planted with temporary irrigation installed to the satisfaction of the Director of Community Development. Therefore, with these mitigation measures, potential impacts will be less than significant.

## VI. CULTURAL RESOURCES

### **Significance Criteria and Impact Analysis**

*The effects of a project on cultural resources are considered to be significant if the proposed project would:*

- a. *Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5;*
- b. *Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5;*
- c. *Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature; or,*
- d. *Disturb any human remains, including those interred outside of formal cemeteries.*

The site's current condition is suburban and there are no cultural or historically sensitive resources located on the site as identified in a report prepared July 23, 2010 by Brian F. Smith & Associates, Inc. There are no structures located on the site that are over 50 years old. The project site has been significantly disturbed by previous development. No significant archaeological or paleontological impact has been identified for the project site and no prehistoric resources have been previously recorded on the project site. The City of Escondido General Plan EIR (1990) does not include the project site in areas identified as having potential paleontological resources. The site does not appear to contain any indicators of significant cultural resources or geologic features. The site also does not contain any resources listed on the City's Historic Sites. Therefore, the project would not result in a significant impact to cultural resources.

## VII. GEOLOGY AND SOILS

### **Significance Criteria and Impact Analysis**

*The effects of a project on geology and soils are considered to be significant if the proposed project would:*

- a. *Expose people or structures to potentially substantial adverse effects, including the risk of loss, injury, or death involving:*
  - i. *Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault; (Refer to Division of Mines and Geology Special Publication 42).*
  - ii. *Strong seismic ground shaking;*

- iii. Seismic-related ground failure, including liquefaction; or,*
- iv. Landslides.*

Although Escondido is located within a Seismic Zone 4, the project site is not located within proximity to active faults as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map. The closest known active faults are the Rose Canyon Fault and the Elsinore Fault. The Rose Canyon Fault is located 15.4 miles southwest of the project site. The Julian segment of the Elsinore Fault is approximately 17.8 miles northeast of the project site. Accordingly, fault surface rupture is not likely at this project. In the event of a major earthquake on these faults or other faults within the Southern California region, the site could be subjected to moderate to severe ground shaking. However, the site is not considered to possess a significantly greater seismic risk than that of the surrounding area in general.

- b. Result in substantial soil erosion or the loss of topsoil;*
- c. Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse; or,*
- d. Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property.*

The topography of the site generally slopes and drains from west to east. Elevations on the site range from between 665 and 655 feet on the west, and 610 feet on the east. The soils in this project area are classified as Fallbrook sandy loam, Visalia sandy loam and Wyman loam. Proposed grading consists of approximately 406 cubic yards of cut and approximately 4,980 cubic yards of fill, with import of approximately 4,574 cubic yards of material.

Based on evaluations of the existing septic system on the lower lot (1029 Vereda Callada), the site does contain high groundwater. If any potential groundwater or drainage issues are encountered they are effectively addressed through appropriate grading and drainage techniques/improvements. Due to the geologic characteristics of the site and the proposed grading it is anticipated that blasting will not be required. Any blasting that would occur would comply with the City's Blasting Ordinance. The proposed development would not result in any substantial soil erosion or the loss of topsoil because all areas not developed with structures, paving or hardscape would be landscaped. Appropriate compaction of the site would be required to support the proposed buildings and other improvements. Appropriate on-site drainage facilities would be constructed in conformance with the city's grading and storm water provisions. Other potential geologic hazards such as tsunamis, seiches, liquefaction or should be considered to be negligible or nonexistent. Grading and development of the site would be constructed in conformance with any recommendations of a final soils and engineering report, and therefore a significant geology and soils impact would not occur.

- e. Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater.*

The project site would be served by an existing wastewater/sewer pipeline system within the City of Escondido. No septic tanks or alternative wastewater disposal system would be utilized as part of the project.

## VIII. HAZARDS AND HAZARDOUS MATERIALS

### Significance Criteria and Impact Analysis

*The effects of a project on hazards and hazardous materials are considered to be significant if the proposed project would:*

- a. Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials;*
- b. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment;*
- c. Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school; or,*
- d. Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment*

The project would be required to comply with all applicable Fire, Building, and Health and Safety Codes, which would eliminate any potential risk of upset. The site is not located within a 100-year floodplain. Due to the nature of the project and the lack of hazardous materials associated with the proposed development, the project would not result in the creation of any health hazards nor would it involve a risk of an explosion or the release of hazardous substances since there would be no hazardous substances associated with the project. The site is not listed in any of the searched regulatory databases.

No significant odors, pools of liquid, significantly stained soils, indicators of underground storage tanks, pits or ponds were observed on the site. No evidence or indication of releases of petroleum hydrocarbons, heavy metals, hazardous chemicals, or other "recognized environmental conditions" have been revealed at the subject site in its present or previous conditions. Development of the site would not involve the routine transport, use, or disposal of hazardous materials. The project does not involve the use or storage of hazardous materials that would result in a reasonably foreseeable upset or accident conditions. The project would not emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within ¼ mile of an existing or proposed school. Water for the site would be provided by the Rincon Del Diablo Municipal Water District from existing mains located within the adjacent streets/easements. No groundwater wells would be used to supply water for the site. Accordingly, the project will not create a significant risk of upset or hazard to human health and safety.

- e. For a project located within an airport land-use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, impacts would occur if the project results in safety hazard for people residing or working in the project area; or,*
- f. For a project within the vicinity of a private airstrip, the project results in a safety hazard for people residing or working in the project area; or,*
- g. Impair implementation of, or physically interfere with, an adopted emergency response plan or emergency evacuation plan; or,*
- h. Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands.*

The project is not located within an airport land-use plan, an airport land-use plan that is to be adopted, or within 2 miles of a public airport. The project is not located within the vicinity of a private airstrip and would not result in a safety hazard for people residing or working in the project area.

Based on interviews and comments from the Police and Fire Departments the project does not include activities or structures that would impair implementation of, or physically interfere with, an emergency response plan. The proposed development is not expected to result in the need for additional emergency and fire facilities. The project would be required to comply with all applicable Fire, Building, and Health and Safety Code, which would eliminate any potential risk of upset.

The City Fire Department has indicated their ability to adequately serve the proposed project. The project would not expose people or structures to a significant risk of loss, injury or death involving wild fires since the site is in an urban setting and would be irrigated. The project is not located within an identified Fire Hazard Area as indicated on Figure 5.7.2 of the 2000 General Plan Update EIR.

## **IX. HYDROLOGY AND WATER QUALITY**

### **Significance Criteria and Impact Analysis**

*The effects of a project on hydrology and water quality are considered to be significant if the proposed project would:*

- a. Violate any water quality standards or waste discharge requirements, including but not limited to increasing pollutant discharges to receiving waters (Consider temperature, dissolved oxygen, turbidity and other typical storm water pollutants);*
- b. Have potentially significant adverse impacts on ground water quality, including but not limited to, substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted);*
- c. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river in a manner which would result in substantial/increased erosion or siltation on- or off-site;*
- d. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site and/or significant adverse environmental impacts;*
- e. Cause significant alteration of receiving water quality during or following construction;*
- f. Cause an increase of impervious surfaces and associated runoff;*
- g. Create or contribute runoff water which would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff;*
- h. Cause potentially significant adverse impact on ground water quality;*
- i. Cause or contribute to an exceedance of applicable surface or ground water receiving water quality objectives or degradation of beneficial uses;*
- j. Is the project tributary to an already impaired water body, as listed on the Clean Water Act Section 303(d) list? If so, can it result in an increase in any pollutant for which the water body is already impaired;*
- n. Otherwise substantially degrade water quality;*
- k. Create or exacerbate already existing environmentally sensitive areas;*

- l. Create potentially significant environmental impact on surface water quality, to either marine, fresh, or wetland waters; or,*
- m. Impact aquatic, wetland or riparian habitat.*

The site topography ranges from 665 feet in the west to 610 feet in the east. Runoff from the site currently drains toward the east. The Engineering Division indicated the proposed increase in drainage is not considered significant and would not pose any adverse impacts to downstream facilities. The project would be required to comply with National Pollution Discharge Elimination System (NPDES) standards; consequently, the Engineering Department has determined that runoff from the project would not be considered significant and the project would not materially degrade the existing drainage facilities. The City would provide sewer and water service from mains located within the adjacent street or easements; consequently, no significant impact is expected to occur to the groundwater table. The project is outside the 100-year flood plain area as identified on current Flood Insurance Rate Maps (FIRM). Therefore, the project site is not subject to potential flooding, landslides or mudflows.

Typical urban pollutants associated with this type of project include oil, grease, solvents, antifreeze, cleaners, various fluids and fuels, trash/debris, fertilizers, and organic matter, which require proper use, storage, and disposal. Under the National Pollutant Discharge Elimination System (NPDES) Stormwater Permit issued in 1990 to the County of San Diego and to the City of Escondido, as one of the co-permittees, all development and significant redevelopment is obligated to implement structural and non-structural non-point source pollution control measures known as Best Management Practices (BMPs) to limit urban pollutants reaching the waters of the U.S. to the maximum extent practical. The NPDES permit requires the preparation of a site-specific Stormwater Pollution Prevention Plan (SWPPP). The implementation of this permit system requires that specific management practices be implemented at the time of construction. Any common drainage facilities would be located within proposed drainage easements that would be maintained by the project homeowners' association. Storm water drainage maintenance provisions would be detailed in the project conditions and required CC&Rs. A final Water Quality Technical Report will be prepared for the project to determine the full range of methods necessary to ensure water quality is not adversely affected.

The project would not withdraw groundwater or interfere with groundwater recharge and groundwater table level. Grading operations associated with the project development are not expected to impact groundwater or be a factor during removal and any recompaction onsite. Water service to the site would be provided by Rincon Water. Standard BMPs would be implemented during construction to adequately control erosion and siltation impacts to a less than significant level. The development of the site would not cause any diversion to or from the existing watershed. Proper use of erosion and sediment control measures as well as BMPs (which are standard requirements as part of the grading permit) would reduce potential water quality impacts to less than significant. The project does not include activities that would discharge pollutants into groundwater aquifers.

- o. Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map;*
- p. Place project within a 100-year flood hazard area structures which would impede or redirect flood flows;*
- q. Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam; or,*
- r. Inundate the site by seiche, tsunami, or mudflow.*

The project site is located outside the 100-year flood zone according to SanGIS. Therefore, no structures would impede or redirect flood flows. The project does not propose to construct a levee or dam and would not otherwise expose people or structures to a significant risk of flooding. The project does not include activities that would increase the risk of inundation by seiche, tsunami, or mudflow. Therefore, the project will have a less than significant impact on hydrology and water quality.

## **X. MINERAL RESOURCES**

### **Significance Criteria and Impact Analysis**

The effects of a project on mineral resources are considered to be significant if the proposed project would:

- a. *Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state; or,*
- b. *Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan, or other land-use plan.*

No known locally important mineral resource recovery site is located on the project site or within the vicinity of the project site. The project would not change the existing availability of mineral resources that would be of value to the region and residents of the state. No significant impacts would result from the project.

## **XI. NOISE**

### **Significance Criteria and Impact Analysis**

The effects of a project on noise are considered to be significant if the proposed project would result in:

- a. *Exposure of persons to, or generation of, noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies;*
- b. *Exposure of persons to, or generation of, excessive groundborne vibration or groundborne noise levels;*
- c. *A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project; or,*
- d. *A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project.*

Noise generally is defined as loud, unpleasant, unexpected, or undesired sound that is typically associated with human activity and that interferes with or disrupts normal activities. The human environment is characterized by a certain consistent noise level which varies by location and is termed ambient noise. The City's General Plan Noise Element contains policies which outline acceptable noise levels associated with each type of land use. A 60 dBA CNEL exposure is considered normally acceptable for exterior residential land uses and 45 dBA CNEL for interior levels based upon the assumption that any buildings involved are of normal conventional construction, without any special noise insulation requirements. The City requires that noise levels be presented in terms of Community Noise Equivalent Level (CNEL). CNEL is a weighted sound level during a 24-hour period, after the addition of 5 decibels (dB) to average sound levels at evening hours (7 PM to 10 PM) and 10dB to the average night hours (10 PM to 7AM), is applied to account for noise sensitivity during evening and nighttime hours.

The project site is not located adjacent to a projected 1990 noise contour of 60 dB or greater. Therefore exterior noise measures would not be required for the proposed project. General Plan Noise Policy E1.2 states the

following: In accordance with Table IV-2, the goal for outdoor noise levels in residential areas is a CNEL of 60 dB or less. However, a CNEL of 60 dB or less is a goal that may not necessarily be achievable in all residential areas within the realm of economic or aesthetic feasibility. This goal should be applied where outdoor use is a major consideration (e.g., schools, churches and recreation areas). The three backyard areas on the subject site would be shielded from the adjacent roadway noise on Bernardo Avenue by the existing topography, setbacks and proposed buildings. Interior areas would be constructed with noise attenuation features to conform to General Plan policies.

### **Construction Noise**

Noise impacts from construction are a function of the noise generated by the construction equipment, the location and sensitivity of nearby land uses, and the timing and duration of the noise-generating activities. Noise levels within and adjacent to the specific construction sites would increase during the construction period. Construction would not cause long-term impacts since it would be temporary and daily construction activities would be limited by the City's Noise Ordinance (Sections 17-234 and 17-238) to hours of less noise sensitivity. Upon completion of the project, all construction noise would cease. No pile driving or explosives blasting is anticipated as a result of the project and, thus, no significant vibrations or groundborne noise would be associated with construction of the proposed project. However, any blasting would be performed in conformance with City of Escondido regulations.

### **Operational Noise**

Development of the project would incrementally increase noise levels within the immediate area. Noise from operation of the proposed project would result from grading and other construction activities on a temporary basis. However, operation of the proposed use would not introduce any new or unusual noise sources that would significantly impact existing uses adjacent to the project site since appropriate setbacks would be provided in accordance with General Plan densities and the Rural Estate zoning for 1-acre lots. A slight increase in vehicle trips along the area roadways would incrementally add to the noise level. However, these trips would be disbursed throughout the day and the incremental increase would not be considered significant nor require any mitigation.

- e. *For a project located within an airport land-use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, significant impact would occur if the project exposed people residing or working in the project area to excessive noise levels; or,*
- f. *For a project within the vicinity of a private airstrip, if the project exposed people residing or working in the project area to excessive noise levels.*

No private or public airstrips are located within 2 miles of the proposed project site; thus, people residing or working in the project area would not be exposed to excessive noise levels due to airport operations.

## **XII. POPULATION AND HOUSING**

### **Significance Criteria and Impact Analysis**

The effects of a project on population and housing are considered to be significant if the proposed project would:

- a. *Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?*



- b. *Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?*
- c. *Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?*

Population within the surrounding area and city would incrementally increase as a result of this project. However, the density of this development would be in conformance with the General Plan's land-use designation of Estate I. The site is considered an "infill" project site is located within a developed area of the city and adjacent to similar development and densities and intensities. Therefore, the proposed development of the two vacant lots would not significantly alter the location, distribution or population density within the area, nor would it adversely impact the City's housing demand. Development as prescribed by the "tier system" is intended to avoid leapfrog development, protect and preserve the City's amenities, and guide growth in a generally outward direction from the existing urbanized core. The project site and surrounding areas are designated Tier 2A/Felicita neighborhoods, and are described as planned and zoned for RE-40.

The site does not contain any existing housing or rental units that would be displaced. The proposed project would add two (2) units to the existing housing stock and would not create a demand for additional housing. The project would not be considered growth inducing since the project site is within an existing residential area and adequate public facilities are available within the area to serve the project.

### **XIII. PUBLIC SERVICES**

#### **Significance Criteria and Impact Analysis**

The effects of a project on public services are considered to be significant if the proposed project would:

- a. *Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:*
  - i. *Fire protection*

The City Fire Department has indicated their ability to adequately serve the proposed project. The area currently is served by Fire Station No 5, located at 2317 Felicita Road.

The county parcels are within the Rincon Del Diablo Municipal Water District (MWD) Fire Department (Improvement District "E"). The subject county parcels would detach from the MWD and annex into the City Fire District. Since by agreement the City of Escondido already provides fire protection services to residents within this area of Improvement District "E," there would effectively be no change in service. Detachment from County Communications District # 135 would also occur. Water service is provided by Rincon Water and would continue to receive service from Rincon after annexation.

- ii. *Police protection*

The County parcels currently are served by the County Sheriff's Department. Upon annexation, the parcels and future homes would be served by the City of Escondido Police Department. Development of the site would result in an incremental increase in demand for Police Services. However, the Escondido Police Department indicated their ability to adequately serve the proposed project and no significant impacts to police services are

anticipated.

*iii. Schools*

The site is within the Escondido Union School District and the Escondido Union High School District. Students would likely attend Bernardo Elementary, Bear Valley Middle School and San Pasqual High School. School District boundaries are determined by the school districts. Development of the project would result in additional elementary and high school students. The Escondido Elementary School District and Escondido High School District have indicated with past projects that due to the continuing growth throughout the area, they are unable to meet the Quality-of-Life Standards approved within the City of Escondido's General Plan without mitigation of student housing needs generated by new development. However, the incremental impact of the proposed project on the school system would be offset by the future impact fees collected upon issuance of building permits. These fees are set by the school district. The City's Growth Management provisions require a will-serve letter from the school district prior to issuance of building permits.

*iv. Parks*

The project would result in an incremental increase in demand on the City's recreational facilities; the site would not contain its own recreational amenities. However, the development fees paid by this project would offset any potential impact on the existing facilities. The project would not affect existing recreational opportunities since the site currently is not used for recreational activities and is not listed as a potential park site in the City's Master Plan of Parks, Trails and Open Space. Therefore, no significant impact to recreational resources would occur as a result of the project.

*v. Libraries*

The project would not result in substantial adverse physical impacts associated with the provision of new or physically altered library facilities or staff. The project would not result in a significant increase in demand on library services, or the development of additional library spaces, books or other related items since it is a public facility.

*vi. Gas/Electric*

SDG&E would provide gas and electric facilities to the project. The project would not result in substantial adverse physical impacts associated with the provision of new or physically altered SDG&E facilities.

#### **XIV. UTILITIES AND SERVICE SYSTEMS**

##### **Significance Criteria and Impact Analysis**

The effects of a project on utilities and service systems are considered to be significant if the proposed project would:

- a. *exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board;*
- b. *require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects;*

- c. *require, or result in, the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects;*
- d. *have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed;*
- e. *result in a determination by the wastewater treatment provider which serves, or may serve, the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments;*
- f. *be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs;*
- g. *comply with federal, state, and local statutes and regulations related to solid waste;*

Solid Waste – Escondido Disposal, Inc. (EDI) currently provides solid waste removal service for the Escondido area. EDI also operates a solid waste transfer station at their Washington Avenue site where solid waste is consolidated into larger transfer trucks and taken to a class III landfill for disposal. Solid waste pick-up will be available for the project by EDI for all phases of project implementation, including from construction to residential curbside collection.

Sewer Service – Escondido's wastewater treatment plant, located on Hale Avenue, has the capacity to handle the potential increase in demand for service generated by the project. The anticipated increase would be relatively small and would have an insignificant impact to the existing facilities. The project also complies with established General Plan Quality-of-Life Standards for Sewer Service. Sewer service could be provided by the extension of mains within the adjoining street system or easements to the two lots along Bernardo. The lot addressed off Vereda Callada is already connected to City sewer. It was granted an emergency Out of Agency Sewer Service Agreement in 2010 by San Diego LAFCO.

Water Service – Water service for the project would be provided by Rincon Water. The applicant has entered into an agreement with the Water District to provide water service to the project.

Drainage Facilities – See analysis contained within Water Section No. IX.

## **MANDATORY FINDINGS OF SIGNIFICANCE**

Potential impacts to the environment as a result of this project are in the areas of Biological Resources. With the implementation of the mitigation measures and conditions of approval, the project is not expected to have any significant impacts, nor will it cause substantial adverse effects on human beings, either directly or indirectly. The project will not degrade the quality of the environment for plant or animal communities since the project will not cause fish and wildlife populations to drop below self-sustaining levels nor reduce the number or restrict the range of endangered plants or animals. The project will not materially degrade levels of service of the adjacent streets, intersection or utilities. Therefore, in staff's opinion, the proposed project would not have a significant individual or cumulative impact to the environment.



CITY OF ESCONDIDO  
 PLANNING DIVISION  
 201 NORTH BROADWAY  
 ESCONDIDO, CA 92025-2798  
 (760) 839-4671

**ATTACHMENT "A"**  
**MITIGATION MONITORING REPORT**  
**CASE NO.: ENV11-0002**  
**RELATED CASES: PHG09-0021 and PHG09-0022**

**PROJECT NAME:** Bernardo-Young Annexation  
**PROJECT LOCATION:** South Bernardo Avenue and Vereda Callada  
**PROJECT DESCRIPTION:** Pre-zone and Annexation of 3 unincorporated lots totaling 3.42 acres.  
**APPROVAL BODY/DATE:** City Council, August 10, 2011  
**PROJECT MANAGER:** Jorge Palacios, JP Engineering, 858-569-7377  
**CONTACT PERSON:** Paul Bingham, Assistant Planner II, 760-839-4306

Phase at which the Mitigation Measures are to be implemented

NATURE OF IMPACT	MITIGATION MEASURE	IDENTIFICATION NO. LOCATION IN DOC.	RESPONSIBILITY FOR IMPLEMENTING	CERTIFIED INITIAL/DATE	COMMENTS
<b>PRIOR TO APPROVAL OF GRADING, BUILDING AND LANDSCAPE PLANS</b> Project will necessitate the removal of, or changing the established grade around some existing Coast Live Oak trees and/or their hybrids.	The applicant must submit grading plans and landscaping plans demonstrating: (1) by the use of retaining walls or other devices that no grade changes will occur around any remaining Coastal Live Oak and Mesa Oak trees within 1 foot of their driplines; (2) that no drainage courses will be diverted into or away from those dripline protected zones; and, (3) that replacement oak trees will be planted of sufficient size and on a 1:1 or 2:1 ratio for all such trees lost to grading to the satisfaction of the Director of Community Development and according to Article 55.	IV. (a & e) Biological Resources	Applicant		
<b>PRIOR TO CERTIFICATE OF OCCUPANCY</b> Have the potential to degrade the quality of the environment by reducing the number of a rare or endangered plant.	The replacement trees (see above) are to be planted with temporary irrigation installed to the satisfaction of the Director of Community Development.	XVII. (a) Mandatory Findings of Significance	Applicant		

## **Materials Use in Preparation of this Analysis**

1. Escondido General Plan and Environmental Impact Report
2. Escondido General Plan Update and Environmental Impact Report, 2000
3. Escondido Zoning Code and Land Use Maps
4. SANDAG Summary of Trip Generation Rates
5. Escondido Historic Sites Survey
6. City of Escondido
  - a. Public Works Department
  - b. Engineering Division
  - c. Traffic Division
  - d. Building Division
  - e. Fire Department
  - f. Police Department
  - g. Planning Division
7. FIRM maps (Flood Insurance Rate Maps)
8. Draft MHCP maps (Multiple Habitat Conservation Program)
9. USGS Map for San Diego (Escondido) area
10. County of San Diego Department of Environmental Health (DEH), Hazardous Material Management Division (HMMD) Hazardous Sites List
11. Biological analysis prepared by Pacific Southwest Biological Services, Inc., dated July 13, 2010 and addendums dated November 10, 2010, December 23, 2010 and February 17, 2011.
12. Cultural Study prepared by Brian F. Smith & Associates, Inc., dated July 23, 2010
13. Recommendations by the Association of Environmental Professionals (AEP) on How to Analyze Greenhouse Gas Emissions and Global Climate Change in CEQA Documents (Comment Draft, March 5, 2007).
14. Escondido Drainage Master Plan (1995)



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## ACKNOWLEDGEMENT OF ENFORCEABLE COMMITMENT

Case No.: ENV11-0002

The items listed on the attached Mitigation Monitoring Program constitute an enforceable commitment in conformance with Section 21081.6(b) of the California Environmental Quality Act (Public Resources Code Sections 21000-21178). The applicant shall be required to provide, and comply with, all of the mitigation measures listed herein. These mitigation measures also have been included as conditions of the project approval.

05-23-11	LEROY YOUNG JR.	
Date	Applicant's Name (printed)	Applicant's Signature

RESOLUTION NO. 2013-75

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, DENYING A REQUEST TO MODIFY THE CONDITIONS OF APPROVAL FOR AN ANNEXATION RELATED TO THE TIMING OF IMPROVEMENTS TO VEREDA CALLADA, A SUBSTANDARD COUNTY ROAD THAT IS PART OF THE BERNARDO/YOUNG ANNEXATION

Planning Case No. PHG13-0009

WHEREAS, the City Council on November 9, 2011, considered a proposed annexation and prezone at a noticed public hearing and conditionally approved the jurisdictional reorganization consisting of an annexation to the City of Escondido and rezoning to PZ-RE-40 (Residential Estates, 40,000 SF minimum lot size) for three residential properties and an adjacent segment of Bernardo Avenue totaling 3.891 acres located at the southeast corner of Bernardo Avenue and Vereda Callada, more particularly described in Exhibit "B" and depicted in Exhibit "C", both of which are attached to this resolution and incorporated by this reference; and

WHEREAS, the City Council approved the annexation and prezone with conditions addressing the timing of improvements for Vereda Callada if inclusion of the road was required by the San Diego Local Area Formation Commission (LAFCO) as part of the reorganization; and

WHEREAS, on September 17, 2012, LAFCO approved the reorganization with the additional condition that a segment of Vereda Callada roadway be included; and

WHEREAS, the applicant is requesting that the City's condition requiring necessary improvements to Vereda Callada be deferred until such time as the vacant lots included in the Bernardo/Young annexation are developed; and



WHEREAS, the following determinations were made:

1. That a notice was published and mailed as required by the Escondido Zoning Code and applicable State law.

2. That the application was assessed in conformance with the California Environmental Quality Act and that a Mitigated Negative Declaration was issued on May 19, 2011, City Log No. ENV11-0002.

3. That a staff report was presented discussing the issues in the matter.

4. That a public hearing was held and that all persons desiring to speak did so.

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

1. That the above recitations are true.

2. That the Findings of Facts, attached as Exhibit "A" to this resolution and is incorporated by this reference, were made by said Council.

3. That considering the Findings and applicable law, the City Council hereby denies the applicant's request to modify the previously approved Conditions of Approval.

BE IT FURTHER RESOLVED that, pursuant to Government Code Section 66020(d)(1):

1. NOTICE IS HEREBY GIVEN that the project is subject to certain fees described in the City of Escondido's Development Fee Inventory on file in both the Community Development Department and Public Works Department. The project is also subject to dedications, reservations, and exactions, as specified in the Conditions

of Approval.

2. NOTICE IS FURTHER GIVEN that the 90-day period during which to protest the imposition of any fee, dedication, reservation, or other exaction described in this resolution begins on the effective date of this resolution and any such protest must be in a manner that complies with Section 66020.

**EXHIBIT "A"**

**FINDINGS OF FACT/ FACTORS TO BE CONSIDERED  
PHG 13-0009**

Modification to the Annexation

1. Granting this request to modify the original Annexation's Conditions of Approval to defer the necessary improvements to Vereda Callada, a substandard County road that LAFCO is requiring the City of Escondido to accept, would not be consistent with sound land use principles since a roadway not meeting City Standards would be brought into the City's jurisdiction. The substandard conditions of the roadway and its inherent liabilities would then remain the City's responsibility until such time as the two vacant lots included in the annexation are developed.
2. Accepting the applicant's modification request would directly conflict with the Financial Stability category of the City Council's Action Plan's "Focus on Core Services" goal, since the inclusion of Vereda Callada in the City's jurisdictional boundary would not reduce the annual pothole/edge repair work required of in-house forces.
3. The proposed deferral of roadway improvements will conflict with potential future development plans for the other neighboring County properties along Vereda Callada, since the impact and extent of needed improvements to Vereda Callada will not be known until such time as the two vacant lots included in the annexation are developed.
4. CEQA clearance has not been completed for the annexation and improvement of the segment of Vereda Callada. Preliminary design of the proposed improvement is needed to conduct the appropriate CEQA analysis. Completion of an annexation that includes deferral of anticipated improvements to a public road without CEQA analysis would bifurcate the project and be inconsistent with CEQA.

EXHIBIT "B"  
LEGAL DESCRIPTION  
PHG 13-0009

GEOGRAPHIC DESCRIPTION

ALL THAT CERTAIN REAL PROPERTY, SITUATED IN A PORTION OF BLOCK 22 OF HOMELAND ACRES ADDITION TO ESCONDIDO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1205, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, AUGUST 13, 1909, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION POINT OF THE WESTERLY LINE OF BERNARDO AVENUE 40 FEET WIDE AS SHOWN ON SAID MAP NO. 1205 AND THE WESTERLY EXTENSION OF THE SOUTHERLY LINE OF VEREDA CALLADA 30 FEET WIDE, SAID POINT ALSO BEING A POINT ON THE EASTERLY BOUNDARY OF THE CITY OF ESCONDIDO AS ESTABLISHED BY THEIR RESOLUTION NO. 89-019, ADOPTED FEBRUARY 10, 1989, BY SAID CITY, SAID POINT ALSO BEING THE TRUE POINT OF BEGINNING;

THENCE, LEAVING SAID WESTERLY BERNARDO AVENUE RIGHT OF WAY AND SAID CITY BOUNDARY, ALONG THE WESTERLY EXTENSION OF SAID SOUTHERLY LINE, (1) SOUTH 77°48'00" EAST 40.00 FEET TO A POINT ON THE INTERSECTION OF THE EASTERLY BERNARDO AVENUE RIGHT OF WAY AND THE SOUTHERLY VEREDA CALLADA RIGHT OF WAY;

THENCE, LEAVING SAID EASTERLY BERNARDO AVENUE RIGHT OF WAY, ALONG SAID SOUTHERLY VEREDA CALLADA RIGHT OF WAY, (2) SOUTH 77°48'00" EAST 453.54 FEET;

THENCE, LEAVING SAID SOUTHERLY RIGHT OF WAY, (3) SOUTH 12°18'30" WEST 233.00 FEET;

THENCE, (4) NORTH 77°48'00" WEST 238.35 FEET;

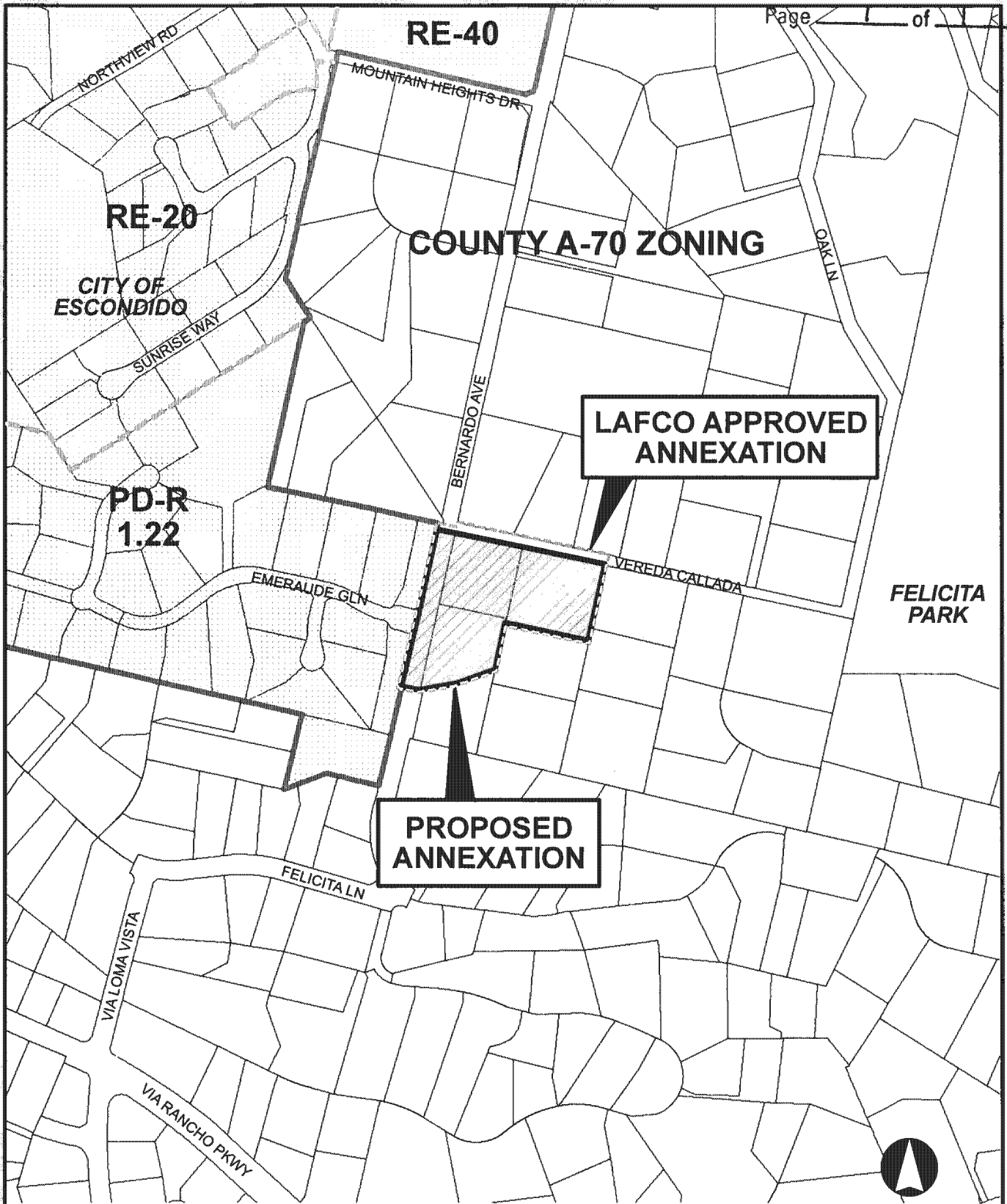
THENCE, (5) SOUTH 12°18'30" WEST 145.00 FEET;

THENCE, (6) SOUTH 70°21'36" WEST 124.73 FEET;

THENCE, (7) SOUTH 79°09'09" WEST 118.00 FEET, TO A POINT ON THE EASTERLY RIGHT OF WAY OF SAID BERNARDO AVENUE;

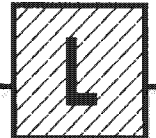
THENCE, (9) NORTH 77°47'30" WEST 40.00 FEET, TO A POINT ON SAID CITY BOUNDARY, WITHIN THE RIGHT OF WAY OF SAID BERNARDO AVENUE;

THENCE, (10) NORTH 12°12'30" EAST 489.99 FEET, ALONG SAID CITY BOUNDARY TO THE TRUE POINT OF BEGINNING AND CONTAINING 3.891 ACRES OF LAND MORE OR LESS.



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**PROPOSED ANNEXATION  
PHG 09-0021**



LOCATION/ZONING

**CITY COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

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

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

**Agenda Item No.:** 19

**Date:** June 26, 2013

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Diane Halverson, City Clerk  
**SUBJECT:** Designation of Voting Delegate – League of California Cities Conference

RECOMMENDATION:

It is requested that Council designate a voting delegate, and up to two alternates, to represent the City of Escondido at the business meeting to be held during the League of California Cities Annual Conference, September 18-20, 2013 in Sacramento.

FISCAL ANALYSIS:

Costs to attend the conference are included in the City Council's Training/Meeting budget.

BACKGROUND:

At the League of California Cities Annual Conference, the membership considers and takes action on resolutions that establish League policy. Each member city has a right to cast one vote on matters pertaining to the League's policies if their Council has taken action to designate a voting delegate prior to August 23, 2013. Should the designated delegate be unable to serve, we may also appoint up to two alternate voting delegates.

Respectfully submitted,



Diane Halverson  
City Clerk



# CITY COUNCIL

For City Clerk's Use:

APPROVED  DENIED

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

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

Agenda Item No.: 20

Date: June 26, 2013

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

**FROM:** Joyce Masterson, Director of Economic Development and Community Relations

**SUBJECT:** Preliminary City Council Action Plan – Economic Development

RECOMMENDATION:

It is requested that Council provide direction to staff on the proposed content of the Economic Development Element of the 2013-2014 City Council Action Plan.

FISCAL ANALYSIS:

None

PREVIOUS ACTION:

The City Council held a workshop for the development of the 2013-2014 Council Action Plan on February 27, 2013.

BACKGROUND:

The City Council Action Plan represents the City Council's collective vision for Escondido's future and the key strategies that will be used to achieve it. It is developed biennially following a workshop where key policy goals are identified and discussed. At its February 27, 2013 workshop the City Council identified the following four key categories: Economic Development, Fiscal Management, Neighborhood Improvement and Public Safety. Staff will present a draft of each element of the Action Plan at four separate workshops. This will give Council adequate time to discuss each section and provide feedback. Following all four workshops, a final draft will be presented to Council for approval. After the Council Action Plan is adopted, the City Council will receive periodic updates of the progress being made.

The draft Economic Development element is attached to this document as Attachment 1. Items that directly relate to the Economic Development Master Plan/Comprehensive Economic Development Strategy (CEDS) have been so noted in the document.

Respectfully submitted,

Joyce Masterson  
Director of Economic Development and Community Relations

## 2013-2014 Council Action Plan Economic Development

Goal	Current Reality	Strategy	Evaluation Measure	Outcome
<p><b>Implement Comprehensive Economic Development Master Plan</b></p>	<p>As prescribed by the Master Plan, an Economic Development Task Force (EDTF) has been formed consisting of Community members and staff. This group is currently reviewing the any barriers or enhancements needed to make the new employment lands identified in the General Plan available for development, keeping in mind those which best can accommodate the plan's focus on healthcare and clean tech.</p>	<ol style="list-style-type: none"> <li>1. Convene EDTF to identify specific industry attraction targets and goals for two and five-year horizons. (CEDDS 4a)</li> <li>2. Develop industry-specific marketing materials and campaigns for the initial "focus targets" identified by the EDTF in conjunction with the City's identity and image enhancement program. (CEDDS 4b)</li> <li>3. Investigate implementation of formal Business Retention and Expansion survey process. Cost is anticipated at approximately \$10,000. CEDDS (5b)</li> <li>4. Provide funding in the amount of \$21,000 to hire a consultant to create a regional brand for the North County. Funding</li> </ol>	<ol style="list-style-type: none"> <li>1. Creation of list of targets and goals</li> <li>2. Creation of materials</li> <li>3. Completion of analysis</li> <li>4. Creation of Brand by consultant</li> </ol>	
<p><b>Integrate with regional economic development efforts</b></p>	<p>The Mayors, City Managers and Economic Development staffs of Carlsbad, Escondido, Oceanside, San Marcos and Vista have agreed to</p>			



	collaborate on a joint branding effort.	requested in FY 2013-2014 Budget		
<p><b>Prepare Business Park Land and infrastructure</b></p>	<p>The type of proposed development drives preparation requirements. Water, sewer, communications, soil remediation and traffic demands are driven by development type. Acquisition of private properties to be assembled for sale would require significant investment. An RFP for development of this land is not recommended until properties are assembled. However, refinement of the vision for City-owned properties is needed to guide decisions (lease or sell) and will set the frame-work for overall development of the Business Park.</p>	<p>5. Remove potential barriers to development including:  a. Fund removal of dilapidated building at 525 N. Quince. (Estimated cost is \$48,974)  b. Develop a Long Range Property Management Plan (LRPMP)  c. Implement LRPMP</p>	<p>5a. Completion of demolition  5b. Adoption of a Long Range Property Management Plan.  5c. LRPMP Implementation</p>	
<p><b>Leverage Partnerships with local Chambers of Commerce, Schools &amp; Universities, reators, Union developers, Union Tribune, SDNEDC,</b></p>	<p>City staff currently serve on the following chamber committees:  • SDNCC economic development and workforce development  • Escondido Chamber government relations and economic development</p>	<p>6. Schedule minimum of 2 editorial board meetings with UT annually  7. Establish Escondido brewers/vintners guild modeled after Vista example  8. Fold " Visit Escondido " Director into City Economic Development Division</p>	<p>6. Meetings held  7. Establishment of guild  8. Approval by Council</p>	

<p><b>Wineries, Visitor's Breweries, Bureau</b></p>	<p>City staff have well-established connections with:</p> <ul style="list-style-type: none"> <li>• Vista Brewers' Guild</li> <li>• SDNEDC</li> <li>• Escondido wineries via Grape Day 2012 event</li> <li>• City Manager meets regularly with school district</li> <li>• City hosted brokers' breakfast in 2012</li> </ul>	<p>9. Encourage industry specific business groups (i.e. craft beer, wineries, hotels, restaurants)</p>	<p>9. Formation of groups</p>	
<p><b>Attract a Hotel</b></p>	<p>In 2003 the City issued an RFP for a downtown hotel. The developer selected has been unable to secure financing for the project. Since ten years have lapsed it is appropriate to solicit new proposals for a quality hotel in Escondido, including areas outside of downtown.</p>	<p>10. Develop an RFP for a hotel</p>	<p>10. Selection of developer</p>	
<p><b>Establish a pro-active annexation Policy for the commercial areas identified in the General Plan Update</b></p>	<p>LAFCO requires a development plan to accompany an annexation application. This requirement could be modified by the San Diego LAFCO Board leadership to facilitate certain annexations. General Plan Policies have been updated focused on a pro-active approach toward annexing land that addresses</p>	<p>11. Request the Mayor, as a member of the San Diego LAFCO, to work with the Board and LAFCO staff to modify its policy which would facilitate annexation of commercial properties.</p>	<p>11. Modification of policy</p>	

Revised June 3, 2013

	<p>city goals. The City Annexation Guide has been updated and posted online at: <a href="http://www.escondido.org/Data/Sites/1/media/pdfs/Planning/AnnexationGuide.pdf">http://www.escondido.org/Data/Sites/1/media/pdfs/Planning/AnnexationGuide.pdf</a></p>			
<p><b>Enhance use of Technology and Innovation to improve efficiency, services and reduce costs</b></p>	<p>Virtual City Hall was recently completed to provide easy public access to information. Expedited processing is available.</p>	<p>12. Improve use of City's systems for tracking permit processing times. (CEDS 8d) This will also include customer complaints and special events permits.</p>	<p>12. Internal and external customer feedback</p>	<p>1. Code amendments where appropriate. 2. Implement process improvements</p>
<p><b>Make Escondido more competitive in the marketplace</b></p>	<p>Substantial work has taken place to accomplish this goal including creation of the Economic Development Director position to increase focus in this area; expedited permit delivery is available upon request; and the development process has been streamlined by combining Design Review Board and Planning Commission. Interdepartmental meetings are held weekly to coordinate, proactively identify and resolve issues early in the development process.</p>	<p>13. Raise the project-size threshold for triggering CEQA requirements, subject to City's discretionary authority (CEDS 8b.) 14. Continue to identify process improvements to further streamline the development review process. 15. Formalize City "red team" (Staff Development Committee) to ensure timely development processing, building on the structure of the existing interdepartmental team (CEDS 8c.) 16. Prepare appropriate zoning ordinances for Planned Office, R-5-30, Mixed Use Overlay Standards, Parking, etc. reflecting recent General Plan Update land use changes</p>	<p>13. Adoption 14. Completion 15. Completion 16. Adoption</p>	

	<p>The current focus of the Economic Development Subcommittee has primarily been only to review requests for expedited processing, rather than to update committee members on broader economic development matters.</p>	<p>17. Assign the Economic Development Director as the staff liaison to the Economic Development Subcommittee, and hold quarterly meetings to update subcommittee on economic development topics. Special meetings of the subcommittee will still be held as needed to review requests for expedited processing.</p>	<p>17. Customer feedback Establishment of quarterly regular meetings.</p>	
<p><b>Turn Escondido into an Education Hub</b></p>	<p>27.9% of Escondido residents over the age of 25 do not have even a high school diploma.</p> <p>Interest in improving educational opportunities is increasing as evidenced by the construction of the new public High School Del Lago Academy, the expansion of Classical Academy and Charter High School, the remodel of Palomar College and the relocation of John Paul the Great University to Grand Avenue.</p>	<p>18. Establish an Educational Task Force. (CEDS 16a) 19. Draft an Educational Enhancement operational plan, specifically focused on primary and secondary schools, but eventually addressing higher education with in the City. The plan will be developed and continually refined in concert with education, school administrators and other stakeholders. (CEDS 16b) 20. Hold a special meeting of the City Council and Boards of Education of local public school districts and charter schools to discuss how the City can assist them.</p>	<p>18. Creation of Task Force 19. Develop plan 20. Conduct meeting</p>	

<p><b>Carryovers from previous Council Action Plan</b></p>	<p>Review of the Public Art Fee and Commission in 2011-1023 Action Plan was not completed due to work load of staff associated with AMGEN race.</p> <p>The scheduling of a Fire Prevention Staff member at City Hall one day a week for plan checks had been delayed due to staffing levels. However, based on customer feedback, this service enhancement is no longer needed. Staff recommends removing this item from the Action Plan.</p>	<p>21. Determine the appropriateness of retaining, reducing or eliminating the current Public Art Fee and the Public Art Commission</p>	<p>21. Customer Feedback</p>	
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# CITY COUNCIL

For City Clerk's Use:

**APPROVED**       **DENIED**

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

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

**Agenda Item No.: 21**

**Date: June 26, 2013**

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

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

**SUBJECT:** Workshop Concerning Policies for Upgrading Downtown Water and Wastewater Utilities Infrastructure

**RECOMMENDATION:**

The Utilities Department requests that the City Council receive and file the presentation and make no changes to the policies governing upgrades (i.e., capacity increases) to downtown water and wastewater infrastructure. These policies presently require that costs for such upgrades are borne by the first development project benefitting from the upgrade with the potential for reimbursement from future projects benefitting from the same upgrade.

**FISCAL ANALYSIS:**

No fiscal impacts are anticipated in FY 2014. If Council accepts the Staff Recommendation, there will be no additional fiscal impact. If Council chooses other options in the Staff Presentation, there will be additional, but as yet not well defined, CIP costs on the order of \$20 million over the next five years.

**PREVIOUS ACTION:**

None.

**BACKGROUND:**

The focus of the presentation is the water and wastewater infrastructure in the Downtown Specific Plan Area (SPA).

**Wastewater Collection System Summary in the Downtown SPA:** The backbone of the wastewater collection system in this area is a pipeline running along Escondido Creek comprised of 24"-to-42" pipe made of various materials (vitrified clay or VCP, ductile iron or DIP, and polyvinyl chloride or PVC). Sections of this backbone were installed in the early 1980's. Smaller 6"-to-15" VCP's installed in the late 1950's are in the alleys parallel to and immediately north and south of Grand Avenue. The remainder of the SPA is served by 6"-12" pipe, predominantly VCP and concrete installed between 1928 and 1960. There are several sections as new as 2008 that were installed as

older pipe reached the end of its life-cycle. The Collection System Master Plan study (presented to Council in March 2013) found no capacity issues in the SPA, nor recommended any projects other than projects under the Utility's ongoing repair and replacement capital improvement program (CIP). Capacity issues that could impact the Downtown SPA may exist downstream along Hale Avenue near the HARRF. Based upon SANDAG's population projections, these capacity issues are not expected to occur for approximately 20 years. As with any population projection, however, there is a measure of uncertainty.

**Water Distribution System Summary in the Downtown SPA:** The backbone of the water distribution system in the Downtown SPA is a pipeline running along Valley Parkway comprised of 30"-to-36" cement lined steel pipe installed in the early 1980's. Two parallel concrete pipes – one 10" pipe installed in 1952 and one 16" pipe installed in 1981 – run along Broadway south of Valley Parkway. The remainder of this SPA is served by pipes of various sizes (generally 8" or 12" pipe) installed between 1938 and 1982. As with the Wastewater Plan, the Water Distribution System Master Plan study found no capacity issues in the SPA, nor recommended any projects other than projects under the Utility's ongoing repair CIP.

Given the broad range of ages in both systems, system maintenance and Utilities engineering staff closely monitor the condition of these pipelines (and pipelines throughout the City). The aforementioned repair and replacement CIP presently includes an annual allocation for pipe rehabilitation or replacement as necessary.

**Policy Concerning Upgrades to Utility Infrastructure:** Presently, capacity upgrades to either system (water and wastewater) are made as part of an approved development agreement between the City and a developer for both commercial and residential developments. Costs associated with upgrades are paid by the developer. Some projects might benefit ratepayers at-large; for instance, an aging tank in need of replacement could also require increased capacity post-development. In these cases, the Department negotiates with developers to appropriately share the cost. Reimbursement agreements, in which the first development project benefitting from the upgrade is reimbursed by future projects benefitting from the same upgrade, are also negotiated. However, the first developer (not the City) pays the up-front cost of the upgrade. These policies are fairly common in the development industry and insure that system users most-directly benefitting from an upgrade are responsible for the costs, in keeping with the requirements of Proposition 218. Staff recommends retaining these policies for system upgrades required for development.

**Other Options for Allocating Utilities Infrastructure Development Costs:** Two other options have been considered by Utilities Staff.

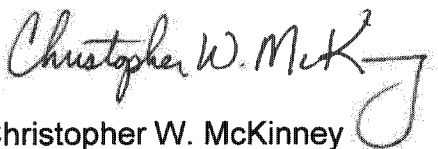
First, staff considered the option of upgrading water infrastructure as part of the Department's CIP in an effort to encourage redevelopment by reducing the cost to developers, colloquially referred to as "Build It and They Will Come." *Staff recommends against this option because it places ratepayer assets at risk and increases operational cost and risk.* There are several regional examples of stranded utilities infrastructure built under the assumption of new development

that did not materialize. Increasing system capacity without demand to fill that capacity presents operational, maintenance, and water quality challenges. In the water distribution system, potable water quality is potentially compromised because low demand results in low flow velocity that prevents delivery of water with a consistent chlorine concentration (the so-called “residual”) at the point of delivery. In the wastewater system, low flow can result in deposition of solids requiring more frequent maintenance. Low flow also causes septic wastewater that produces higher concentrations of odor causing gases that accelerate pipe corrosion and reduce the pipe lifetime by as much as 90%. Additionally, expansion projects that are funded to induce growth are usually not eligible for low-cost funding sources, such as State Revolving Fund (SRF) loans. The cost of such projects would therefore increase.

Second, staff considered an intermediate option between the recommended option and the option described in the previous paragraph. That is, an option similar to reimbursement agreements with the Department funding the initial project and receiving reimbursement from the developers. This policy would reduce the risks associated with building capacity without demand, though it does not eliminate them, but this risk is inherent to reimbursement agreements and has been overcome in the past with diligent phasing of projects. However, this option still places ratepayer assets at risk and would increase the amount allocated to pipe construction. This increase would add further upward pressure on utility rates that are already rising very quickly. *Therefore, staff also recommends against this option.*

**Water System Capacity Issues Related to Fire Flow:** Utilities engineering staff have worked with developers in recent years to insure that development is not hindered by inadequate water capacity to serve fire protection requirements. In the Downtown SPA, staff - in one particular case - worked with a developer to identify multiply fire hydrants on different water mains to achieve adequate fire protection flow. While this development ultimately did not move forward, the fire flow issues were resolved and were not the reason that the project was abandoned.

Respectfully submitted,



Christopher W. McKinney  
Director of Utilities



**FUTURE CITY COUNCIL AGENDA ITEMS**  
**June 20, 2013**

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

**JULY 3, 2013**  
**NO MEETING (Independence Day)**

**JULY 10, 2013**  
**NO MEETING (Summer Break)**