



Council Meeting Agenda

DECEMBER 20, 2017
CITY COUNCIL CHAMBERS
3:30 P.M. Closed Session; 4:30 P.M. Regular Session
201 N. Broadway, Escondido, CA 92025

MAYOR	Sam Abed
DEPUTY MAYOR	John Masson
COUNCIL MEMBERS	Olga Diaz Ed Gallo Michael Morasco
CITY MANAGER	Jeffrey Epp
CITY CLERK	Diane Halverson
CITY ATTORNEY	Michael McGuinness
DIRECTOR OF COMMUNITY DEVELOPMENT	Bill Martin
DIRECTOR OF ENGINEERING SERVICES	Julie Procopio

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

**December 20, 2017
3:30 P.M. Meeting**

Escondido City Council

CALL TO ORDER

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

ORAL COMMUNICATIONS

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

CLOSED SESSION: (COUNCIL/SUCCESSOR AGENCY/RRB)

- I. CONFERENCE WITH LABOR NEGOTIATOR (Government Code §54957.6)**
- a. **Agency Negotiator:** Sheryl Bennett and Jeffrey Epp
Employee Organization: Escondido Firefighters' Association
 - b. **Agency Negotiator:** Sheryl Bennett and Jeffrey Epp
Employee Organization: Escondido Police Officers' Association
- II. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code §54956.8)**
- a. **Property:** 2245-2261 East Valley Parkway, APN 231-092-30
City Negotiator: Jeffrey Epp, City Manager
Negotiating Parties: American Heritage Charter Schools
Under Negotiation: Terms of Agreement
 - b. **Property:** 700 West Grand Avenue, APN 232-100-16
City Negotiator: Jeffrey Epp, City Manager
Negotiating Parties: Integral Communities
Under Negotiation: Price and Terms of Agreement
 - c. **Property:** 16625 Sun Energy Road, APNs 189-060-42 and 189-040-44
City Negotiator: Jeffrey Epp, City Manager
Negotiating Parties: Lianne C. Thompson Mueller and Harlan L. Thompson
Under Negotiation: Price and Terms of Agreement

- d. **Property:** 27509 North Lake Wohlford Road, APN 189-060-08
City Negotiator: Jeffrey Epp, City Manager
Negotiating Parties: San Pasqual Band of Diegueno Mission Indians of California
Under Negotiation: Price and Terms of Agreement

ADJOURNMENT



Council Meeting Agenda

**December 20, 2017
4:30 P.M. Meeting**

Escondido City Council

CALL TO ORDER

MOMENT OF REFLECTION:

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

FLAG SALUTE

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

ORAL COMMUNICATIONS

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

CONSENT CALENDAR

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

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

4. **[FINAL MAP, ESCONDIDO TRACT SUB 14-0018, LOCATED AT 2516 SOUTH ESCONDIDO BOULEVARD -](#)**

Request the City Council approve the Final Map for Tract SUB 14-0018, a single lot, 63-Unit Residential Condominium Subdivision located at 2516 South Escondido Boulevard.

Staff Recommendation: **Approval (Engineering Services Department: Julie Procopio)**

5. **[PURCHASE TWO \(2\) MEDIX AMBULANCES FROM HI-TECH EMERGENCY VEHICLES THROUGH SOUTHWEST AMBULANCE SALES OF KENNEDALE, TEXAS -](#)**

Request the City Council approve authorizing the Fleet Services Division to purchase two (2) Medix Ambulances from Hi-Tech Emergency Vehicles through Southwest Ambulance Sales in the amount of \$358,161.52 by utilizing a Cooperative Purchase Contract through the Houston-Galveston Area Council, Contract No. AM10-16.

Staff Recommendation: **Approval (Public Works Department: Joseph Goulart)**

RESOLUTION NO. 2017-155

6. **[BID AWARD FOR THE PURCHASE OF DEWATERING POLYMER FOR THE HALE AVENUE RESOURCE RECOVERY FACILITY -](#)**

Request the City Council approve accepting the lowest responsive bid from Polydyne, Inc. to purchase Dewatering Polymer by unit price for use in wastewater treatment processing at the HARFF and authorize the Deputy City Manager/Administrative Services to execute a Purchasing Contract with Polydyne, Inc., effective December 21, 2017 through June 30, 2019, with the option to renew the Contract on an annual fiscal year basis not to exceed five (5) consecutive fiscal years. The unit price bid is \$2.195 per Active Pound of Dewatering Polymer, with an estimated annual purchase quantity of 88,000 pounds.

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

RESOLUTION NO. 2017-158

7. **[ADOPTION OF CHANGES TO THE CITY OF ESCONDIDO FEE INVENTORY - ALARM BILLING AND REGISTRATION -](#)**

Request the City Council approve proposed changes to the City of Escondido Fee Inventory.

Staff Recommendation: **Approval (Fire Department: Rick Vogt)**

RESOLUTION NO. 2017-159

8. [ADOPTION OF AN ADDENDUM TO A MITIGATED NEGATIVE DECLARATION FOR THE SPRUCE STREET DRAINAGE IMPROVEMENT PROJECT \(ENV 15-0010\) -](#)

Request the City Council approve the adoption of an Addendum to an adopted Initial Study/Mitigated Negative Declaration prepared for the Spruce Street Drainage Improvement Project.

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

RESOLUTION NO. 2017-164

9. [POLICE OFFICERS' ASSOCIATION NON-SWORN BARGAINING UNIT SUCCESSOR MEMORANDUM OF UNDERSTANDING -](#)

Request the City Council approve executing a successor Police Officers' Association Non-Sworn Bargaining Unit contract.

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

RESOLUTION NO. 2017-165

10. [COMMUNITY SERVICES BUDGET AMENDMENT -](#)

Request the City Council approve modifying the General Fund Budget to delete the position of Director of Library and Community Services and add the position of Director of Communications and Community Services.

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

RESOLUTION NO. 2017-166

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.)

11. [AMENDMENT TO ARTICLE 40 \(HISTORICAL RESOURCES\) OF THE ESCONDIDO ZONING CODE \(AZ 17-0004\) -](#)

Approved on December 6, 2017 with a vote of 5/0

ORDINANCE NO. 2017-12 (Second Reading and Adoption)

12. [CITY COUNCIL MEMBER AND MAYOR COMPENSATION -](#)

Approved on December 6, 2017 with a vote of 3/2; Diaz and Gallo voting no

ORDINANCE NO. 2017-15R (Second Reading and Adoption)

PUBLIC HEARINGS

13. [TAX EQUITIES AND FISCAL RESPONSIBILITY ACT \(TEFRA\) HEARING FOR COBBLESTONE VILLAGE APARTMENTS -](#)

Request the City Council approve the issuance of revenue bonds by California Municipal Finance Authority, in an aggregate principal amount not to exceed \$10,000,000, to finance the acquisition, rehabilitation, improvement, and equipping of Cobblestone Village apartments at 360 E. Washington Avenue, Escondido, California.

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

RESOLUTION NO. 2017-162

14. ZONING CODE AMENDMENT AND CONDITIONAL USE PERMIT REGARDING INCUBATOR USES (AZ 17-0003 AND PHG 17-0009) -

Request the City Council approve amending the Escondido Zoning Code to allow incubator uses as a Conditional Use in the M-1 and M-2 zones; approve a Conditional Use Permit for a cryotherapy business as an incubator use in the M-1 zone; and adopt the environmental determination prepared for the zoning code update and the proposed Conditional Use Permit project.

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

A) RESOLUTION NO. 2017-156 B) ORDINANCE NO. 2017-16 (First Reading and Introduction)

15. ESCONDIDO'S PUBLIC FACILITIES FEE, PARK DEVELOPMENT FEE, TRAFFIC IMPACT FEE, AND DRAINAGE FACILITIES FEE -

Request the City Council approve adjusting Public Facilities, Park Development, Traffic Impact, and Drainage Facilities Development Impact Fees necessary to serve new development. A process creating an annual review of fees and adjustment using the method adopted by SANDAG is also included. **THIS ITEM WAS CONTINUED FROM DECEMBER 6, 2017.**

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

RESOLUTION NO. 2017-154RR

16. CERTIFICATION OF THE FINAL ENVIRONMENTAL IMPACT REPORT PREPARED FOR THE LAKE WOHLFORD DAM REPLACEMENT PROJECT (ENV 13-0005) -

Request the City Council approve the certification of a Final Environmental Impact Report, adoption of CEQA Findings, and a Statement of Overriding Considerations, and adoption of Mitigation Measures and a Mitigation Monitoring and Reporting Program for the Lake Wohlford Dam Replacement Project.

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

RESOLUTION NO. 2017-160

THIS ITEM HAS BEEN CONTINUED TO A DATE UNCERTAIN.

FUTURE AGENDA

17. FUTURE AGENDA -

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

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

COUNCIL MEMBERS' SUBCOMMITTEE REPORTS

CITY MANAGER'S WEEKLY ACTIVITY REPORT

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

- [WEEKLY ACTIVITY REPORT -](#)

ORAL COMMUNICATIONS

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ADJOURNMENT

UPCOMING MEETING SCHEDULE				
Date	Day	Time	Meeting Type	Location
December 27	-	-	No Meeting	-
January 3	-	-	No Meeting	-
January 10	Wednesday	3:30 & 4:30 P.M.	Regular Meeting	Council Chambers
January 17	-	-	No Meeting	-

TO ADDRESS THE COUNCIL

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

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

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

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

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

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

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

LIVE BROADCAST

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

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

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

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

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



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

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



AFFIDAVITS

OF

ITEM

POSTING



Consent Item No. 2

December 20, 2017

APPROVAL

OF

WARRANT REGISTER



Consent Item No. 3

December 20, 2017

APPROVAL

OF

MINUTES



CITY COUNCIL STAFF REPORT

Consent Item No. 4

December 20, 2017

File No. 0800-10

SUBJECT: Final Map, Escondido Tract SUB 14-0018, located at 2516 South Escondido Boulevard

DEPARTMENT: Engineering Services Department

RECOMMENDATION:

It is requested that the City Council approve the Final Map for Tract SUB 14-0018, a single lot, 63 Unit Residential Condominium Subdivision located at 2516 South Escondido Boulevard.

FISCAL ANALYSIS:

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

PREVIOUS ACTION:

This project was approved by the City Council as a 65-unit residential condominium subdivision on April 27, 2016, by Resolution No. 2016-50. A modified Precise Development Plan, that reduced the project to 63 units, was found in substantial conformance with the approved Tentative Map by the Planning Commission on February 14, 2017, by Resolution No. 6089.

BACKGROUND:

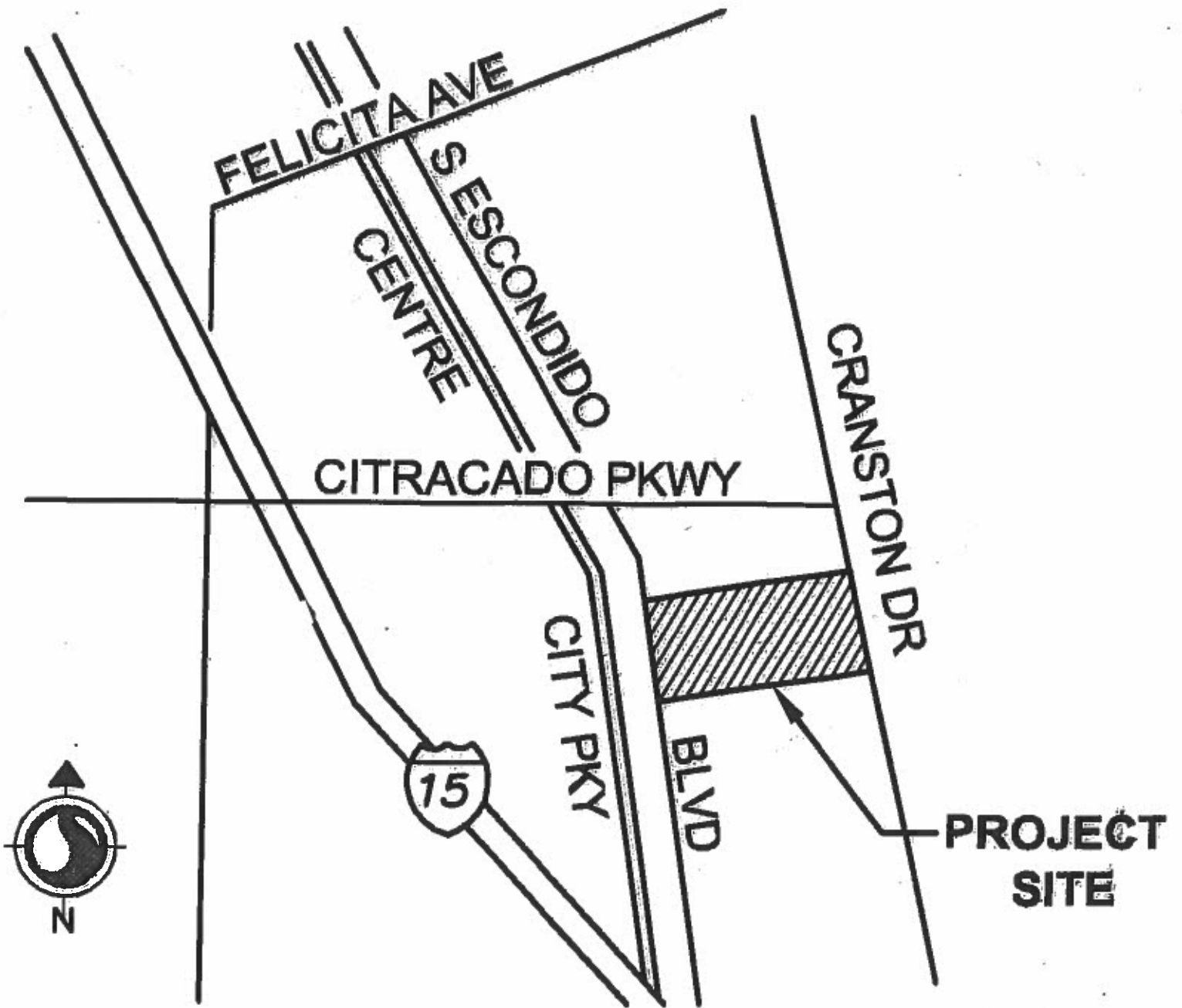
Staff has examined this Final Map and found it to be mathematically correct and in substantial conformance to the approved Tentative Map and Precise Development Plan, and is subject to the conditions of approval. This Final Map conforms to the provisions of the Subdivision Map Act and any local ordinances applicable at the time of approval. The Planning Department has reviewed and approved this Final Map.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Julie Procopio, Director of Engineering Services
12/13/2017 4:31 p.m.

ATTACHMENTS:

1. Attachment 1 - Site Location Map





CITY COUNCIL STAFF REPORT

Consent Item No. 5

December 20, 2017

File No. 0470-35

SUBJECT: Purchase Two Medix Ambulances from Hi-Tech Emergency Vehicles through Southwest Ambulance Sales of Kennedale, Texas

DEPARTMENT: Public Works Department, Fleet Services Division

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2017-155, authorizing the Fleet Services Division to purchase two Medix Ambulances from Hi-Tech Emergency Vehicles through Southwest Ambulance Sales in the amount of \$358,161.52 by utilizing a Cooperative Purchase Contract through the Houston-Galveston Area Council (HGAC), Contract No. AM10-16.

FISCAL ANALYSIS:

Sufficient funds are available in Fleet Services vehicle replacement operating budget for Fiscal Year 2018 in Account No. 5208-653-715.

BACKGROUND:

Two existing 2010 Lifeline Ambulances are being replaced due to excessive engine hours, mileage, increased downtime and costly repairs. Due to the type of service an ambulance provides, the hours of engine idle time, and the miles driven, these ambulances have exceeded their standard service life expectancy of seven years and are due for replacement. The current ambulances, Unit Number 3811 has 130,000 miles and Unit Number 3813 has 160,000 miles.

Upon approval from the City Council, two ambulances will be purchased from Hi-Tech Emergency Vehicles through Southwest Ambulance sales of Kennedale, Texas, utilizing a Cooperative Purchasing Contract through the HGAC, Contract No. AM10-16. As allowed per Chapter 10, Article 5, Section 10-90, of the City of Escondido's Municipal Code authorizing the purchase of supplies and equipment utilizing cooperative purchase programs.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY

Richard O'Donnell, Deputy Director of Public Works
12/13/2017 3:44 p.m.

ATTACHMENTS:

1. Resolution No. 2017-155
2. Resolution No. 2017-155 - Exhibit "A" – HGAC contract
3. Resolution No. 2017-155 - Exhibit "B" – List of vehicles being replaced

RESOLUTION NO. 2017-155

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR AND CITY CLERK, ON BEHALF OF THE CITY, TO AWARD THE AMBULANCE PURCHASE TO HI-TECH EMERGENCY VEHICLES, THROUGH SOUTHWEST AMBULANCE SALES OF KENNEDALE, TEXAS FOR THE PURCHASE OF TWO (2) 2018 MEDIX AMBULANCES AND TO APPROVE THE DISPOSAL OF THE SURPLUS VEHICLES VIA AUCTION

WHEREAS, the Fleet Services Division is replacing two (2) existing 2010 Lifeline Ambulances due to excessive engine hours, increased downtime, costly repairs, and exceeding their standard life expectancy of seven (7) years; and

WHEREAS, sufficient funds are available in the Fleet Services Vehicle Replacement Fund in account number 5208-653-715; and

WHEREAS, Medix Ambulances is the manufacturer of the ambulances; and

WHEREAS, the Houston-Galveston Area Council ("HGAC") conducted a competitive bid process for ambulances and Medix Inc. was deemed to be the lowest most responsive bidder; and

WHEREAS, the City of Escondido is a member of HGAC, member number 15-4548; and

WHEREAS, the City is utilizing a cooperative purchasing contract with HGAC, as per the Escondido Municipal Code Chapter 10, Article 5, Section 10-90, the City may

utilize a cooperative contract, which has been conducted in a competitive manner by the State, County or any other Public or Municipal Agency; and

WHEREAS, staff recommends purchasing two (2) Medix Ambulances from Southwest Ambulance Sales in the amount of \$ 358,161.52, which includes all taxes and related fees as shown in Exhibit "A," which is attached to this Resolution and is incorporated by this reference; and

WHEREAS, the vehicles being replaced by this purchase are deemed surplus property and are no longer required for public use; and

WHEREAS, the ambulances to be replaced are listed on Exhibit "B," which is attached to this Resolution and is incorporated by this reference; and

WHEREAS, the City Council desires at this time and deems it to be in the best Public interest to accept the recommendations of the Deputy City Manager/Administrative Services and approve the disposal of surplus vehicles via auction.

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

1. That the above recitations are true.
2. That the City Council is authorized to approve on behalf of the City, the Cooperative Purchase through the Houston-Galveston Area Council, as allowed per Escondido Municipal Code Chapter 10, Article 5, Section 10-90.
3. That the City Council authorizes the Fleet Services Division to purchase two (2) Medix Ambulances from Hi-Tech Emergency Vehicles through Southwest

Ambulance Sales Inc., utilizing a cooperative purchase contract with HGAC, in the amount of \$358,161.52, which includes all taxes and related fees.

4. That the City Council authorizes the Deputy City Manager/Administrative Services to dispose of surplus vehicles that are being replaced by this purchase via auction with the City contracted auction company.

 CONTRACT PRICING WORKSHEET For MOTOR VEHICLES Only	Contract No.:	AM10-16	Date Prepared:	9/11/2017

This Worksheet is prepared by Contractor and given to End User. If a PO is issued, both documents MUST be faxed to H-GAC @ 713-993-4548. Therefore please type or print legibly.

Buying Agency:	Escondido Fire	Contractor:	Southwest Ambulance Sales
Contact Person:	Jeremiah Jennings	Prepared By:	Bobby Davis
Phone:	760-839-4364	Phone:	806-336-3949
Fax:		Fax:	
Email:	jjennings@escondido.org	Email:	bobby@southwestambulancesales.com

Product Code:	RA31	Description:	Medix MSVII Type I Ambulance
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A. Product Item Base Unit Price Per Contractor's H-GAC Contract:	142,226.00
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B. Published Options - Itemize below - Attach additional sheet(s) if necessary - Include Option Code in description if applicable.
 (Note: Published Options are options which were submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
Please See Attached	29,877		
Subtotal From Additional Sheet(s):			
Subtotal B:			29877

C. Unpublished Options - Itemize below / attach additional sheet(s) if necessary.
 (Note: Unpublished options are items which were not submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
Please See Attached	11,546		
Subtotal From Additional Sheet(s):			
Subtotal C:			11546

Check: Total cost of Unpublished Options (C) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B).	For this transaction the percentage is:	7%
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D. Total Cost Before Any Applicable Trade-In / Other Allowances / Discounts (A+B+C)

Quantity Ordered:	2	X Subtotal of A + B + C:	183649	=	Subtotal D:	367298
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E. H-GAC Order Processing Charge (Amount Per Current Policy)

Subtotal E:	1000
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F. Trade-Ins / Other Allowances / Special Discounts / Freight / Installation

Description	Cost	Description	Cost
Multi Unit Discount	-10136.48		
Subtotal F:			-10136.48

Delivery Date:	120-150 Days	G. Total Purchase Price (D+E+F):	358161.52
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Ambulances due for replacement in FY 17-18

Unit #	Year	Make	Model	Mileage	Replacement reason	
1	3811	2010	Lifeline	Ambulance	130,222	Age, mileage, down time, exceding life expectancy.
2	3813	2010	Lifeline	Ambulance	159,689	Age, mileage, down time, exceding life expectancy.

CITY COUNCIL STAFF REPORT

Consent Item No. 6

December 20, 2017

File No. 0470-35

SUBJECT: Bid Award for the Purchase of Dewatering Polymer for the HARRF

DEPARTMENT: Finance Department, Purchasing Division

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2017-158 taking the following actions:

1. Accept the lowest responsive bid from Polydyne, Inc. to purchase Dewatering Polymer by unit price for use in wastewater treatment processing at the HARRF.
2. Authorize the Deputy City Manager/Administrative Services to execute a Purchasing Contract ("Contract") with Polydyne, Inc., effective December 21, 2017, through June 30, 2019, with the option to renew the Contract on an annual fiscal year basis not to exceed five (5) consecutive fiscal years. The unit price bid is \$2.195 per Active Pound of Dewatering Polymer, with an estimated annual purchase quantity of 88,000 pounds.

FISCAL ANALYSIS:

The contract amount is an estimated annual cost based on anticipated quantities of Dewatering Polymer needed for use in wastewater treatment processing at the HARRF. Contract renewal options are contingent upon budget appropriations and satisfactory performance by the contractor.

Contract unit prices are firm from the commencement of the contract through June 30, 2019. There are sufficient funds located in the Utilities Operating Budget. If the successful bidder intends to revise its pricing after the second fiscal year, changes shall be made at the beginning of the new contract period and only upon written notice provided at least one hundred eighty (180) days prior to the price change. Price increase may not, under any circumstances exceed three percent (3%) of the original contract price. No retroactive contract price adjustments will be allowed.

PREVIOUS ACTION:

In May 2017 the City solicited competitive bids for the purchase of twelve chemicals, including Dewatering Polymer. On June 28, 2017, the City Council authorized the rejection of all bids received for Dewatering Polymer because a fair price comparison of the bids received could not be established. Resolution No. 2017-88R authorized the rejection of the bids received for Dewatering Polymer and authorized the staff to re-solicit bids for this chemical.

BACKGROUND:

On October 2, 2017, a request for bids to purchase Dewatering Polymer for the Wastewater Treatment Plant (HARRF) was duly published and emailed to five vendors. The request for bids contained detailed chemical specifications, estimated annual quantities, and a firm price contract requirement from commencement date through June 20, 2019. With satisfactory performance and mutual agreement between the City and the awarded bidder, the City has the option to renew the contract for three additional one-year periods.

On October 12, 2017, a mandatory pre-bid conference was conducted at the HARRF

On November 6, 2017, two bids were received and opened. The bid results are as follows:

Polydyne, Inc.	\$2.195 per Active Pound
Solenis	\$2.41 per Active Pound

After reviewing the bid responses, staff recommends that the City award the contract for Dewatering Polymer to Polydyne, Inc., as the lowest responsive and responsible bidder.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Sheryl Bennett, Deputy City Manager Admin. Svcs
12/13/2017 3:06 p.m.

Joan Ryan, Assistant Finance Director
12/13/2017 5:29 p.m.

ATTACHMENTS:

1. Resolution No. 2017-158

RESOLUTION NO. 2017-158

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING THE MAYOR AND CITY
CLERK, ON BEHALF OF THE CITY, TO
AWARD THE BID FOR DEWATERING
POLYMER FOR THE WASTEWATER
TREATMENT PLANT

WHEREAS, sufficient funds are available in the Utilities Operating Budget; and

WHEREAS, the City of Escondido duly published an invitation for unit price bids with detailed specifications for the purchase of Dewatering Polymer; and

WHEREAS, a request for bids for Dewatering Polymer was emailed to five vendors on October 2, 2017; and

WHEREAS, two bids were received, opened and evaluated on November 6, 2017.

WHEREAS, Polydyne, Inc. was determined to be the lowest responsive and responsible bidder that conformed to the City's bid specifications and requirements; and

WHEREAS, the Deputy City Manager/Administrative Services recommends awarding a Purchasing Contract ("Contract") to Polydyne, Inc., effective December 21, 2017 through June 30, 2018, in the estimated amount of \$193,160, with three one-year renewal options for the purchase of Dewatering Polymer; and

WHEREAS, the Contract amount is an estimated annual cost based on anticipated quantities required; and

WHEREAS, the Contract renewal options are conditional upon budget appropriations and satisfactory performance by the contractor; and

WHEREAS, the Contract unit pricing is firm for the first two Contract periods; and

WHEREAS, price increases under the Contract renewal options are not to exceed three percent (3%) of the original Contract price; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to accept the recommendations of the Deputy City Manager/Administrative Services.

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

1. That the above recitations are true.
2. That the City Council determines the bid submitted by Polydyne, Inc. to be the lowest most responsive bid which conforms to the City's bid specifications and requirements.
3. That the City Council authorizes the bid award for the purchase of Dewatering Polymer to Polydyne, Inc. in the estimated amount of \$193,160, on a unit price basis, which may vary for renewal periods based on the City's needs and budget appropriations.
4. That the City Council authorizes the Deputy City Manager/Administrative Services to execute, on behalf of the City, a Contract for the remainder of this fiscal year with renewal options for the purchase of Dewatering Polymer in a form approved by the City Attorney.



CITY COUNCIL STAFF REPORT

Consent Item No. 7

December 20, 2017

File No. 0480-45

SUBJECT: Adoption of Changes to the City of Escondido Fee Inventory – Alarm Billing and Registration

DEPARTMENT: Fire Department

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2017-159 approving proposed changes to the City of Escondido Fee Inventory.

FISCAL ANALYSIS:

Fire alarm fees are being proposed to update the existing City Fee Inventory to ensure appropriate cost recovery as per Ordinance No 2004-77. If approved, proposed registration fees could amount to approximately \$20,750 in revenue per year.

PREVIOUS ACTION:

On November 16, 2016, the City Council amended the Fee Inventory to update certain alarm fees to ensure appropriate cost recovery. In January of 2017, the Police Department established an agreement with Alarm Program Systems, LLC to provide alarm program administration services including registration and billing.

BACKGROUND:

In January of 2017, the Police Department established an agreement with Alarm Program Systems, LLC. This vendor provides alarm program administration services including registration and billing. The Fire Department opted to be excluded from the initial contract.

It is the intention of the Fire Department to enter into the contract with Alarm Program Systems in conjunction with the Police Department to administer Fire false alarms.

The purpose of an Alarm Registration Fee is to establish and maintain an accurate database of alarms and alarm contact information for Police and Fire Dispatch. Fire Alarm Registration Fees were originally established through Resolution No. 2004-77.

Adoption of Changes to the City of Escondido Fee Inventory – Alarm Billing and Registration
 December 20, 2017
 Page 2

The proposed Fire alarm registration and false alarm fees are parallel with Police alarm registration and false alarm fees. The following fees are proposed:

List of Proposed Fees

Description	Prior to 2016	Current Fee	Proposed Fee	Change Over Previous
Fire Residential Alarm Registration Fee	\$15	0	\$25/year (Seniors 55 and older \$15)	+ \$10
Fire Commercial Alarm Registration Fee	\$15	0	\$50/year (Seniors 55 and older \$15)	+ \$35
Fire False Alarm/ 2 calls in a 365-day period	0	0	\$25 / each	+ \$25 / each
False Alarms / 3 calls in a 365-day Period	\$50 / each	\$50 / each	\$50 / each	no change
False Alarms / 4 calls in a 365-day Period	\$100 / each	\$100 each	\$100 each	no change
False Alarms / 5 calls in a 365 day Period	\$150 / each	\$150 / each	\$150 / each	no change
False Alarms / 6 - 14 calls in a 365 day Period	\$200 / each	\$200 / each	\$200 / each	no change
False Alarms / 15 or more calls in a 365 day Period	\$500 / each	\$500 / each	\$500 / each	no change
False Alarms / 3 calls in a 365-day Period - no alarm registration filed with City	\$100 / each	\$100 / each	\$100 / each	no change
False Alarms / 4 calls in a 365-day Period - no alarm registration filed with City	\$200 / each	\$200 / each	\$200 / each	no change
False Alarms / 5 calls in a 365 day Period - no alarm registration filed with City	\$300 / each	\$300 / each	\$300 / each	no change
False Alarms / 6 - 14 calls in a 365 day Period - no alarm registration on file	\$400 / each	\$400 / each	\$400 / each	no change
False Alarms / 15 or more calls in a 365 day Period - no alarm registration on file	\$1,000 / each	\$1,000 / each	\$1,000 / each	no change

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Rick Vogt, Fire Chief
 12/13/2017 3:28 p.m.

ATTACHMENTS:

1. Resolution No. 2017-159
2. Resolution No. 2017-159-Exhibit A

RESOLUTION NO. 2017-159

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
ADOPTING CHANGES TO FALSE ALARM
FEES

WHEREAS, the City of Escondido regulates the use of alarm systems within the City; and

WHEREAS, the City Council has the authority under Escondido Municipal Code Section 6A-3(b) to set fees regarding registration of alarms; and

WHEREAS, the City Council desires at this time and deems it to be in the best public interest to adopt changes in the existing fees, and to eliminate outstanding existing fees effective at the beginning of a new calendar year.

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

1. That the above recitations are true.
2. That the City Fees listed in Exhibit "A," attached to this Resolution and incorporated by this reference, shall be effective January 1, 2018.

List of Proposed Fees

Description	Current Fee	Proposed Fee
Fire Residential Alarm Registration Fee	0	\$25/year (Seniors 55 and older \$15)
Fire Commercial Alarm Registration Fee	0	\$50/year (Seniors 55 and older \$15)
Fire False Alarm/ 2 calls in a 365-day period	0	\$25 / each
False Alarms / 3 calls in a 365-day Period	\$50 / each	\$50 / each
False Alarms / 4 calls in a 365-day Period	\$100 each	\$100 each
False Alarms / 5 calls in a 365 day Period	\$150 / each	\$150 / each
False Alarms / 6 - 14 calls in a 365 day Period	\$200 / each	\$200 / each
False Alarms / 15 or more calls in a 365 day Period	\$500 / each	\$500 / each
False Alarms / 3 calls in a 365-day Period - no alarm registration filed with City	\$100 / each	\$100 / each
False Alarms / 4 calls in a 365-day Period - no alarm registration filed with City	\$200 / each	\$200 / each
False Alarms / 5 calls in a 365 day Period - no alarm registration filed with City	\$300 / each	\$300 / each
False Alarms / 6 - 14 calls in a 365 day Period - no alarm registration on file	\$400 / each	\$400 / each
False Alarms / 15 or more calls in a 365 day Period - no alarm registration on file	\$1,000 / each	\$1,000 / each

CITY COUNCIL STAFF REPORT

Consent Item No. 8

December 20, 2017

File No. 0820-20

SUBJECT: Adoption of an Addendum to a Mitigated Negative Declaration for the Spruce Street Drainage Improvement Project (ENV 15-0010)

DEPARTMENT: Community Development Department

RECOMMENDATION:

It is requested that Council approve Resolution No. 2017-164 adopting an Addendum to an adopted Initial Study/Mitigated Negative Declaration (IS/MND) prepared for the Spruce Street Drainage Improvement Project (SSDIP).

PROJECT DESCRIPTION:

The SSDIP project includes drainage improvement activities to reduce standing water and sedimentation, and to allow increased flow along an approximately 1/2-mile section of earthen and concrete-lined drainage channel adjacent to Spruce Street. A combination of maintenance and construction activities include repairs and improvements within the channel through the following measures:

- concrete and earthen channel dredging;
- culvert clean-out;
- installation of permanent manholes, concrete wingwalls, and sediment traps;
- vegetation clearing and trimming;
- access road clearing; and
- revegetation using drought-tolerant native plants.

In support of the SSDIP, an IS/MND was adopted on February 10, 2016 (2016 IS/MND). Following a lengthy review of the City's required regulatory agency permits, it was recognized that one of the environmental permitting agencies prefers off-site mitigation for wetland/upland habitat, rather than on-site mitigation in the form of revegetation. Because of this change, the City must substitute a previously adopted mitigation measure. The purpose of this staff report is to adopt an Addendum to the 2016 IS/MND in order to substitute the mitigation measure. There are no other changes to the SSDIP.

The Final adopted 2016 IS/MND can be viewed on the City's Web Site at:

<https://www.escondido.org/Data/Sites/1/media/PDFs/Planning/sprucestreet/FinalMNDSpruceSt.pdf>

FISCAL ANALYSIS:

The cost to implement the proposed project is estimated at approximately \$3 million. The City has received several grant funds to supplement current funds held in the CIP budget for this project. The request to substitute a mitigation measure has no direct impact to the City's General Fund. Off-site

mitigation would come from an approved mitigation area located at Kit Carson Park, which is owned and administrated by the City.

BACKGROUND:

The City of Escondido owns and operates a Municipal Separate Storm Sewer System (MS4) infrastructure that includes various stormwater facilities associated with flood control and drainage throughout Escondido. The earthen and concrete-lined channel along Spruce Street has a long history of being chronically wet with standing water resulting in impacts to flood control, public health and safety, and water quality. As a result, the existing channel has experienced flooding and vector control issues. The City is using a variety of grant funding sources including a County of San Diego Department of Environmental Health grant to implement a variety of drainage improvement activities to address these issues.

The SSDIP project would affect approximately 1.07 acres of jurisdictional water of the United States and state. Of the 1.07 acres, 0.88 acre is within the earthen segment of the drainage channel. In order to off-set this impact, the project proposed mitigation in the form of on-site revegetation within the drainage channel, along with a 5-year monitoring and maintenance program to ensure the success of the revegetation area. Following a lengthy review of the City's required regulatory agency permits (i.e., 404 permit, 401 certification, and 1600 permit), it was recognized that one of the environmental permitting agencies would not accept the project's proposal for on-site mitigation without extensive revisions to the submitted permit materials and preparation of additional reports, along with obtaining a conservation easement over the subject revegetation area from the North County Transit District (NCTD). In order to stay within the timeline requirements of the various grants contributing to the funding of the project, and to move forward with more certainty, an alternative mitigation measure to use existing off-site mitigation located within the City's Kit Carson Park has been supported by the agencies involved (Regional Water Quality Control Board, Army Corps of Engineers, California Department of Fish and Wildlife).

The Regional General Permit (RGP) 87 – Sewer Outfall Operations and Maintenance created a mitigation area in the City's Kit Carson Park that includes an allocation for future channel maintenance. Because the Spruce Street project improvements take place within the storm drain channel system, and the mitigation area contains the type of habitat required, the regulatory agencies have deemed the Spruce Street Drainage Improvement Project as an appropriate recipient of that mitigation. It is anticipated that the SSDIP will require less than 0.10 of an acre of the off-site mitigation, which is available at the Kit Carson Park mitigation site. The Kit Carson Park mitigation site (RGP 87) has been developed under a mitigation and monitoring plan approved in 2012, and final signoff of the 5-year monitoring period is planned for early 2018.

GENERAL PLAN:

Storm Drainage Policy 14.11 in the Mobility and Infrastructure Element of the City of Escondido General Plan (2012) requires that the City "maintain flood control channels and storm drains through periodic dredging, repair, desilting, and clearing to prevent losses in effective use."

ENVIRONMENTAL REVIEW:

On February 10, 2016, the Escondido City Council adopted a Final Initial Study and Mitigated Negative Declaration (2016 IS/MND) prepared by AECOM and Mitigation Monitoring and Reporting Program for the Spruce Street Drainage Improvement Project (City File No. ENV15-0010; and Resolution No. 2016-07). The environmental document identified several mitigation measures to address and mitigate potentially significant project impacts to Biological and Cultural Resources to less than significant levels. The Addendum to the adopted 2016 IS/MND was prepared to address the proposed modifications to the project mitigation measure(s) to substitute a mitigation measure related to Biological Resources at the request of the subject agencies in order to obtain the necessary agency permits.

Pursuant to the California Environmental Quality Act (CEQA), an Addendum to a Negative Declaration is needed if minor technical changes or modifications to the proposed project occur (CEQA Guidelines § 15164). An Addendum is appropriate only if these minor technical changes or modifications do not result in any new significant impacts or a substantial increase in the severity of previously identified significant impacts. The Addendum need not be circulated for public review (CEQA Guidelines § 15074.1[c] and 15164[c]); however, an Addendum is to be considered by the decision making body prior to making a decision on the project (CEQA Guidelines § 15164[d]).

The IS/MND Addendum demonstrates that the environmental analysis, impacts, and mitigation requirements identified in the adopted Mitigated Negative Declaration remain substantively unchanged by the situation described therein. The substituted measure is equivalent or more effective in mitigating or avoiding potential significant effects and that it in itself will not cause any potentially significant effect on the environment.

SUMMARY:

The project has been designed to 60 percent completion and all required regulatory agency permits are under review by the corresponding permitting agencies. The final engineering design will continue concurrently with the environmental permit application process. When all required regulatory permits have been obtained and final engineering plans completed, the project would go out to bid, which is anticipated for early 2018 with construction to begin in by mid-2018.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Bill Martin, Director of Community Development
12/13/2017 3:40 p.m.

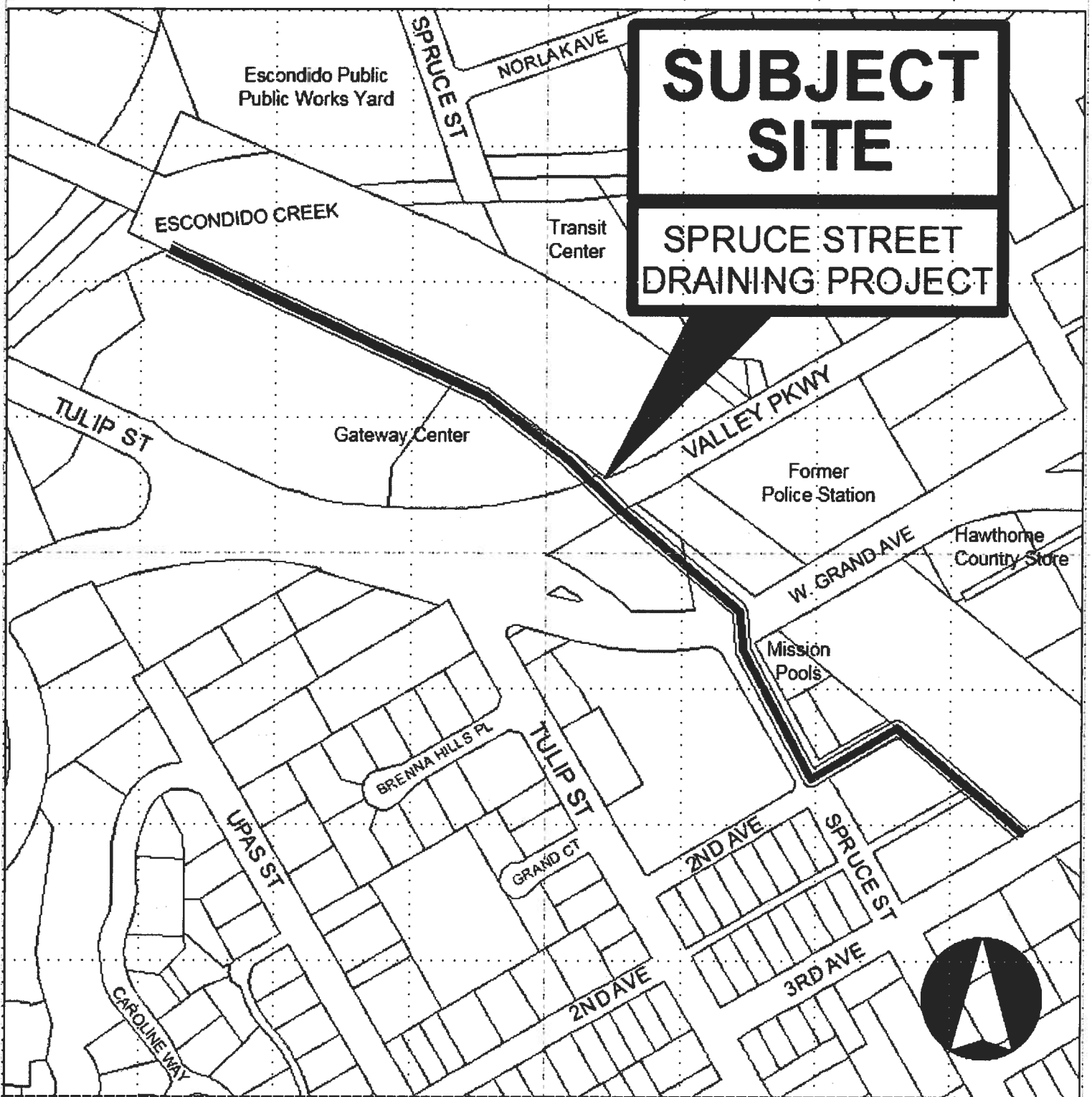
Jay Paul, Senior Planner
12/13/2017 3:46 p.m.

ATTACHMENTS:

1. Attachment 1 - Location Map
2. Resolution No. 2017-164
3. Resolution No. 2017-164 - Exhibit A – Addendum (Dec. 2017)
4. Resolution No. 2017-164 - Exhibit B – Mitigation Monitoring and Reporting Program

ATTACHMENT 1

Addendum Spruce Street Drainage Improvement Project



Location Map
Spruce Street Drainage Improvement Project

RESOLUTION NO. 2017-164

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ADOPTING AN ADDENDUM TO AN ADOPTED INITIAL STUDY/MITIGATED NEGATIVE DECLARATION TO SUBSTITUTE A MITIGATION MEASURE ADDRESSING POTENTIAL BIOLOGICAL IMPACTS RELATED TO THE SPRUCE STREET DRAINAGE IMPROVEMENT PROJECT

CASE NO.: ENV 15-0010 (A)

WHEREAS, pursuant to CEQA (Public Resources Code Section 21000 et. seq.), and its implementing regulations (the State CEQA Guidelines), 14 California Code of Regulations Section 15000 et. seq., the City of Escondido is the Lead Agency for the Spruce Street Drainage Improvement Project ("Project"), as the public agency with the principal responsibility for approving the proposed Project; and

WHEREAS, the Initial Study/Mitigated Negative Declaration (2016 IS/MND) for the Project was prepared, published, circulated and reviewed in accordance with the requirements of CEQA, the State CEQA Guidelines, and the local environmental procedures; and

WHEREAS, on February 10, 2016, the City Council adopted Resolution No. 2016-07, adopting the 2016 IS/MND for the Project; and

WHEREAS, in connection with the Project, an Addendum to the Mitigated Negative Declaration, dated December 2017 ("IS/MND Addendum"), attached hereto as Exhibit "A" to this Resolution and incorporated by this reference, has been prepared in order to substitute a mitigation measure at the request of environmental permitting agencies. Said IS/MND Addendum determines whether any significant environmental impacts which

were not identified in the previously-adopted 2016 IS/MND would result or whether previously identified significant impacts would be substantially more severe; and

WHEREAS, in accordance with CEQA, Section 21080(f), and CEQA Guidelines, Section 15074.1, the Lead Agency may conclude that certain mitigation measures identified in the IS/MND are infeasible or otherwise undesirable. Prior to approving the Project, the Lead Agency may, in accordance with this sections, delete those mitigation measures and substitute for them other measures which the Lead Agency determines are equivalent or more effective. "Equivalent or more effective" means that the new measure will avoid or reduce the significant effect to at least the same degree as, or to a greater degree than, the original measure and will create no more adverse effect of its own than would have the original measure; and

WHEREAS, the 2016 IS/MND, Mitigation Monitoring and Reporting Plan, and IS/MND Addendum, collectively constitute the environmental documentation under and pursuant to CEQA, the CEQA Guidelines, and local environmental procedures relating to the Project and the request to substitute a mitigation measure, and shall be referred to herein collectively as the "CEQA Documents"; and

WHEREAS, on December 20, 2017, the City Council did hold a public hearing, notice of said public hearing having been duly given as required by law, to hear and consider evidence and testimony concerning the contents and sufficiency of the CEQA Documents and for and against the substituted mitigation measure and to investigate and make findings in connection therewith; and

WHEREAS, at said public hearing, upon hearing and considering all testimony and arguments (if any) of all persons desiring to be heard, the City Council desires and intends to use the IS/MND Addendum, together with the other CEQA Documents as the environmental documentation required by CEQA, the CEQA Guidelines, and the City's local environmental procedures for substituting previously adopted mitigation measures.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Escondido, in its independent judgment, hereby finds that:

1. That the foregoing recitations are true and correct and are incorporated herein by this reference as though set forth in full.

2. That the Record of Proceedings upon which the City Council bases its decision includes, but is not limited to: (1) the 2016 IS/MND and the appendices and technical reports cited in and/or relied upon in preparing the 2016 IS/MND; (2) the staff reports, City files and records and other documents, prepared for and/or submitted to the City relating to the 2016 IS/MND, the IS/MND Addendum, and the Spruce Street Drainage Improvement Project itself; (3) the evidence, facts, findings and other determinations set forth herein; (4) the General Plan and the Escondido Municipal Code; (5) all designs, plans, studies, data and correspondence submitted to the City in connection with the 2016 IS/MND, the IS/MND Addendum, and the Project itself; (6) all documentary and oral evidence received at public meetings and hearings or submitted to the City during the comment period relating to the and/or elsewhere during the course of the review of the IS/MND Addendum; and (7) all other matters of common knowledge to the to the City, including, but not limited to, City, state, and federal laws, policies, rules, regulations,

reports, records and projections related to development within the City and its surrounding areas.

3. That the City Council finds the IS/MND Addendum and findings contained therein, demonstrates that the environmental analysis, impacts, and mitigation requirements identified in the adopted 2016 IS/MND remain substantively unchanged by the situation described herein, and supports the finding that the proposed project does not raise any new issues and does not exceed the level of impacts identified in the previous 2016 IS/MND. Furthermore, the City Council finds that the new mitigation measure will effectively reduce potentially significant effects to a less than significant level and will not cause any potentially significant effects of their own.

4. That the City Council repeals Mitigation Measure BIO-3 in the 2016 IS/MND and Mitigation Monitoring and Reporting Program and adopts in full new text as follows:

Bio-3: Impacts to wetland/upland habitat shall be mitigated with up to approximately 0.10 acres of qualifying wetland/upland habitat. Mitigation shall be provided by either 1) preservation of equivalent or better habitat at an off-site location via a covenant of easement or other method approved by the City to preserve the habitat in perpetuity, or 2) acquire, purchase or utilization of wetland or equivalent habitat credits at an approved mitigation band, to the satisfaction of the City. The final amount of mitigation required will be determined by the permitting agencies upon review of the project. The mitigation site shall be developed with a qualified restoration ecologist that would be responsible for preparing that site's revegetation and monitoring plan. The plan shall include details of site preparation and implementation, planting specifications, and 5-year

maintenance and monitoring procedures. The plan shall outline yearly success criteria and remedial measures should the mitigation effort fall short of the success criteria.

5. That the City Council finds and determines that the applicable provisions of CEQA and the State CEQA Guidelines have been duly observed in conjunction with said hearing and the considerations of this matter and all of the previous proceedings related thereto. The City Council finds and determines that the evidence in the record constitutes substantial evidence to support the actions taken and the findings made in this Resolution, that the facts stated in this Resolution are supported by substantial evidence in the record, including testimony received at the public hearing, the staff presentation, the staff report and all materials in the Project files. There is no substantial evidence, nor are there other facts, that detract from the findings made in this Resolution herein. The City Council expressly declares that it considered all evidence presented and reached these findings after due consideration of all evidence presented to it. The City Council affirms that the IS/MND Addendum (Exhibit "A") is hereby included in or attached to the adopted 2016 IS/MND and affirms the Findings of Fact previously made in City Council Resolution No. 2016-07 remain relevant and valid. The City Council further affirms that the newly worded Mitigation Measure BIO-3, as set forth herein, substitutes an equivalent or better measure of mitigation, done so to obtain environmental agency approval of the Project.

6. That pursuant to Public Resources Code Section 21080(g) and 21081.6, and CEQA Guidelines Section 15091(d), the City Council hereby adopts and approves the revised Mitigation Monitoring and Reporting Program, which is appended hereto as

Exhibit "B" and is made a part hereof by this reference as though fully set forth, with respect to the significant environmental effects identified in the 2016 IS/MND and IS/MND Addendum, and hereby makes and adopts the provisions of the Mitigation Monitoring and Reporting Program as conditions of approval for the revised Project.

6. That this action is final on the date this Resolution is adopted by the City Council.

7. The City Council directs that, upon approval of the Project, the City's Community and Development Department shall file a notice of determination with the County Clerk of San Diego County.

8. That pursuant to Public Resources Code Section 21081.6(a)(2) and CEQA Guidelines Section 15091(e), all documents and other materials which constitute the record of proceedings are located at the City of Escondido, City Civic Center. The City Clerk, whose office is located at 201 North Broadway, Escondido CA 92025, is hereby designated as the custodian of the documents and other materials which constitute the record of proceedings upon which the City Council's decision is based, which documents and materials shall be available for public inspection and copying in accordance with the provisions of the California Public Records Act.

**EXHIBIT A
TO CITY COUNCIL RESOLUTION NO. 2017-164
IS/MND ADDENDUM**

ADDENDUM

**TO THE FINAL
MITIGATED NEGATIVE DECLARATION
FOR THE SPRUCE STREET DRAINAGE IMPROVEMENTS
(City File No. ENV15-0010)
SCH#2015121103**

Prepared for:
City of Escondido
201 N. Broadway
Escondido, CA 92025

December 2017

Addendum to the Final Mitigated Negative Declaration Spruce Street Drainage Improvements

INTRODUCTION

On February 10, 2016 the Escondido City Council adopted a Final Initial Study and Mitigated Negative Declaration (2016 IS/MND) prepared by AECOM and Mitigation Monitoring Program for the Spruce Street Drainage Improvement Project (City File No. ENV15-0010; and Resolution No. 2016-07). The 2016 IS/MND evaluated the impacts of the proposed project located along an approximately ½ mile section of earthen and concrete-lined drainage channel adjacent to Spruce Street. The analysis identified several mitigation measures to address and mitigate potentially significant impacts to less than significant levels. The two issues that were determined to be potentially affected by the proposed project and evaluated in the adopted 2016 IS/MND include Biological Resources and Cultural Resources.

This Addendum addresses the proposed modifications to the project mitigation measure(s) to substitute a mitigation measure related to Biological Resources at the request of the subject agencies in order to obtain the necessary agency permits. The addendum determines whether any significant environmental impacts which were not identified in the previous approved 2016 IS/MND would result from the project revisions or whether previously identified significant impacts would be substantially more severe.

The addendum is an informational document, intended to be used in the planning and decision making process as provided for under Section 15164 of the CEQA Guidelines. The Addendum does not recommend approval or denial of the proposed modification to the project. The fundamental conclusion of this addendum is that the proposed changes to the project will not result in new significant impacts nor substantially increase the severity of previously disclosed impacts beyond those already identified in the previously adopted Mitigated Negative Declaration. Thus, a subsequent or supplemental Negative Declaration need not be prepared.

STATUTORY BACKGROUND

The City of Escondido is the CEQA lead agency responsible for the proposed Spruce Street Drainage Improvement Project. Under the CEQA, an addendum to a certified Environmental Impact Report (EIR) or a Negative Declaration may be prepared if minor technical changes or additions to the proposed project are required or if none of the conditions described in Section 15162 calling for the preparation of a subsequent EIR [or MND] have occurred (CEQA Guidelines § 15164[b]). An addendum is appropriate if the project changes or modifications do not result in any new significant impacts or a substantial increase in the severity of previously identified significant impacts. The addendum need not be circulated for public review (CEQA Guidelines §15074.1[c] and §15164[c]).

This IS/MND Addendum demonstrates that the environmental analysis, impacts, and mitigation requirements identified in the Spruce Street Drainage Improvement Project MND remain substantively unchanged by the revised project description detailed herein and supports the finding that the proposed project does not raise any new issues and does not exceed the level of impacts identified in the previous MND. Further, rather than only focusing on the characterization of whether the project is “new” or “old,” the City has also evaluated the previous environmental document to determine if it retains any relevance in light of the proposed changes, and if any major revisions to the document are required due to the involvement of new, previously unstudied significant environmental effects. The subsequent review provisions of CEQA are designed to ensure that an agency proposing changes to a previously approved project explores environmental impacts not considered in the original environmental document. This assumes that some of the environmental impacts of the modified project are considered in the original environmental document, such that the original document retains relevance to the decision-making process. If it is wholly irrelevant, then it is only logical that the agency starts over from the beginning. The City has determined that project changes will not require major revisions to the initial environmental document. Accordingly, recirculation of the MND for public review is not necessary pursuant to Section 15164 of the CEQA Guidelines. Therefore, a decision was made by the City of Escondido not to prepare a subsequent Negative Declaration pursuant to Section 15162 of the CEQA guidelines. To support this

decision, the following discussion describes the proposed project modifications and the associated environmental analysis.

In accordance with CEQA, Section 21080(f), and CEQA Guidelines, Section 15074.1, the lead agency may conclude that certain mitigation measures identified in an adopted IS/MND are infeasible or otherwise undesirable. Prior to approving the Project, the Lead Agency may, in accordance with these sections, delete those mitigation measures and substitute for them other measures which the lead agency determines are equivalent or more effective. "Equivalent or more effective" means that the new measure will avoid or reduce the significant effect to at least the same degree as, or to a greater degree than, the original measure and will create no more adverse effect of its own than would have the original measure.

Prior to deleting and substituting for a mitigation measure, the lead agency shall do both of the following:

- (1) Hold a public hearing on the matter. Where a public hearing is to be held in order to consider the project, the public hearing required by this section may be combined with that hearing. Where no public hearing would otherwise be held to consider the project, then a public hearing shall be required before a mitigation measure may be deleted and a new measure adopted in its place.
- (2) Adopt a written finding that the new measure is equivalent or more effective in mitigating or avoiding potential significant effects and that it in itself will not cause any potentially significant effect on the environment.

SUMMARY OF ORIGINAL PROJECT DESCRIPTION

The City of Escondido (City) owns and operates a Municipal Separate Storm Sewer System (MS4) infrastructure that includes various stormwater facilities associated with flood control and drainage in Escondido, including the Spruce Street drainage system (proposed project). Storm Drainage Policy 14.11 in the Mobility and Infrastructure Element of the *City of Escondido General Plan (2012)* requires that the City "maintain flood control channels and storm drains through periodic dredging, repair, desilting, and clearing to prevent losses in effective use." In response to a longstanding flooding and vector control problem, the City of Escondido applied for and was awarded a funding grant by the County of San Diego Department of Environmental Health under the Vector Habitat Remediation Program funding (fiscal year 2011–2012). The City is using the Vector Habitat Remediation Program funding, along with additional grant and City CIP funds to implement a variety of drainage improvements to eliminate vector breeding and nuisance water issues that have existed for more than a decade in the proposed project area. The project description analyzed under the original Initial Study/Mitigated Negative Declaration (2016 IS/MND; ENV15-0010) includes drainage improvement activities to reduce standing water and sedimentation, and to allow increased flow along an approximately 1/2-mile section of earthen and concrete-lined drainage channel adjacent to Spruce Street. A combination of maintenance and construction activities include repairs and improvements within the channel through the following measures:

- concrete and earthen channel dredging;
- culvert clean-out;
- installation of permanent manholes, concrete wingwalls, and sediment traps;
- vegetation clearing and trimming;
- access road clearing; and
- revegetation using drought-tolerant native plants.

PROJECT LOCATION

The project area begins north of the intersection of South Spruce Street and West 3rd Avenue as a concrete-lined channel and conveys drainage west (downstream) before going underground at South Spruce Street. The channel daylight west of the intersection of West Grand Avenue and South Spruce Street as an earthen channel and flows west through a short culvert under West Valley Parkway, and then continues as an earthen channel until it drains into Escondido Creek (concrete-lined flood-control channel).

PROJECT REVISIONS

The proposed project would affect up to a total of ~~0.97~~ 1.07 acres of jurisdictional wetland/waters of the United States and state. Of the ~~0.97~~ 1.07 acres, ~~0.78~~ 0.88 acres is within the earthen segment of the drainage channel. In order to off-set impacts to wetland habitat/jurisdictional water, the project proposed mitigation in the form of on-site revegetation that would result in revegetation of up to ~~0.978~~ 0.88 acres in the instream freshwater marsh. The modification to the habitat area listed above is due to an updated assessment of habitat area by the City's environmental consultant AECOM. The change from 0.97 to 1.07 acres only involves approximately 0.10 acres of Eucalyptus woodland, which is not considered a sensitive resource and would not require compensatory mitigation by the resource agencies. Therefore, this modification to the adopted 2016 IS/MND is considered a minor technical change that does not result in any new significant impacts or a substantial increase in severity of previously identified significant impacts. Therefore, no additional mitigation would be required.

Following a lengthy review of the City's required regulatory agency permits (i.e., 404 permit, 401 certification, and 1600 permit) it was recognized that one of the environmental permitting agencies would not accept the project's proposal for on-site mitigation in the form of revegetation without extensive revisions to the submitted permit materials, along with the preparation of additional reports and obtaining a conservation easement over the subject revegetation area from the North County Transit District (NCTD). In order to stay within the timeline requirements of various grants contributing to the funding of the project and to move forward with more certainty, an alternative to use existing off-site mitigation has been supported by the environmental permitting agencies involved (Regional Water Quality Control Board, Army Corps of Engineers, California Fish and

Wildlife). The Regional General Permit (RGP) 87 – Sewer Outfall Operations and Maintenance created a mitigation area in the City's Kit Carson Park that includes an allocation for future channel maintenance. Because the Spruce Street project improvements take place within the storm drain channel system, and the mitigation area contains the type of habitat required, the environmental permitting agencies have deemed the Spruce Street project as an appropriate recipient of that mitigation. In consultation with the regulatory agencies, it is anticipated that the Spruce Street project will require less than 0.10 of an acre of the off-site mitigation, which is available at the Kit Carson Park mitigation site. The RGP 87 mitigation site has been developed under a mitigation and monitoring plan approved in 2012. Final signoff of the 5-year monitoring period is planned for early 2018.

Although mitigation in the form of on-site mitigation would be replaced by off-site mitigation, the Spruce Street project still will replant the project area as described in the original restoration and monitoring plan. However, because the area no longer will be designated a mitigation site, biological monitoring would be reduced from the required five years to two years with less stringent success standards. The plantings installed with the project, and the project area in general, will be maintained post-project for public safety, water quality, vector control and aesthetics as a City of Escondido asset, but not as a mitigation site.

The existing mitigation measure and proposed replacement mitigation measure are as follows:

Current Approved Mitigation Measure from MND:

BIO-3 (5-Year Monitoring and Maintenance Plan)

A revegetation and monitoring plan for 0.978 acre of instream freshwater marsh and 0.985 acre of terrace and upland habitats would be prepared by the City. The City plans to restore the habitat beyond its existing state through a comprehensive revegetation plan that would include the use of native species. The City would identify a qualified restoration ecologist that would be responsible for preparing the revegetation and monitoring plan. The revegetation and monitoring plan would incorporate an appropriate native species palette to blend in with the existing and surrounding habitats. Preference for habitat community restoration would be determined by the qualified restoration ecologist, and based on the existing and surrounding habitats. The plan would include details of site preparation and implementation, planting specifications, and 5-year maintenance and monitoring procedures. The plan would outline yearly success criteria and remedial measures should the mitigation effort fall short of the success criteria.

Proposed Revised Mitigation Measure:

BIO-3 (Wetland Habitat/Jurisdictional Waters Protection)

Impacts to wetland/upland habitat shall be mitigated with up to approximately 0.10 acres of qualifying wetland/upland habitat. Mitigation shall be provided by either 1) preservation of equivalent or better habitat at an off-site location via a covenant of easement or other method approved by the City to preserve the habitat in perpetuity, or 2) acquire, purchase or utilization of wetland or equivalent habitat credits at an approved mitigation band, to the satisfaction of the City. The final amount of mitigation required will be determined by the permitting agencies upon review of the project. The mitigation site shall be developed with a qualified restoration ecologist that would be responsible for preparing that site's revegetation and monitoring plan. The plan shall include details of site preparation and implementation, planting specifications, and 5-year maintenance and monitoring procedures. The plan shall outline yearly success criteria and remedial measures should the mitigation effort fall short of the success criteria.

IMPACT ANALYSIS

A detail revised project impact analysis is not necessary or required due to the nature of the proposal to substitute a mitigation measure for an equivalent or better mitigation measure. City staff has reviewed the adopted 2016 IS/MND in conjunction with the proposed modification to the project mitigation measure and has determined that the proposed changes described in this Addendum would not result in any new or significantly adverse environmental impacts identified in the previously adopted Mitigated Negative Declaration. The project does not include any modifications to the proposed maintenance operations, involve an increase in the project area, or any additional physical impacts to the original subject areas analyzed in the adopted Mitigated Negative Declaration (ENV15-0010). Other than the refinement to the habitat area calculations and proposed substitution to Biological Mitigation Measure No 3, no other changes to the project are proposed and all mitigation measures would continue to be applicable to the revised project.

SUMMARY AND FINDINGS

The Spruce Street Drainage Improvement Project was found to result in potentially significant impacts related to biological and cultural resources. As previously described, all of these impacts were reduced to below a level of significance with implementation of mitigation measures adopted in the Final Mitigated Negative Declaration for the project. All other project impacts were found to be less than significant without mitigation, and no deficiencies related to the City's General Plan Quality of Life were found to occur. The project would not result in environmental effects that would cause a substantial adverse effect on human beings either directly or indirectly.

The proposed revision to the project only involves the substitution of Biological Mitigation Measure No. 3 with an equivalent or better mitigation measure in order to satisfy resource agency regulatory permitting requirements. Therefore, the revised project would not result in any new impact(s) not already identified in the adopted 2016 IS/MND (ENV15-0010) because there are no changes to the original project description or physical changes to the environment. For the reasons described in the above sections, the revised project would not result in new significant impacts or a substantial increase in the severity of impacts under CEQA. Thus, the revised project would not: a) result in increased impacts related to degradation of the environment; b) result in increased cumulative impacts; or c) result in increased substantial adverse effects on human beings, either directly or indirectly. No significant impacts to the environment as a result of this project have been identified when considering the mitigation measures included as part of the development plan. Approval of the project is not expected to have any significant impacts, either long-term or short-term, nor will it cause substantial adverse effect on human beings, either directly or indirectly provided all mitigation measures and normal project conditions are followed. A revised Mitigation Monitoring and Reporting Program reflecting the proposed change to the mitigation measures will be in force as approved with this Addendum and modification to project. In summary, the analysis concludes that none of the conditions described in Section 15162 of the CEQA Guidelines calling for preparation of a subsequent EIR or Negative Declaration have occurred, and thus an Addendum to the adopted Mitigated Negative Declaration is appropriate to satisfy CEQA requirements for the proposed project. The evidence in the file support that no circumstances or conditions requiring the preparation of a subsequent Negative Declaration are present in this case. No circulation of this Addendum for public comment is required. [CEQA Guidelines §15074[c] and 15164(c)].

EXHIBIT "B"
TO CITY COUNCIL RESOLUTION NO. 2017-164
MMRP

Mitigation Monitoring and Reporting Program (MMRP)
Spruce Street Drainage Improvement Project

PROJECT NAME: Mitigated Negative Declaration for Spruce Street Drainage Improvement Project (SCH #2015121103)

PROJECT DESCRIPTION: The City of Escondido owns and operates a Municipal Separate Storm Sewer System (MS4) infrastructure that includes various stormwater facilities associated with flood control and drainage in throughout Escondido. The earthen and concrete-lined channel along Spruce Street has a long history of being chronically wet with standing water resulting in impacts to flood control, public health and safety and water quality. The proposed project includes drainage improvement activities to reduce standing water and sedimentation, and to allow increased flow along the approximately 1/2-mile section of earthen and concrete-lined drainage channel adjacent to Spruce Street. A Mitigated Negative Declaration (MND) has been prepared pursuant to CEQA and provides an analysis of potential impacts from the proposed project.

PROJECT LOCATION: City of Escondido, CA. The project area begins north of the intersection of South Spruce Street and West 3rd Avenue as a concrete-lined channel and conveys drainage west (downstream) before going underground at South Spruce Street. The channel daylights west of the intersection of West Grand Avenue and South Spruce Street as an earthen channel and flows west through a short culvert under West Valley Parkway, and then continues as an earthen channel until it drains into Escondido Creek (concrete-lined flood-control channel).

APPLICANT/CONTACT PERSON: Jay Paul, Planning Dept.

PHONE NUMBER/Email: (760) 839-4537 jpaul@escondido.org

ASSOCIATED CASE NO.: ENV 15-0010

APPROVAL BODY/DATE: City Council, February 10, 2016 and December 20, 2017

PROJECT MANAGER: Alicia Appeal-Utilities/Environmental Programs (760) 839-6315
aappeal@escondido.org

Phase at which the Mitigation Measures are to be implemented

Prior to issuance of grading permit/site grading

Mitigation Measure	Description	Identification No. Location in Doc.	Responsibility for Implementation	Certified Initials/Date	Comments
Biological Resources					
BIO-1 Nesting Season Avoidance	Vegetation clearing shall occur outside of the typical breeding season for raptors and migratory birds (February 15 through September 15). However, if this is not possible, then a qualified biologist will conduct a raptor nesting survey prior to construction to determine the presence or absence of nests in the riparian habitat,	BIO-1 Page 30 of MND	City of Escondido, Biologist, Project Manager		

EXHIBIT "B"
TO CITY COUNCIL RESOLUTION NO. 2017-164
MMRP

Mitigation Measure	Description	Identification No. Location in Doc.	Responsibility for Implementation	Certified Initials/Date	Comments
	and the potential need for additional project mitigation measures.				
BIO-2 Nest Buffers	To the greatest extent feasible, vegetation clearing, dredging, and other mechanized activities within 500 feet of undeveloped vegetation communities will be conducted outside the breeding season for federally protected migratory and listed bird species. In situations where these types of maintenance activities will occur adjacent to undeveloped vegetation communities during the breeding season (February 15 through September 15), the following measures will be implemented: 1. A preconstruction survey for migratory birds shall be performed by a qualified biologist within 3 days prior to any removal of trees, shrubs, or structures on the project site. If no active nests are found, then no further action will be warranted. 2. If an active nest is detected on or within 300 feet of the project site (500 feet for raptors), no work shall be conducted within a 300-foot radius (500 feet for raptors) of the detected nest until a biological monitor determines the nest is no longer active.	BIO-2 Page 30 of MND	City of Escondido, Biologist, Project Manger		
BIO-3 Wetland Habitat/Jurisdictional Waters Protection	Impacts to wetland/upland habitat shall be mitigated with up to approximately 0.10 acres of qualifying wetland/upland habitat. Mitigation shall be provided by either 1) preservation of equivalent or better habitat at an off-site location via a covenant of easement or other method approved by the City to preserve the habitat in perpetuity, or 2) acquire, purchase or utilization of wetland or equivalent habitat credits at an approved mitigation band, to the satisfaction of the City. The final amount of mitigation required will be determined by the permitting agencies upon review of the project. The mitigation site shall be developed with a qualified restoration ecologist that would be responsible for preparing that site's revegetation and monitoring plan.	BIO-3 Page 30 of MND and 3 of Addendum	City of Escondido; Biologist/ Restoration Ecologist, Project Manager		

EXHIBIT "B"
TO CITY COUNCIL RESOLUTION NO. 2017-164
MMRP

Mitigation Measure	Description	Identification No. Location in Doc.	Responsibility for Implementation	Certified Initials/Date	Comments
	The plan shall include details of site preparation and implementation, planting specifications, and 5-year maintenance and monitoring procedures. The plan shall outline yearly success criteria and remedial measures should the mitigation effort fall short of the success criteria				
BIO-4 Mature Tree Protection	All tree replacement would be in accordance with the City's Tree Preservation and Grading Ordinance requirements for mature and any protected trees (Oaks). It is anticipated that any mature and any protected trees (Oaks) would be planted on-site or within adjacent City owned property. Tree replacement plan to be included as part of the revegetation plan noted in Bio 3.	BIO-4 Page 30 and 32 of MND	City of Escondido, Project Biologist/ Restoration Ecologist; Project Manager		
Cultural Resources					
CR-1 Avoidance of Archaeological Resources	If an unanticipated archaeological resource is discovered the contractor shall temporarily divert construction activities in the area of cultural resource and immediately notify the resident engineer, as appropriate, and the PI (Principle Investigator) (unless Monitor is the PI). The PI shall immediately notify appropriate City staff by phone of the incident, and shall also submit written documentation to City staff within 24 hours by fax or email with photos of the resource in context. The PI will assess the potential significance of the find and report to City staff. If feasible the unanticipated archaeological will be avoided. If an unanticipated discovery is significant and cannot be avoided see CR-2 below.	CR-1 Page 37 of MND	City of Escondido, Project Engineer, Project Manager, Archaeologist/ Principal Investigator		
CR-2 Testing of Archaeological Resources	If an unanticipated archaeological discovery is potentially significant and cannot be avoided, an evaluation plan that identifies research topics and procedures for evaluation of the resource will be prepared. The evaluation plan will be a standalone document and will be implemented prior to additional ground-disturbing maintenance activities.	CR-2 Page 37 of MND	City of Escondido, Project Engineer, Project Manager, Archaeologist		

EXHIBIT "B"
TO CITY COUNCIL RESOLUTION NO. 2017-164
MMRP

Mitigation Measure	Description	Identification No. Location in Doc.	Responsibility for Implementation	Certified Initials/Date	Comments
CR-3 Data Recovery of Archaeological Resources	If an unanticipated archaeological discovery is significant and cannot be avoided, a treatment plan will outline the procedures for conducting data recovery. The treatment plan will be a stand-alone document and will be implemented prior to any additional ground-disturbing maintenance activities.	CR-3 Page 37 of MND	City of Escondido, Project Engineer, Project Manager, Archaeologist		
CR-4 Treatment of Human Remains	If human remains are inadvertently discovered, they shall be treated according to appropriate state regulations(Public Resources Code Sections 5097.98, 5097.99, 5097.991, 7050.5, and 8010-8011 and Assembly Bill 2641); or on federal land Native American Graves Protection and Repatriation Act provisions, as outlined in the monitoring and discovery plan.	CR-4 Page 37 of MND	City of Escondido, Project Engineer, Project Manager, Archaeologist/ Principal Investigator		

CODE COMPLIANCE

Ongoing monitoring to ensure compliance with all mitigation measures, operational requirements, standards, codes and regulations.	City of Escondido Utilities-Environmental Programs City of Escondido Public Work Department
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CITY COUNCIL STAFF REPORT

Consent Item No. 9

December 20, 2017

File No. 0740-30

SUBJECT: Memorandum of Understanding between the City of Escondido and the Police Officers' Association – Non-Sworn Bargaining Unit

DEPARTMENT: Human Resources Department

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2017-165, approving the execution of a Memorandum of Understanding between the City of Escondido and the Police Officers' Association Non-Sworn Bargaining Unit, for a three-year term commencing July 1, 2017, through June 30, 2020.

It is also requested that the City Council approve a budget adjustment appropriating \$26,375 to cover increased contract costs. The Fiscal Year 2017-18 General Fund Operating Budget did not allocate funds for contract increases, but it is anticipated that budgetary savings at year end will cover these increased costs. The financial impact will be included in the Fiscal Year 2018-19 General Fund Operating Budget for the Police Department.

FISCAL ANALYSIS:

Cost to the General Fund for Fiscal Year 2018-19 is \$49,120. The total cost of the three-year contract is \$150,465.

PREVIOUS ACTION:

On January 11, 2017, the City Council voted to adopt the Memorandum of Understanding between the Escondido Police Officers' Association Non-Sworn Bargaining Unit and the City of Escondido, for a one-year term that expired on June 30, 2017.

BACKGROUND:

City staff has met with the Escondido Police Officers' Association Non-Sworn Bargaining Unit, regarding terms and conditions of employment that expired on June 30, 2017. The attached Resolution outlines changes to working conditions and compensation that the Police Officers' Association Non-Sworn Bargaining Unit has agreed to during this negotiation process.

Members of the Bargaining Unit have voted in support of the terms and conditions on December 16, 2017.

Police Officers' Association - Non-Sworn Police Bargaining Unit
December 20, 2017
Page 2

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Sheryl Bennett, Deputy City Manager/Administrative Services
12/19/2017 9:18 a.m.

ATTACHMENTS:

1. Attachment 1 - Budget Adjustment Request
2. Resolution No. 2017-165
3. Resolution No. 2017-165 – Exhibit “A”



CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST

Date of Request: 12/18/17
Department: Finance
Division:
Project/Budget Manager: Joan Ryan
Council Date (if applicable): 12/20/17

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

Table with 4 columns: Project/Account Description, Account Number, Amount of Increase, Amount of Decrease. Rows include Regular Full-Time, Other Employee Overhead, PERS - Normal Cost, PERS - UAL, Workers' Comp, Tuition, Fund Balance - General Fund, Fund Balance - Ben Admin.

Explanation of Request:

FY 2017-18 increased contract costs due to approval by the City Council of the Memorandum of Understanding between the City and the Police Officers' Association- Non-Sworn Bargaining Unit on December 20, 2017.

APPROVALS

Department Head: [Signature] Date: 12-18-17
Finance: [Signature] Date: 12/18/17
City Manager: _____ Date: _____
City Clerk: _____ Date: _____

Distribution (after approval): Original: Finance

RESOLUTION NO. 2017-165

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
MEMORANDUM OF UNDERSTANDING WITH
THE ESCONDIDO POLICE OFFICERS'
ASSOCIATION, NON-SWORN BARGAINING
UNIT

July 1, 2017 – June 30, 2020

WHEREAS, negotiating teams from the City of Escondido and the Escondido Police Officers' Association, Non-Sworn Bargaining Unit, have been duly appointed and have been conducting meet-and-confer sessions with respect to matters affecting both parties; and

WHEREAS, a successor Memorandum of Understanding ("MOU") by the City of Escondido ("City") and the Escondido Police Officers' Association, Non-Sworn Bargaining Unit ("Association"), is necessary as a result of meeting and conferring in good faith concerning wages, hours, and other terms and conditions of employment; and

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

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

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

1. That the above recitations are true.

2. That the City's negotiating team is authorized to execute, on behalf of the City and the City Council, a successor MOU extending the term of the MOU through June 30, 2020, and also including terms as set forth in Exhibit "A," which is attached to this Resolution and incorporated by this reference.

City of Escondido
Escondido Police Officers' Association, Non-Sworn Bargaining Unit
Successor Memorandum of Understanding
July 1, 2017 – June 30, 2020

1. **Term:** July 1, 2017 – June 30, 2020. None of the terms are retroactive. All changes take effect upon the agreed effective date after City Council adoption of the Memorandum of Understanding (MOU). All terms and conditions of the MOU will be continued as set forth in the current MOU.

2. **Article 2, Salaries and Compensation, Section 2.02**

Effective pay period closest to and including January 1, 2018, the base salary range for all represented classifications shall be increased by one and one half percent (1.5%).

Effective pay period closest to and including January 1, 2019, the base salary range for all represented classifications shall be increased by one and one half percent (1.5%).

Effective pay period closest to and including January 1, 2020, the base salary range for all represented classifications shall be increased by one and one half percent (1.5%).

3. **Article 7, Tuition Reimbursement**

Effective pay period closest to and including January 1, 2018, increase the annual allotment for the tuition reimbursement program as outlined within this article from \$2,500 to a maximum of \$4,500 allotted each fiscal year for the Non-Sworn Police Unit.



CITY COUNCIL STAFF REPORT

Consent Item No. 10

December 20, 2017

File No. 0430-30

SUBJECT: Community Services Budget Amendment

DEPARTMENT: City Manager's Office and Community Services and Relations Department

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2017-166 modifying the General Fund Budget to delete the position of Director of Library and Community Services, and add the position of Director of Communications and Community Services.

FISCAL ANALYSIS:

Deletion of the Director of Library and Community Services position is part of the cost savings analyzed with the decision to outsource library operations. Projected cost savings of the library outsourcing will not be jeopardized by this change. The addition of the Director of Communications and Community Services position will be absorbed by other General Fund budget savings.

CORRELATION TO THE CITY COUNCIL ACTION PLAN:

This item relates to the Council's Action Plan by increasing Community Outreach with communications and stimulating Economic Development by focusing on tourism and marketing. City staff is dedicated to making necessary improvements as outlined in the City Council Action Plan.

BACKGROUND:

The Community Services oversight functions were performed by the previous Director of Library and Community Services. With the outsourcing of library operations, some contract oversight will be necessary but the work does not justify a department head position. However, the City is significantly increasing communications and community outreach functions, Grape Day Park expansion, preparing for a bond issue for a new library, and related tasks. Combined with normal oversight of Community Services functions, a Director of Communications and Community Services will replace the Director of Library and Community Services. This position would be responsible for overseeing the areas of Community Services Administration, Recreation, ASES Before and After School Program, Older Adult Services, Senior Nutrition, Communications, Tourism and Marketing.

Actual salary decisions will be based upon individual merits and job responsibilities once the change to the budget has been approved.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Jeffrey R. Epp, City Manager
12/13/2017 5:00 p.m.

ATTACHMENTS:

1. Resolution No. 2017-166

RESOLUTION NO. 2017-166

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, MODIFYING THE CITY OF ESCONDIDO GENERAL FUND BUDGET TO DELETE THE POSITION OF DIRECTOR OF LIBRARY AND COMMUNITY SERVICES AND ADD THE POSITION OF DIRECTOR OF COMMUNICATIONS AND COMMUNITY SERVICES

WHEREAS, the City of Escondido Community Services oversight functions were performed by the previous Director of Library and Community Services and with the outsourcing of library operations, some contract oversight will be necessary; and

WHEREAS, with increased communications and community outreach functions, Grape Day Park expansion, preparing for a bond issue for a new library; and existing normal oversight of Community Services functions, a Director of Communications and Community Services will replace the Director of Library and Community Services; and

WHEREAS, the Director of Communications and Community Services position will also be responsible for overseeing the areas of Community Services Administration, Recreation, ASES Before and After School Program, Older Adult Services, Senior Nutrition, Communications, Tourism and Marketing.

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 adopt Resolution No. 2017-166 modifying the General Fund Budget to delete the position of Director of Library and Community Services and add the position of Director of Communications and Community Services.

ORDINANCE NO. 2017-12

AN ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AMENDING ARTICLE 40 (HISTORICAL
RESOURCES) OF THE ESCONDIDO ZONING
CODE

APPLICANT: City of Escondido
PLANNING CASE NO.: AZ 17-0004

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

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

SECTION 2. The City Council has duly reviewed and considered all evidence submitted at said hearings, including, without limitation:

- a. Written information;
- b. Oral testimony from City staff, interested parties, and the public;
- c. The staff report, dated December 6, 2017, which along with its attachments is incorporated herein by this reference as though fully set forth herein; and
- d. Additional information submitted during the Public Hearing.

SECTION 3. That the City Council has reviewed and considered the Notice of Exemption prepared for this project, in conformance with the California Environmental

**A COMPLETE COPY OF THIS ORDINANCE
IS ON FILE IN THE OFFICE OF THE CITY
CLERK FOR YOUR REVIEW.**

ORDINANCE NO. 2017-15R

AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF ESCONDIDO,
CALIFORNIA, AMENDING SECTION 2-28
OF THE ESCONDIDO MUNICIPAL CODE,
AMENDING THE SALARY SCHEDULE
FOR THE CITY COUNCIL MEMBERS

WHEREAS, the last adjustment of the salary of the City Council was effective December 2016, pursuant to Ordinance No. 2015-24; and

WHEREAS, Section 36516 of the Government Code permits annual five percent increases in Council salaries provided that the effective date of an adjustment in the salaries of the City Council Members must be delayed until one or more Council Members commences a new term of office; and

WHEREAS, the current salary for City Council Members is \$1,898.57 per month, as set by Escondido Municipal Code Section 2-28(a); and

WHEREAS, the current salary of the Mayor is \$3,460.60 per month.

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

SECTION 1. That the above recitations are true.

SECTION 2. That Section 2-28 of the Escondido Municipal Code is hereby amended to read as follows:

Section 2-28. Compensation of Members.

(a) Effective on the date the City Council members to be elected at the 2018

A COMPLETE COPY OF THIS ORDINANCE
IS ON FILE IN THE OFFICE OF THE CITY
CLERK FOR YOUR REVIEW.



CITY COUNCIL STAFF REPORT

Public Hearing Item No. 13

December 20, 2017

File No. 0440-65

SUBJECT: TEFRA Hearing for Cobblestone Village Apartments

DEPARTMENT: Community Development Department, Housing & Neighborhood Services

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2017-162 approving the issuance of revenue bonds by California Municipal Finance Authority ("CMFA"), in an aggregate principal amount not to exceed \$10,000,000 (the "Bonds"), to finance the acquisition, rehabilitation, improvement and equipping of Cobblestone Village Apartments ("Project") at 360 E. Washington Avenue, Escondido, California.

FISCAL ANALYSIS:

There will be no impact on the General Fund. The proposed obligations to be issued by the CMFA will be the sole responsibility of Cobblestone Village Apartments, L.P. (National Community Renaissance ("National CORE")) will serve as the manager of the General Partnership, and the City will have no financial or legal obligation for repayment.

CORRELATION TO THE CITY COUNCIL ACTION PLAN:

This item relates to the Council's Action Plan regarding Image and Appearance.

PREVIOUS ACTION:

On September 13, 2000, the Community Development Commission adopted Resolution. CDC No. 2000-05RR authorizing the execution of an Affordable Housing Agreement with Southern California Housing Development Corporation of Orange, and a loan in an amount not to exceed \$2,100,000 from the Low and Moderate Income Housing Set-Aside Fund for the purchase and rehabilitation of the Project. Approximately \$1,500,000 of the loan proceeds were designated for acquisition of the property; the remaining funds, for rehabilitation.

On January 9, 2002, the Community Development Commission adopted Resolution CDC No. 2002-01R allocating 2001-2002 Set-Aside funds for the rehabilitation phase of the project.

On January 25, 2012, the City Council adopted Resolution No. 2012-16 electing to serve as the Successor Housing Agency of the Community Development Commission.

On December 11, 2013, the City Council adopted Resolution No. 2013-170 approving, authorizing and directing execution of a Joint Exercise of Powers Agreement relating to the City's membership in the California Municipal Finance Authority. The City is therefore an authorized CMFA member and an "applicable elected representative" that is suitable for the Borrower to use to conduct this hearing.

BACKGROUND:

California Municipal Finance Authority

The City of Escondido is a member agency of CMFA, and CMFA has the authority to serve as the issuer of these tax-exempt revenue bonds, to obtain funds to make loans to finance projects for healthcare, education, cultural facilities and waste-to-energy. The CMFA was created on January 1, 2004, and is a public entity, separate and apart from its members, so the debts, liabilities and obligations of CMFA do not constitute debts, liabilities or obligations of its members. CMFA provides that any member may withdraw from the Agreement upon written notice to the Board of Directors of the CMFA at any time.

TEFRA Hearing

In order for the interest on the Bonds to be tax-exempt to investors, Section 147(f) of the Internal Revenue Code of 1986, as amended, also known as the Tax Equities and Fiscal Responsibility Act of 1982 ("TEFRA"), requires "applicable elected representative" of the governmental unit, in the geographic jurisdiction where the site of facilities to be financed is located, hold a public hearing on the issuance of the Bonds and approve the issuance of the Bonds. Prior to conducting the TEFRA Hearing, reasonable notice must be provided to the community. CMFA will then conduct its own process to issue the bonds, and investors will look only to the Cobblestone Village Apartments, L.P. (the "Borrower") for repayment of the bonds. The City, therefore, has no financial or legal obligation, nor liability or responsibility for this Project or the repayment of the bonds issued pursuant to Resolution No. 2017-162.

Project to be Funded

Cobblestone Village Apartments is a 44-unit multifamily rental housing project located at 360 E Washington Avenue. Southern California Housing Development Corporation (now National CORE) purchased the Project (initially constructed in 1975) in 2000. The City of Escondido assisted the Project, providing an affordable housing loan for purchase and rehabilitation (which focused on the immediate needs of the Project). A 2017 Property Condition Report, by Partner Engineering and Science, Inc., assesses the property to be in good to fair condition, with a good overall level of preventative maintenance. However, a number of conditions require immediate remediation. Anticipated work includes site and exterior improvements (repair of asphalt pavement and fencing, repainting, and roof replacement), mechanical and electrical system (replacement of PTAC and AC units, replacement of the central water heater), interior elements (flooring and unit appliances), accessibility improvements (van accessible parking), and energy efficiency improvements.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Bill Martín, Director of Comm. Dev.
12/13/2017 3:40 p.m.

Karen Youel, Housing & Neighborhood Svs. Manager
12/13/2017 4:09 p.m.

ATTACHMENTS:

1. Resolution No. 2017-162

RESOLUTION NO. 2017-162

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, APPROVING THE ISSUANCE OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$10,000,000 FOR THE PURPOSE OF FINANCING OR REFINANCING THE ACQUISITION, REHABILITATION, IMPROVEMENT, AND EQUIPPING OF COBBLESTONE VILLAGE APARTMENTS AND CERTAIN OTHER MATTERS RELATING THERETO

(360 E. Washington Avenue, File Number: 0875-21)

WHEREAS, Cobblestone Village Apartments, L.P. (the "Borrower") or a partnership created by National Community Renaissance (the "Developer"), consisting at least of the Developer or a related person to the Developer and one or more limited partners, has requested that the California Municipal Finance Authority (the "Authority") adopt a plan of financing providing for the issuance of one or more series of revenue bonds issued from time to time, including bonds issued to refund such revenue bonds in one or more series from time to time, in an aggregate principal amount not to exceed \$10,000,000 (the "Bonds") for the acquisition, rehabilitation, improvement and equipping of a 44-unit multifamily rental housing project located at 360 E. Washington Avenue, Escondido, California, generally known as Cobblestone Village Apartments (the "Project") and operated by National CORE; and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), the issuance of the Bonds by the Authority must be approved by the City of Escondido (the "City") because the Project is located within the territorial limits of the City; and

WHEREAS, the City Council of the City of Escondido is the elected legislative body of the City and is one of the “applicable elected representatives” required to approve the issuance of the Bonds under Section 147(f) of the Code; and

WHEREAS, the Authority has requested that the City Council approve the issuance of the Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 4 of the Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, dated as of January 1, 2004 (the “Agreement”), among certain local agencies, including the City; and

WHEREAS, pursuant to Section 147(f) of the Code, the City Council has, following notice duly given, held a public hearing regarding the issuance of the Bonds, and now desires to approve the issuance of the Bonds by the Authority.

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

1. That the above recitations are true.
2. The City Council hereby approves the issuance of the Bonds by the Authority. It is the purpose and intent of the City Council that this Resolution constitute approval of the issuance of the Bonds by the Authority, for the purposes of (a) Section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, in accordance with said Section 147(f) and (b) Section 4 of the Agreement.
3. The issuance of the Bonds shall be subject to the approval of the Authority of all financing documents relating thereto which the Authority is a party. The

City shall have no responsibility or liability whatsoever with respect to the Bonds.

4. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing to acquire or construct the Project or any refinancing of the Project; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, construction, rehabilitation, installation or operation of the Project; (iii) make any contribution or advance any funds whatsoever to the Authority; or (iv) take any further action with respect to the Authority or its membership therein.

5. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing transaction approved hereby.

6. This Resolution shall take effect immediately upon its adoption

CITY COUNCIL STAFF REPORT

Public Hearing Item No. 14

December 20, 2017

File No.0810-20

SUBJECT: Zoning Code Amendment and Conditional Use Permit Regarding Incubator Uses (AZ 17-0003 and PHG 17-0009)

DEPARTMENT: Community Development Department, Planning Division

RECOMMENDATION:

It is requested that Council introduce Ordinance No. 2017-16, amending the Escondido Zoning Code to allow incubator uses as a Conditional Use in the M-1 and M-2 zones; and adopt Resolution No. 2017-156, approving a Conditional Use Permit for a cryotherapy business as an incubator use in the M-1 zone. The proposal also includes the adoption of the environmental determination prepared for the zoning code update and the proposed Conditional Use Permit project.

FISCAL ANALYSIS:

No immediate or direct impact to City budget associated with this report or the requested actions. The staff report brings forth a request to consider allowing additional accessory uses in industrial zones, which could lead to economic opportunities and can increase business license tax base.

CORRELATION TO THE CITY COUNCIL ACTION PLAN:

The 2017-2018 City Council Action Plan includes a strategy to promote “employment-intensive and revenue generating land uses.” The proposed Zoning Code Amendment to allow incubator uses within the industrial zones would expand the list of conditionally permitted uses in the M-1 and M-2 Zones, thus increasing business opportunities and the potential for higher paying jobs in the City, and increase the City’s tax base.

PREVIOUS ACTION:

On November 28, 2017, the Planning Commission adopted Planning Commission Resolution No. 6109, recommending that the City Council approve the proposed Zoning Code Amendment and Conditional Use Permit, by a 7-0 vote. The November 28, 2017 Planning Commission staff report and draft minutes are included for reference as Attachment 1 and Attachment 2 to this report, respectively.

BACKGROUND:

The proposed Zoning Code Amendment (ZCA) has been requested to establish a five (5) year pilot program to allow small incubator businesses in the M-1 and M-2 zones as conditional uses.

Incubator uses would be defined as non-industrial uses operated by small companies using emerging technologies, and other similar uses as determined by the Director of Community Development. The code amendment would be effective for approximately five (5) years and would be automatically rescinded in January of 2023, unless extended or made permanent by future action of the City Council. The draft code language includes a defined set of criteria intended to ensure compatibility with surrounding industrial uses during this interim trail period. Additional revisions would be made to various sections of Article 26 of the Escondido Zoning Code to remove redundancies and simplify structure. The revised code language is included as Exhibit "B" to Ordinance No. 2017-16.

The Conditional Use Permit has been requested in order to establish a cryotherapy facility as an incubator use at 1553 Simpson Way, Suite A. Cryotherapy is an innovative service using new technologies which subject the human body to extremely cold temperatures for short periods of time in order is to reduce pain and soreness. The subject property consists of a 5,642 square foot industrial building within a 39,022 square foot industrial complex. No exterior or interior improvements to the building are proposed as part of the Conditional Use Permit. The facility would sublease approximately 500 square feet from a bona-fide industrial user. Conditions would be placed on the facility in order to ensure compatibility with surrounding uses.

ANALYSIS:

Zoning Code Amendment:

Staff believes that opportunities exist in industrial areas for small incubator uses typically found in commercial areas in support of the General Plan goals and policies outlined in the attached Planning Commission staff report and the City Council Action Plan discussion above. The proposed amendment would provide a mechanism for existing industrial tenants to fully utilize their space by subleasing a small portion of it to an incubator use, thus making more efficient use of space. Application of conditions of approval would ensure the incubator use would remain compatible with existing and future industrial uses.

Because the proposed ZCA would establish a pilot program, it will be important to monitor its effectiveness. Staff has included language in the conditions of approval to provide ongoing oversight and ensure that the Planning Commission and City Council maintain control over its implementation over time. Should any issues arise due to the implementation of this proposed ZCA that would jeopardize the industrial nature of the M-1 and M-2 zones, the Zoning Code could be amended to address said issues. As set forth in draft ordinance 2017-16, the propose ZCA would automatically terminate in five (5) years. The purpose of the sunset clause is to reinforce the temporary nature of this program and avoid potential "takings" claims, and commit the City to reconsider the ordinance before it expires on January 1, 2023. Five years has been determined by staff to be an adequate amount of time to monitor and evaluate the feasibility of this land use right, provide for sufficient establishment period, and track any adverse events that might have occurred through its implementation.

Conditional Use Permit:

A cryotherapy business has requested a Conditional Use Permit to operate as an incubator use within an existing 5,642 SF multi-tenant industrial building located in the M-1 zone. The business would sublease a small portion (500 square feet) within a suite of an existing multi-tenant industrial building. The proposed business would provide an innovative service to individuals using a new technology that would subject the body to extremely cold temperatures for short periods of time in order to reduce pain and soreness. Conditions of approval have been proposed to ensure that the proposed use is compatible with existing and future industrial users in the complex. Given the incidental scope, size, and operation of the business, the proposed use is not anticipated to generate noise, traffic, or other impacts that would be detrimental to adjacent properties or uses. Staff believes the proposed cryotherapy business is compatible with the surrounding industrial uses and appropriate for the site, and is therefore recommending approval of the proposed Conditional Use Permit.

ENVIRONMENTAL REVIEW

The proposed ZCA is exempt from environmental review in conformance with CEQA Guidelines Section 15061(b)(3). The activity is covered by the general rule which exempts activities that can be seen with certainty to have no possibility for causing a significant effect on the environment. The proposed Conditional Use Permit is exempt from environmental review in conformance with CEQA Guidelines Section 15301 – Existing Facilities. With the City Council’s approval, staff will submit two (2) separate notices to the County Clerk of San Diego County.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Bill Martin, Director of Community Development
12/13/2017 3:40 p.m.

ATTACHMENTS:

1. Attachment 1 – November 28, 2017, Planning Commission Staff Report
2. Attachment 2 – November 28, 2017, Draft Planning Commission Minutes
3. Resolution No. 2017-156
4. Resolution No. 2017-156 – Exhibit A
5. Resolution No. 2017-156 – Exhibit B
6. Resolution No. 2017-156 – Exhibit C
7. Ordinance No. 2017-16
8. Ordinance No. 2017-16 - Exhibit A
9. Ordinance No. 2017-16 – Exhibit B



PLANNING COMMISSION

Agenda Item No.: _____
Date: November 28, 2017

CASE NUMBER: AZ 17-0003 and PHG 17-0009

APPLICANT: Joshua & Rebecca Taylor (The Cryo-Therapy Warehouse)

LOCATION: The proposed Zoning Code Amendment (ZCA) would affect M-1 and M-2 zoned properties citywide. The proposed cryotherapy business would be located within an approximately 2.24-acre industrial complex on the south side of Simpson Way, between Venture Street and State Place, addressed as 1553 Simpson Way (APN 232-440-39).

TYPE OF PROJECT: Zoning Code Amendment and Conditional Use Permit

PROJECT DESCRIPTION: An amendment to Articles 1 and 26 of the Escondido Zoning Code to establish a five (5) year pilot program allowing incubator uses as conditional uses within the M-1 (Light Industrial) and M-2 zones (General Industrial), and a Conditional Use Permit to allow a cryotherapy business as an incubator use within an existing 5,642 SF multi-tenant industrial building located in the M-1 (Light Industrial) zone. The proposal also includes the adoption of the environmental determination prepared for the project.

STAFF RECOMMENDATION: Approval

GENERAL PLAN DESIGNATION/ZONING (FOR THE CONDITIONAL USE PERMIT):

GP: General Industrial (GI). Zoning: Light Industrial (M-1)

BACKGROUND/SUMMARY OF ISSUES: The proposed ZCA has been requested in order to allow small incubator businesses in the M-1 and M-2 zones as conditional uses. Incubator uses would be defined as non-industrial uses operated by small companies using emerging technologies, and other similar uses as determined by the Director of Community Development. To control the intensity of the use and to ensure its compatibility with surrounding industrial uses, an Incubator use would only be allowed as a sub-lessee of a bona-fide industrial user, and would occupy no more than 1,000 square feet or ten percent of the total floor area of the primary industrial space from which they sublease, whichever is less. Additional conditions would be placed on the operation of each incubator use, as outlined in the draft code language attached to this report as Exhibit "B." Additional revisions would be made to various sections of the Zoning Code as part of this amendment to remove redundancies and simplify structure. These additional revisions would not change the substance of the code language.

The Conditional Use Permit has been requested in order to establish a cryotherapy facility as an incubator use at 1553 Simpson Way, Suite A. Cryotherapy is an innovative service using new technologies which subject the human body to extremely cold temperatures for short periods of time in order to reduce pain and soreness. The subject property consists of a 5,642 square foot industrial building within a 39,022 square foot industrial complex. No exterior or interior improvements to the building are proposed as part of the Conditional Use Permit. The facility would sublease approximately 500 square feet from a bona-fide industrial user. The sublease area would consist of an entry/lobby area with a reception desk and waiting area, a private changing room, and a therapy room containing the cryotherapy chamber. The proposed facility generally satisfies all of the proposed criteria set forth in the proposed ZCA.

Staff feels the issues are as follows:

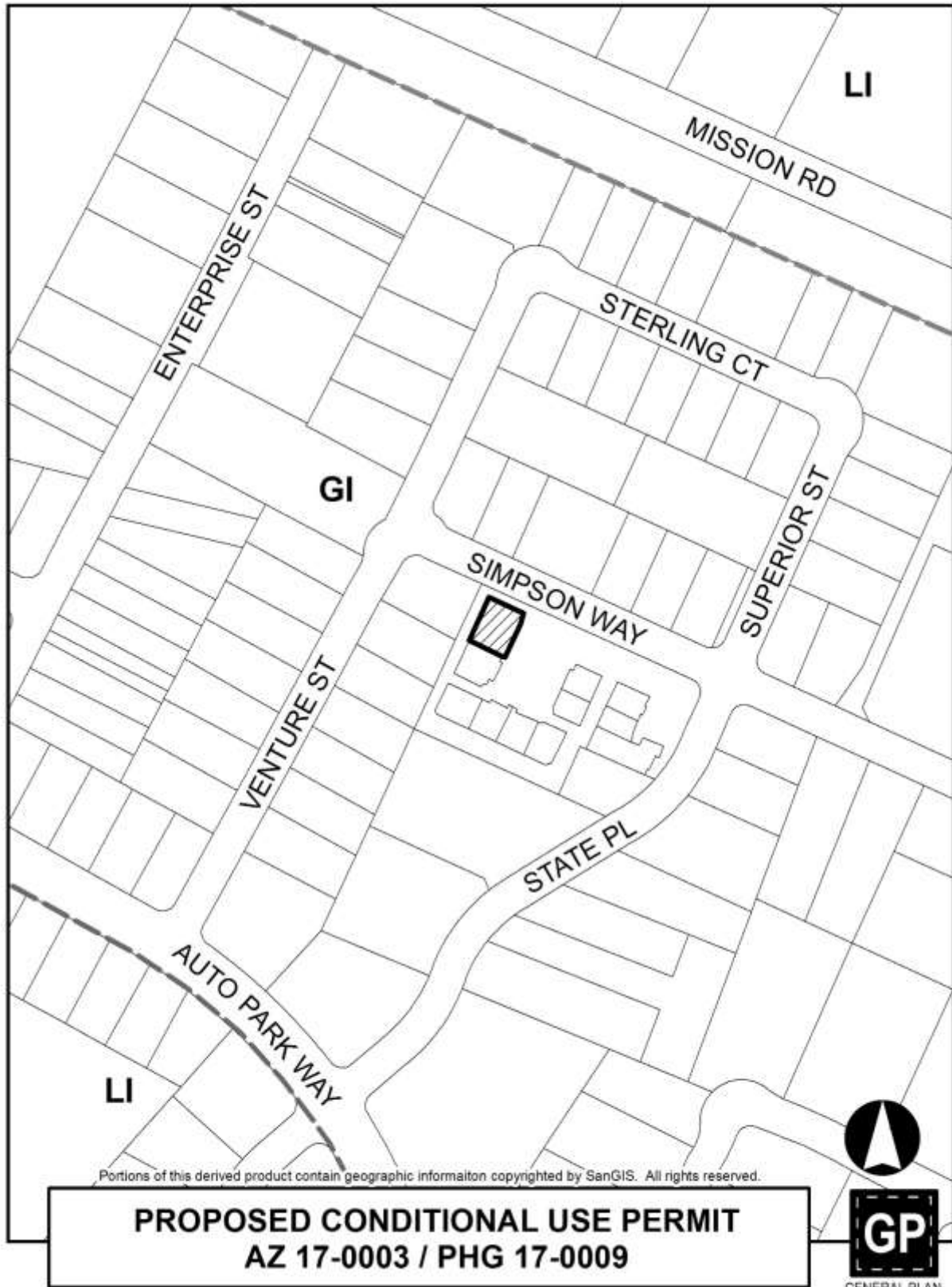
1. Appropriateness of the proposed ZCA to allow incubator uses within the industrial zones (M-1 and M-2).
2. Whether the subject industrial site is appropriate for the proposed incubator use and whether the operation would impact adjacent uses.

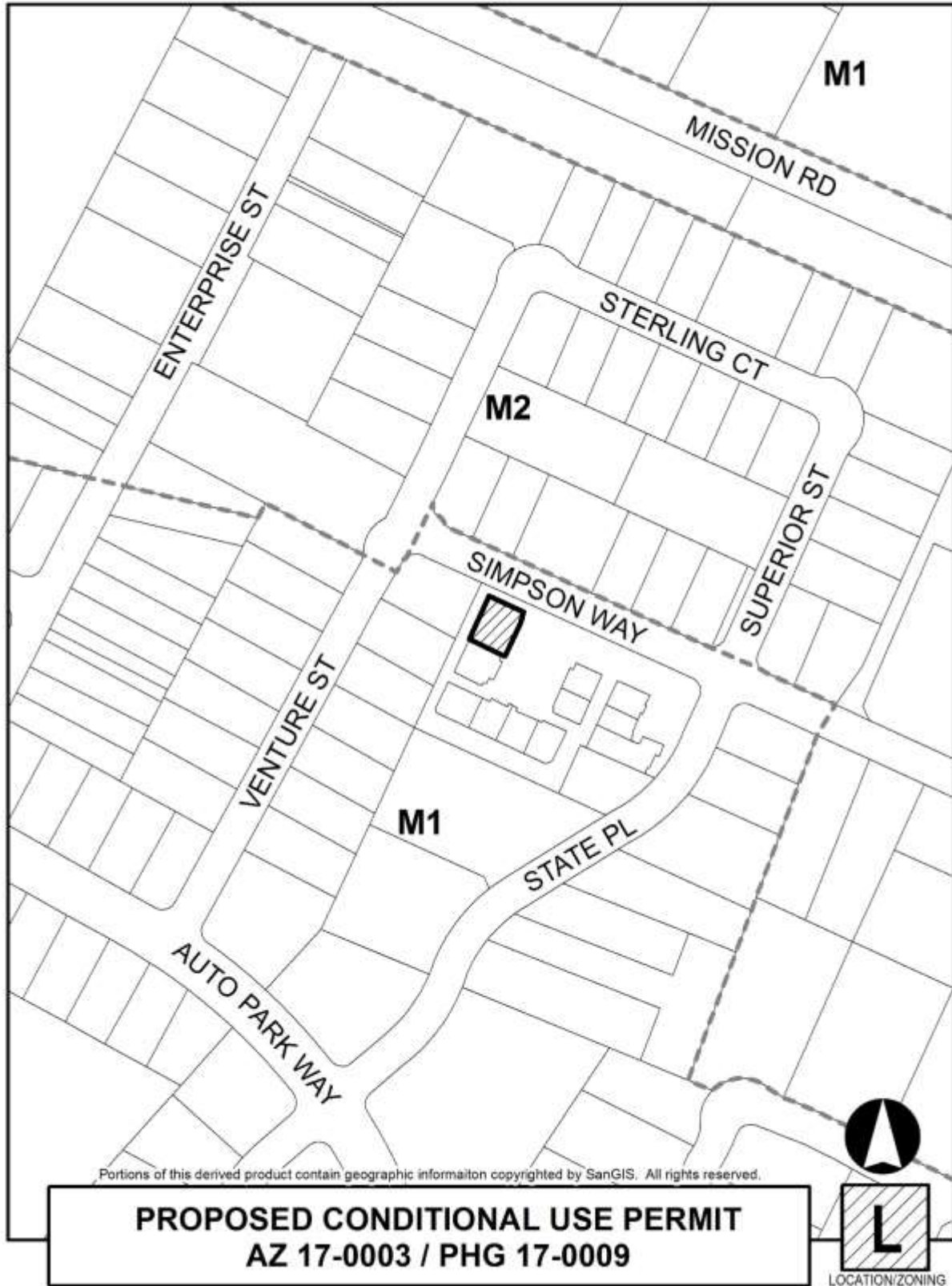
REASONS FOR STAFF RECOMMENDATION:

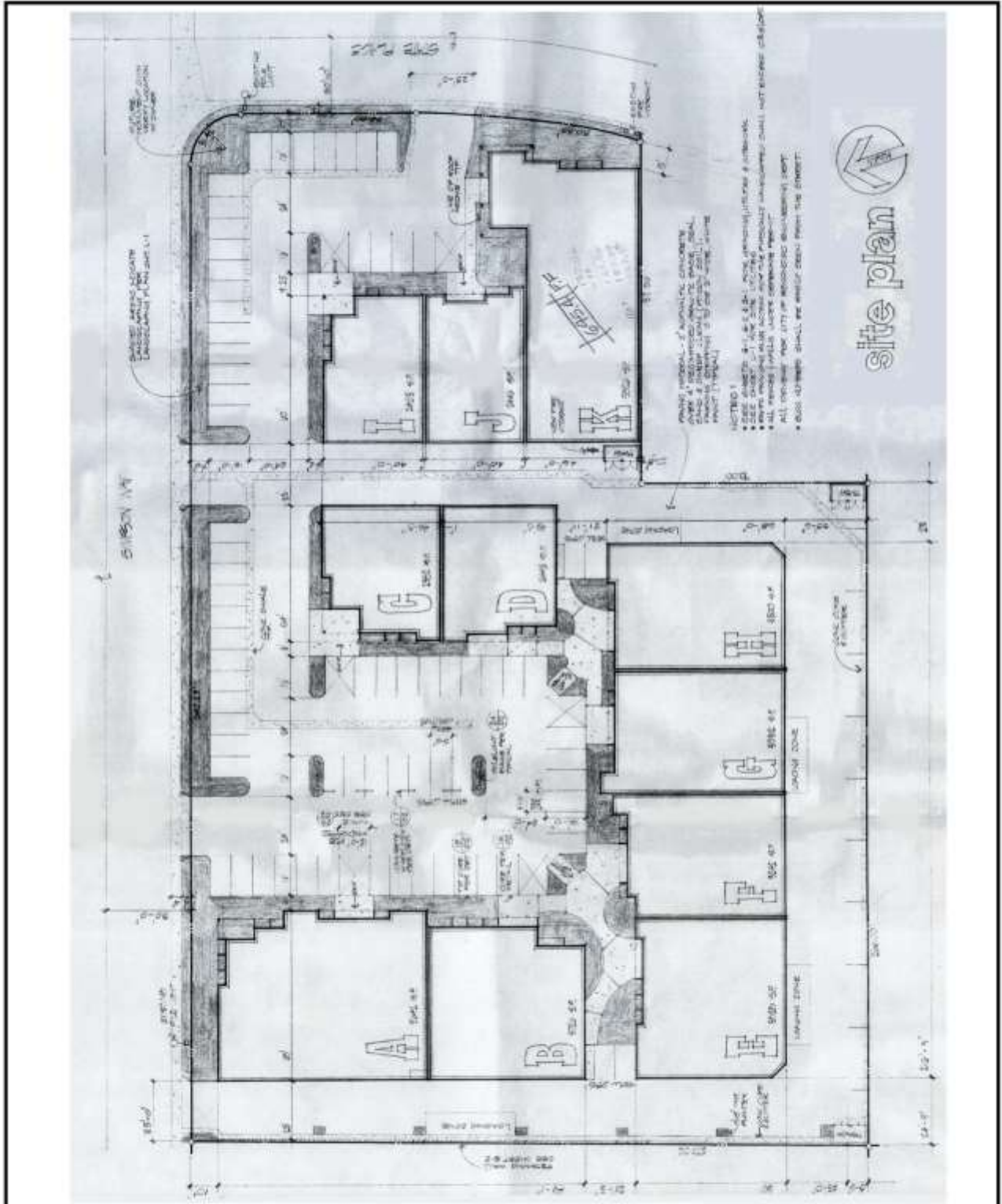
1. Staff believes that allowing incubator uses within the M-1 and M-2 zones will:
 - a. Provide flexibility in the use and arrangement of existing industrial space by accommodating opportunities for existing industrial users to maximize the use and efficiency of their space without changing the underlying industrial nature of the industrial building or complex;
 - b. Promote creativity and innovation by encouraging new businesses of an experimental, non-industrial nature, that will help transform ideas into successful commercial products or local business ventures; and
 - c. Provide additional employment opportunities within the City of Escondido and thus strengthen the local economy.
2. Staff feels the subject site is appropriate for a cryotherapy business because conditions of approval would be applied which would address any potential impacts the business may have on other adjacent businesses and adjacent properties.

Respectfully Submitted,

Darren Parker
Assistant Planner II

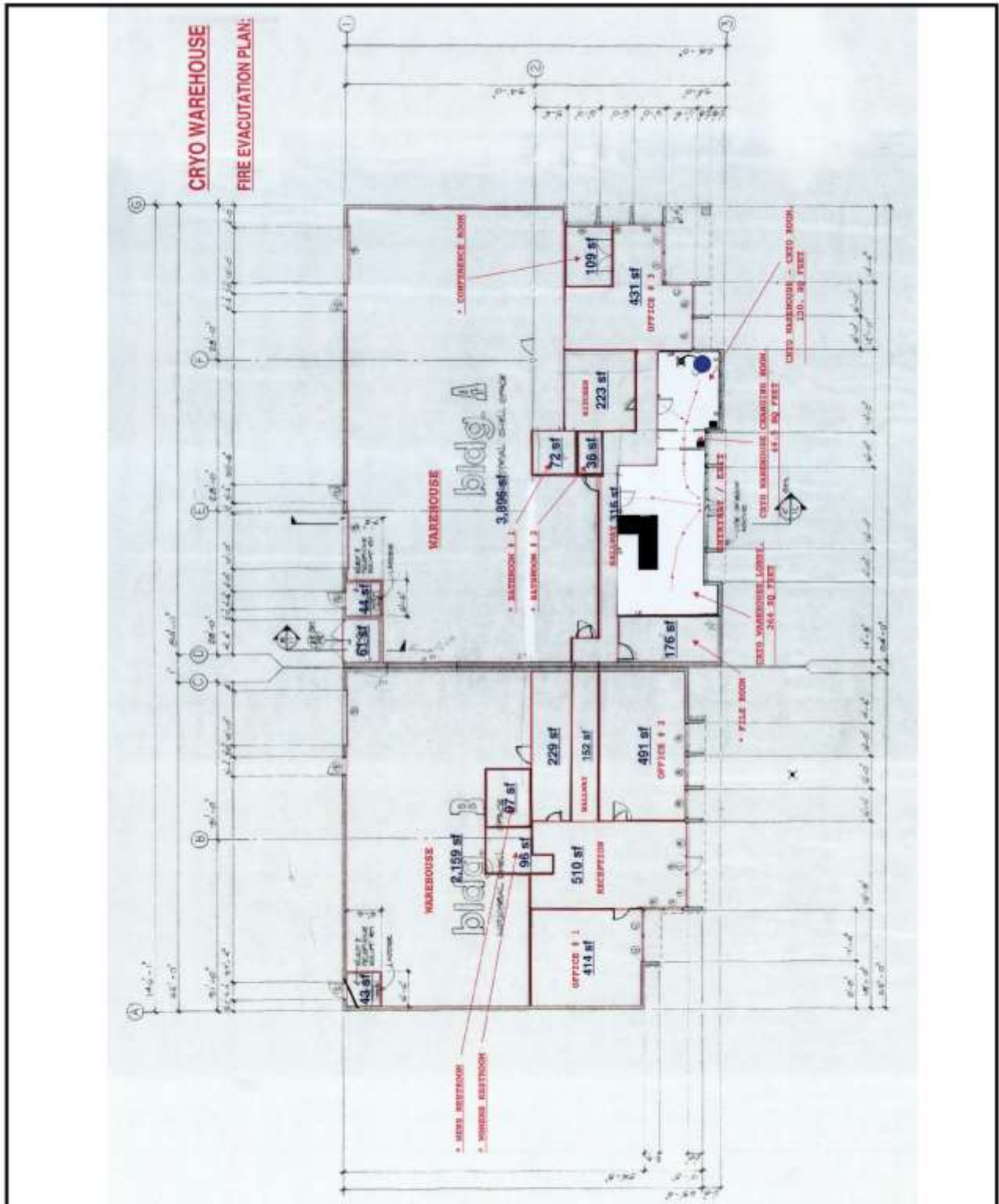






**PROPOSED CONDITIONAL USE PERMIT
 AZ 17-0003 / PHG 17-0009**

SP
 SITE PLAN



PROPOSED CONDITIONAL USE PERMIT
AZ 17-0003 / PHG 17-0009

FP
FLOOR PLAN

ANALYSIS

A. LAND USE COMPATIBILITY/SURROUNDING ZONING

NORTH: M-2 zoning (General Industrial) – Several multi-tenant buildings with a mix of industrial uses are located to the north of the project site across Simpson Way.

SOUTH: M-1 zoning (Light Industrial) – Directly south of the project site is a large, multi-tenant industrial building with mix of industrial uses. This building takes access from State Place.

EAST: M-1 zoning (Light Industrial) – An industrial building occupied by a sheet metal business is located on the corner of Simpson Way and State Place.

WEST: M-1 zoning (Light Industrial) – A small fleet vehicle fueling station is located directly to the west of the project site, on the southwest corner of Simpson Way and Venture Street.

B. ENVIRONMENTAL STATUS: The proposed Zoning Code amendment is exempt from environmental review in conformance with CEQA Guidelines Section 15061(b)(3). The activity is covered by the general rule which exempts activities that can be seen with certainty to have no possibility for causing a significant effect on the environment. Approval of the proposed amendment to the Escondido Zoning Code would not individually or cumulatively result in the possibility of creating significant effects on the environment. Therefore, the proposed amendment to the Zoning Code is not subject to CEQA under the General Rule and no further environmental review is necessary.

The proposed Conditional Use Permit is exempt from environmental review in conformance with CEQA Guidelines Section 15301 – Existing Facilities, because the subject property will be utilized in a way that involves a negligible expansion of use of the existing light industrial building.

C. AVAILABILITY OF PUBLIC SERVICES

1. Effect on Police Service -- The Police Department expressed no concern regarding their ability to serve the site.
2. Effect on Fire Service – The Fire Department has expressed no concern relative to its ability to provide service to the site.
3. Traffic -- The proposed amendment to the Zoning Code is not expected to have a significant impact on traffic in industrial zones. Access to the proposed cryotherapy business site is provided off of Simpson Way, which is an unclassified local road. The Engineering Services Department indicated that 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.
4. Utilities – Water and sewer service to the site is currently provided by the City of Escondido. The project would not impact utility services to the site.
5. Drainage – There are no significant drainage courses on or adjacent to the site. The project would not impact existing facilities because the site is fully developed and no new development is proposed.

D. CONFORMANCE WITH CITY POLICY

General Plan:

Various economic prosperity goals and policies in the General Plan encourage the City to support entrepreneurial opportunities, recruit new business, and encourage expansion of existing business to increase employment opportunities, as outlined below:

1. Economic Prosperity Element – Policy 2.1 (Wages and Jobs/Housing)

Implement programs and support efforts to increase Escondido's median income and wage by: actively fostering entrepreneurial opportunities, recruiting new businesses, annexing key unincorporated lands, and encouraging existing business expansions that increases employment densities and retains skilled workers whose wages exceed the San Diego Region's median per capita income, and bringing new dollars into the local economy.

Allowing incubator uses would directly support entrepreneurial opportunities and activities within Escondido. Additionally, incubator uses could expand the mix and supply of different job classifications which could result in higher wages. By allowing incubators uses in the M-1 and M-2 zones, the City would expand economic opportunities for its residents, contributing to the overall economic prosperity of the City.

2. *Economic Prosperity Element – Goal 3 (Small Business and Entrepreneurialship)*
Economically viable incubators and small business that offer the opportunity for long-term diversification and growth.

Amending the zoning code to allow incubator uses as conditional uses within the M-1 and M-2 zones directly addresses this goal.

3. *Economic Prosperity Element – Policy 3.1.1 (Small Business and Entrepreneurialship)*
Provide assistance and information to facilitate the attraction, retention, and expansion of small and medium size business with good growth potential.

By allowing incubator uses within the industrial zones, the Economic Development Department would be able to assist businesses within this category, and provide the City with a competitive advantage over surrounding jurisdictions that may not allow such opportunities. This could lead to higher industrial property values.

The ZCA could facilitate economic innovation and the City could market itself as an innovation hub in North County.

4. *Economic Prosperity Element – Policy 3.2 (Small Business and Entrepreneurialship)*
Identify and remove obstacles to the formation and expansion of local business, where appropriate.

Allowing incubator uses in the M-1 and M-2 zones assists in allowing the formation of new and emerging local businesses.

5. *Economic Prosperity Element – Policy 3.3 (Small Business and Entrepreneurialship)*
Encourage and permit the establishment of home-based and entrepreneurial start-up business, in locations that are compatible with the surrounding areas.

Allowing incubator uses in the M-1 and M-2 zones will provide start-up businesses a larger range of location in which to operate in the City of Escondido.

Appropriateness of the Code Amendment to allow Incubator uses as a conditional use within the industrial zones (M1 and M2):

Incubator uses are currently allowed in commercial zones either by-right or through a Conditional Use Permit process, depending on the type of use proposed. Staff believes that opportunities exist in industrial areas for additional small incubator uses typically found in commercial areas in support of the General Plan goals and policies outlined above. The proposed amendment would also provide a mechanism for existing industrial users to fully utilize their space by subleasing a small portion of it to an incubator use, thus making more efficient use of space. Since the M-1 and M-2 zones are primarily intended for manufacturing, warehousing, and research and development uses, staff believes it is necessary to apply conditions to incubator uses in order to ensure the incidental use of this space remains compatible with existing and future uses. As such, staff believes that each request should be evaluated on a case-by-case basis through the Conditional Use Permit process. A redline version showing the changes to affected sections of Article 26 is attached as Exhibit "B," and the final proposed code language is attached as Exhibit "C."

Because the proposed ZCA would establish a pilot program, it will be important to monitor its effectiveness. Staff has included language to provide ongoing oversight and ensure that the Planning Commission and City Council maintain control over its implementation over time. Should any issues arise due to the implementation of this proposed ZCA that would jeopardize the industrial nature of the M-1 and M-2 zones, the Zoning Code could be amended to address said issues.

Whether the subject industrial site is appropriate for an incubator use (cryotherapy) and whether the operation would impact adjacent uses.

A cryotherapy business has requested a Conditional Use Permit to operate as an incubator use within an existing 5,642 SF multi-tenant industrial building located in the M-1 zone. The business would sublease a small portion (500 square feet) within a suite of an existing multi-tenant industrial building. The proposed business would provide an innovative service to individuals using a new technology that would subject the body to extremely cold temperatures for short periods of time in order to reduce pain and soreness. Conditions of approval have been proposed to ensure that the proposed use is compatible with existing and future industrial users in the complex. The proposed use is not anticipated to generate noise, traffic, or other impacts that would be detrimental to adjacent properties or uses. Staff believes the proposed cryotherapy business is compatible with the surrounding industrial uses and appropriate for the site, and is therefore recommending approval of the proposed Conditional Use Permit.

SUPPLEMENT TO STAFF REPORT/DETAILS OF REQUEST

A. PHYSICAL CHARACTERISTICS:

The proposed incubator use consists of a 500 SF within an existing 5,642 SF multi-tenant industrial building. The property includes additional multi-tenant industrial buildings, parking, landscaping, and associated site improvements. The property fronts on and takes access from a driveway on the south side of Simpson Way. The project site is surrounded by similarly improved industrial properties.

B. SUPPLEMENTAL DETAILS OF REQUEST

1. Property Size: 2.24 -acres
2. Building Size: 5,652 square feet (total building area within the complex is 39,022 square feet)
3. Suite Size: 500 square feet (within Suite A)
3. Parking:
 - Provided: 89 (including 4 handicap)
 - Required: 78 spaces are required for the existing 39,022 square feet of building area at a parking ratio of one space per 500 square feet of floor area, based upon parking standards for manufacturing uses. Two additional spaces are required for the 500 square feet of incubator space at a parking ratio of one space per 200 sf of floor area, based on parking standards for uses with similar operational characteristics. Thus, a total of 80 spaces are required.
4. Number of employees: 2-4 employees
5. Hours of Operation: Monday-Friday 9am-6pm and Saturday from 11:00am-3:00pm

EXHIBIT "A"

FACTORS TO BE CONSIDERED/FINDINGS OF FACT AZ 17-0003 AND PHG 17-0009

Zoning Code Amendment

1. The public health, safety and welfare would not be adversely affected by the proposed ZCA because incubator uses would be evaluated on a case-by-case basis as part of the Conditional Use Permit process, and necessary conditions of approval would be applied.
2. The proposed ZCA would not be detrimental to surrounding properties because incubator uses would not be industrial in nature, and conditions of approval would be applied through the Conditional Use Permit process that would restrict activities to those with negligible impacts on surrounding properties. Any compatibility issues would be analyzed and addressed as part of the Conditional Use Permit process on a case-by-case basis.
3. The General Plan contains a variety of standards, goals, and policies aimed at improving the quality of life for City residents by providing ways to raise income levels. The General Plan also encourages the recruitment and expansion of businesses that pay higher-than-average wages. Amending the Zoning Code to allow incubator uses in the M-1 and M-2 zones will assist in achieving these goals because jobs typical of incubator uses usually require a high degree of knowledge and expertise in an emerging industry.
4. The proposed amendment has been structured as a pilot program. As such, if it is determined in the future, through monitoring of implementation of the amendment, that incubator uses are not appropriate for the M-1 and M-2 zones, the amendment will become null and void after five years with no further action required.
5. The proposed ZCA would not affect nor conflict with any adopted specific plans.

Conditional Use Permit

1. Granting the Conditional Use Permit for the proposed incubator use (Cryotherapy) is based on sound principles of land use and would not create a nuisance, cause deterioration of bordering land uses, or create special problems for the area in which it is located because the use would be conducted entirely inside an existing light-industrial building located in the M-1 zone. Conditions of Approval would be applied to ensure that the incubator use does not disrupt the current industrial uses on site and the demand for parking does not exceed the supply of available spaces.
2. The Conditional Use Permit would not adversely affect or be inconsistent with any community or neighborhood plans in effect for the site or surrounding area.
3. The Conditional Use Permit would assist in achieving the goals and quality of life standards contained in the General Plan as outlined in the staff report.
4. The public health, safety and welfare would not be adversely affected by the proposed Conditional Use Permit because the incubator use would be limited to unused, excess space currently leased to a bona-fide industrial user and would occupy less than 10 percent of that user's lease area.
5. The proposed Conditional Use Permit would provide a necessary and desirable service to the community (Incubator Uses) without adversely affecting the surrounding area or the city as a whole.
6. The Conditional Use Permit would become effective on the effective date of the ZCA.

AZ 17-0003, PHG 17-0009
November 28, 2017

EXHIBIT "B"
STRIKETHRU/UNDERLINE OF PROPOSED CODE CHANGES

EXHIBIT “C” PROPOSED CODE LANGUAGE

Article 1, Section 33-8, shall be amended to incorporate the following definition:

Incubator Use means a non-industrial use operated by a small company using emerging technologies, and other similar uses as determined by the director of community development

Article 26, Section 33-564, shall be amended to read as follows:

(a) Principal Uses and Structures. The following Table 33-564 lists those uses which are permitted (P) or subject to a conditional use permit (C) in industrial districts. Major conditional use permits (C) and minor conditional use permits (C#) shall be processed pursuant to Article 61, Division 1 of this chapter.

Table 33-564

PERMITTED AND CONDITIONALLY PERMITTED PRINCIPAL USES

Use Title	I-O	M-1	M-2	I-P
Administrative and business offices	P			P
Agriculture livestock (not including animal waste processing facilities)		C	P	
Ammunition manufacturing		C	C	
Animal boarding (indoor boarding only) and training, feeding, care, grooming and “daycare” ² . Does not include animal shelters ^{*****} , sales or breeding		P	P	
Animal hospital and care		P	P	
Assembly	P	P	P	P
Auction services	P	P	P	P
Auto, RV and boat sales**(subject to Article 57)	P	P	P	P
Automotive services (excluding gasoline service stations)		P	P	
Banks/automated teller machines		P	P	P
Boat repair		P	P	
Building materials**	P	P	P	P
Bulk fertilizer (not including animal waste processing facilities)			C	
Cabinet manufacturer/wholesaler**	P	P	P	P
Canning/curing seafood		C	C	
Carpeting manufacturer/wholesaler**	P	P	P	P/C
Communication facilities (subject to Article 34)	P	P	P	P
Construction services	P	P	P	P
Crematoriums	P	P	P	P
Daycare (subject to Article 57)				C
Electrical wholesale houses**	P	P	P	P
Emergency shelters*****		P		
Equipment sales and leasing (subject to Article 57)		P	P	
Experimental-type industrial uses	C	C	C	C
Feed stores**	P	P	P	P
Fleet fueling		P	P	
Furniture manufacturer/wholesaler**	P	P	P	P
Government services	P			
Grain mills		C	P	
Green waste compost facility			C	
Health and fitness facilities	C#			C#
Heavy construction equipment** (e.g., tractors, earth moving equipment, etc.)	P	P	P	P
Helipads		C	C	C
Industrial hardware**	P	P	P	P

Use Title	I-O	M-1	M-2	I-P
Landscape materials** (e.g., soil, compost, wood chips)	P	P	P	P
Lumber yards**	C	C#	P	C
Manufacturing	P	P	P	P
Masonry products**	P	P	P	P
Materials batch plants and concrete recycling			C	
Medical laboratories	P	P	P	P
Oil refinery and bulk stations (located outside of the HCO zone)			C	
Plumbing supply**	P	P	P	P
Postsecondary vocational training schools, limited to training for uses which are permitted or conditionally permitted in the zone	C	C	C	C
Power plants			C	C
Primary metal manufacturing			C	
Recycling facilities ¹				
Reverse vending machine ¹	P	P	P	
Small processing facility ¹		P/C	P	
Large processing facility ¹		C	C	
Repair services	P	P	P	P
Restaurants		C#	C#	C#
Slaughter houses/meat products		C	C	
Social and charitable services (including emergency shelters)***		C		
Solid waste transfer facility			C	
Storage yards		C	P	
Swap meet		C		
Trades	P	P	P	P
Transmission/communication facilities		C	C	
Transportation facilities	P	P	P	
Uses involving hazardous chemicals or waste*	C	C	C	C
Utilities	P	P	P	
Vehicle, shredding and dismantling		C	P	
Warehousing and distribution	P	P	P	P
Wholesale	P	P	P	P

Notes:

- * = As determined by the director and the fire chief based on information provided by the business describing the quantity and nature of hazardous chemicals used.
 - ** = Retail or support service components greater than the maximum fifteen (15) percent floor area/sales allowed by section 33-565 (Accessory uses and structures) is allowed only in M-1 and M-2 zones, subject to conditions in section 33-566—Specialized retail uses.
 - *** = Only on sites immediately adjacent to the general commercial zone and within five hundred (500) feet of public transportation.
 - **** = Only on sites within the emergency shelter overlay, Figure 33-661, and subject to the requirements of Article 27.
 - ***** = Dog shelters generally means an establishment, especially one supported by charitable contributions, that provides a temporary home for dogs, cats and other animals that are offered for adoption.
 - 1 = Pursuant to Article 33 of the zoning code (recycling facilities).
 - 2 = Pursuant to section 33-576 of this article (animal boarding and daycare).
- P = Permitted use.
C = Conditionally permitted use subject to issuance of a conditional use permit; either major (C) or minor (C#) (pursuant to Article 61, Division 1 of this chapter).

(b) The following business uses shall be classified as “environmentally sensitive businesses”:

- (1) If any portion of the business is classified as a group H occupancy, except divisions 4 and 5, pursuant to California Building Code section 307.1, as amended;
- (2) If the business operations require the approval of, or a permit from, the San Diego County Air Pollution Control District;

(3) Any business that operates under a permit or conditions imposed by state or federal laws regarding odor or the release of airborne contaminants;

(4) Any business that requires a conditional use permit for operation, and which is identified in the conditional use permit as a business producing odors derived from hazardous materials or hazardous waste;

(5) Any business that requires an industrial waste users discharge permit, pursuant to section 22-176 of the Escondido Municipal Code;

(6) Any business that is required to prepare and submit a storm water pollution prevention plan, pursuant to Escondido Municipal Code section 22-26; and

(7) Any business that identifies itself as using any hazardous manufacturing or industrial processes, as identified on its business license application or a fire department inspection form. (Ord. 94-37, § 1, 11-9-94; Ord. No. 97-05, § 2, 4-2-97; Ord. No. 2000-28, § 4, 10-4-00; Ord. No. 2000-37R, § 4, 12-13-00; Ord. No. 2001-31R, § 15, 12-5-01; Ord. No. 2013-09R, § 4, 11-6-13; Ord. 2015-04, § 4, 3-4-15; Ord. No. 2016-12, § 4, 9-28-16; Ord. No. 2016-15, § 4, 10-26-16; Ord. No. 2017-03R, § 4, 3-22-17)

Article 26, Section 33-565, shall be amended to read as follows:

(a) Accessory uses and structures are permitted in the industrial zones, provided they are incidental to and do not substantially alter the character of the permitted principal use or structure. Such permitted accessory uses and structures include, but are not limited to, the following:

Table 33-565

PERMITTED ACCESSORY USES AND STRUCTURES

Use Title	I-O	M-1	M-2	I-P
Bus stop shelters**	P	P	P	P
Cafeteria, operated in conjunction with a permitted use for the convenience of persons employed upon the premises	P	P	P	P
Caretakers' or watchperson's dwelling	P	P	P	P
Commercial sales and service uses clearly incidental and secondary to a principal permitted use as provided for in section 33-565(b)	P	P	P	P
Incubator uses as provided for in section 33-565(c)		C#	C#	
Cottage food operations and home occupations as provided for in Article 44	P	P	P	P
Employee recreational facilities and play areas	P	P	P	P
Other accessory uses and buildings customarily appurtenant to a permitted use	P	P	P	P
Satellite dish antennas*	P	P	P	P
Storage buildings incidental to a permitted use	P	P	P	P

Notes:

* Subject to special regulations—see section 33-700.

** Subject to special regulations—see section 33-1118.

(b) Sales and service uses incidental and accessory to a principally permitted use may be permitted by the Director of Community Development provided that the following standards are met:

- (1) The operations are contained within the main structure which houses the primary use.
- (2) The use occupies no more than fifteen (15) percent of the gross building square footage.
- (3) No retail sales or display of merchandise occur(s) outside the structure(s), or outside designated outdoor storage area.

- (4) All products offered for sale on the site are manufactured, warehoused, or assembled on the premises.
 - (5) Parking for the accessory retail use shall be determined based on the parking requirement for the primary use.
 - (6) Any sales or services must be related to incubating a start-up business or enterprise or encourage new/emerging small businesses. No outdoor display of merchandise or retail sales shall be permitted.
- (c) Sales and service uses not accessory to a principally permitted use may be conditionally permitted in the M-1 and M-2 zones, as an incubator use or activity.
 - (1) Incubator uses and/or activities shall be subject to all applicable city, state, and federal code requirements, as well as the following operational limitations:
 - (A) The use shall be permitted in the existing space of an existing industrial building or suite.
 - (B) No more than one incubator, as described by this section, shall be permitted within any industrial building complex, regardless of size.
 - (C) An incubator shall only be allowed as a sub-lessee of a bona-fide industrial user.
 - (D) The use shall occupy no more than 1,000 square feet or ten (10) percent to the total floor area of the primary industrial space from whom they sublease, whichever is less.
 - (E) Parking for incubator uses shall be determined based on the parking requirement for the proposed use, in accordance with the provisions of Article 39 of the Zoning Code, governing off-street parking requirements.
 - (F) Hours of operations shall be limited to those of the primary industrial use on site and not adversely impact industrial use activity or operations.
 - (G) Exterior signage for the use shall be limited to window signage.
 - (H) Customers of the incubator space shall be seen by appointment only.
 - (I) Incubator uses must have restrooms available for employees and customers/clients.
 - (2) The use shall be conditionally permitted for no more than four (4) years, at which time it must vacate the space. Sub-lessee shall not assign any lease agreement, or sub-let or grant any use to the premises or any part thereof without the prior written consent of the City. Upon the termination date, the sub-lessee shall be required to vacate the premises.
 - (3) This subsection shall remain in effect only until January 1, 2023, and as of that date is repealed. Any use, as described by the section, in operation after this date shall be permitted as a non-conforming use, subject to Article 61 of the Zoning Code, and shall be allowed to lawfully continue its operations until the fourth anniversary of the approval of its conditional use permit.

(Ord. 94-37, § 1, 11-9-94; Ord. No. 2013-07RR, § 4, 12-4-13)

Article 26, Section 33-566, shall be amended to read as follows:

A limited list of industrial uses which contain a retail component greater than the maximum fifteen (15) percent floor area/sales allowed under the “accessory uses and structures” section shall be permitted within the M-1 and M-2 industrial zones. These uses have been determined to be industrial in nature; however, given unique circumstances involving the need to manufacture, warehouse, wholesale, and/or store their products on-site, they would not be appropriately located in the commercial zones. Those industrial uses, specified in Table 33-564 (and other uses determined to be similar in nature as permitted by the director), shall be permitted subject to the following:

- (a) Prior to issuance of a building or occupancy permit, the applicant shall submit a plot plan application pursuant to Article 61, Division 8 of this chapter.
- (b) The applicant shall provide parking at a ratio of one (1) space per two hundred fifty (250) square feet of floor area for that portion of the retail and display/showroom designated areas which exceed fifteen (15) percent of the gross floor area on the site (unless a lower parking ratio is deemed adequate by the director pursuant to section 33-764). Parking shall be provided at the standard industrial use ratios for the balance of the floor area on the site, pursuant to section 33-760 et seq.
- (c) The applicant will be allowed only the amount of signage permitted by the citywide sign ordinance for the underlying industrial zone, pursuant to section 33-1390.

(Ord. No. 94-37, § 1, 11-9-94; Ord. No. 2017-03R, § 4, 3-22-17)

AZ 17-0003, PHG 17-0009
November 28, 2017

Article 26, Section 33-567, shall be deleted in its entirety.

EXHIBIT "C"
STRIKETHRU/UNDERLINE OF PROPOSED CODE CHANGES

EXHIBIT “D”
CONDITIONS OF APPROVAL
PHG 17-0009
(Cryotherapy Facility)

General

1. All uses, hours of operation, and activities shall be substantially consistent with the Details of Request on-file with the Planning Division, and as described within this report. Any substantial changes to the hours of operation shall subject to review and written approval by the Director of Community Development or his/her designee.
2. All uses shall be conducted entirely within the existing building.
3. Appropriate fire access and ADA compliant paths of travel shall be maintained, as may be required by the Fire Department and Building Division.
4. The developer shall be required to pay all development fees of the City then in effect at the time and in such amounts as may prevail when building permits are issued, including any applicable City-Wide Facilities fees.
5. The legal description attached to the application has been provided by the applicant and neither the City of Escondido nor any of its employees assume responsibility for the accuracy of said legal description.
6. The premises shall be made available for inspection by City staff during hours of operation and shall provide such records, licenses or other materials necessary to show evidence of compliance with the conditions of this permit.
7. All landscaping shall be maintained in a flourishing manner and kept free of all foreign matter and weeds. All irrigation shall be maintained in fully operational condition.
8. The City of Escondido hereby notifies the applicant that the County Clerk’s office requires a documentary handling fee of \$50.00 in order to file a Notice of Exemption for the project (environmental determination for the project). In order to file the Notice of Exemption with the County Clerk, in conformance with the California Environmental Quality Act (CEQA) Section 15062, the applicant shall remit to the City of Escondido Planning Division, within two working days of the final approval of the project (the final approval being the hearing date of the Planning Commission or City Council, if applicable), a certified check payable to the “San Diego County Clerk” in the amount of \$50.00. The filing of a Notice of Exemption and the posting with the County Clerk starts a 35-day statute of limitations period on legal challenges to the agency’s decision that the project is exempt from CEQA. Failure to submit the required fee within the specific time noted above will result in the Notice of Exemption not being filed with the County Clerk, and a 180-day statute of limitations will apply.
9. The Conditional Use Permit may be revoked or the terms/conditions of the Conditional Use Permit modified as necessary upon any valid continual nuisance complaints regarding the facility in accordance with Article 61 of the Escondido Zoning Code.
10. This Conditional Use Permit shall become null and void unless utilized within 12 months of the effective date of approval.
11. The incubator use shall occupy no more than 1,000 square feet or a maximum of ten (10) percent to the total floor area of the industrial space from whom they sublease, whichever is less.
12. Parking for incubator uses shall be determined based on the parking requirement for the proposed use, in accordance with the provisions of Article 39 of the Zoning Code, governing off-street parking requirements.
13. Hours of operations shall be limited to the primary industrial use on site and not adversely impact industrial use activity or operations
14. Exterior signage for the incubator use shall be limited to window signage.

15. Customers of the incubator space shall be seen by appointment only.
16. The incubator use shall be conditionally permitted for no more than four (4) years, at which time it must vacate the space. Sub-lessee shall not assign any lease agreement, or sub-let or grant any use to the premises or any part thereof without the prior written consent of the City. Upon the termination date, the sub-lessee shall be required to vacate the premises.
17. The applicant shall provide to the City of Escondido a signed and notarized statement acknowledging his/her acceptance of these conditions of approval prior to establishing the use.

ATTACHMENT 2

Planning Commission Minutes 11/28/17

ZONING CODE ADMENDMENT AND CONDITIONAL USE PERMIT – AZ 17-0003 AND PHG 17-0009:

REQUEST: An amendment to Articles 1 and 26 of the Escondido Zoning Code to establish a five (5) year pilot program allowing non-industrial incubator uses as conditional uses within the M-1 (Light Industrial) and M-2 (General Industrial) zones, and a Conditional Use Permit to allow a cryotherapy business as an incubator use within an existing 5,642 SF multi-tenant industrial building located in the M-1 (Light Industrial) zone. The proposal also includes the adoption of the environmental determination prepared for the project.

PROPERTY SIZE AND LOCATION: The proposed Zoning Code Amendment (ZCA) would affect M-1 and M-2 zoned properties citywide. The proposed cryotherapy business would be located within an approximately 2.24-acre industrial complex on the south side of Simpson Way, between Venture Street and State Place, addressed as 1553 Simpson Way (APN 232-440-39).

Adam Finestone, Principal Planner, referenced the staff report and noted staff issues were appropriateness of the proposed ZCA to allow incubator uses within the industrial zones (M-1 and M-2), whether the subject industrial site is appropriate for the proposed incubator use, and whether the operation would impact adjacent uses. Staff recommended approval based on the following: 1) incubator uses within the M-1 and M-2 zones will provide flexibility in the use and arrangement of existing industrial space by accommodating opportunities for existing industrial users to maximize the use and efficiency of their space without changing the underlying industrial nature of the industrial building or complex; 2) promote creativity and innovation by encouraging new businesses of an experimental, non-industrial nature, that will help transform ideas into successful commercial products or local business ventures; 3) provide additional employment opportunities within the City of Escondido and thus strengthen the local economy; and 4) Staff felt the subject site was appropriate for a cryotherapy business because conditions of approval would be applied which would address any potential impacts the business may have on other adjacent businesses and adjacent properties.

Commissioner Romo asked how long the applicant had been in business. Mr. Finestone noted that the code enforcement action occurred approximately 9 months prior.

Chairman Weber and staff discussed Page 15, sub-paragraph 3 of the staff report.

Commissioner Weiler and staff discussed the hours of operation.

Commissioner Cohen felt the hours of operation would limit the proposed type of business.

Discussion ensued regarding limiting the hours of operation.

Commissioner McNair asked if the CUP would be retroactive. Mr. Strong replied in the negative.

ACTION:

Moved by Commissioner Weber, seconded by Commissioner Spann, to approve staff's recommendation. Motion carried unanimously. (7-0)

RESOLUTION NO. 2017-156

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
APPROVING A CONDITIONAL USE PERMIT
TO ALLOW A CRYOTHERAPY BUSINESS AS
AN INCUBATOR USE WITHIN THE M-1
(LIGHT INDUSTRIAL) ZONE

Applicant: Joshua & Rebecca Taylor
Planning Case No.: PHG 17-0009

WHEREAS, the Planning Commission did, on November 28, 2017, consider, and by Resolution No. 6109, recommend City Council approval of amendments to Articles 1 and 26 of the Escondido Zoning Code to allow incubator uses as a Conditional Use within the M-1 (Light Industrial) and M-2 (General Industrial) Zones. Concurrently, said Planning Commission recommendation also recommended the approval of a Conditional Use Permit for a cryotherapy business in an existing 5,642 SF multitenant industrial building, addressed as 1553 Simpson Way (APN 232-440-39), more particularly described in Exhibit "C," attached to this Resolution and incorporated herein by this reference as though fully set forth; and

WHEREAS, the City Council did on December 20, 2017, hold a duly noticed public hearing as prescribed by law. Evidence was submitted to and considered by the City Council, including, without limitation:

- a) Written information including all application materials and other written and graphical information posted on the project website.
- b) Oral testimony from City Staff, interested parties, and the public.

- c) The City Council staff report, dated December 20, 2017, which along with its attachments, is incorporated herein by this reference as though fully set forth herein, including the Planning Commission's recommendation on the request.
- d) Additional information submitted during the public hearing; and

WHEREAS, on December 20, 2017, the City Council introduced an Ordinance to amend the Zoning Code, per Ordinance No. 2017-16, to enable potential adoption of the proposed Conditional Use Permit on the subject site; and

WHEREAS, on December 20, 2017, the City Council of the City of Escondido considered a request for a Conditional Use Permit for a cryotherapy business as an incubator use in an existing 5,642 SF multitenant industrial building in the M-1 (Light Industrial) Zone, addressed as 1553 Simpson Way (APN 232-440-39), more particularly described in Exhibit "C;" attached to this Resolution and incorporated by this reference and

WHEREAS, pursuant to the California Environmental Quality Act ("CEQA") regulations, the Project is categorically exempt from environmental review in accordance with CEQA Guidelines Section 15301 "Existing Facilities;" and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve said Conditional Use Permit.

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 Findings of Fact attached as Exhibit "A" to this Resolution, and incorporated by this reference as though fully set forth herein, were considered and made by the City Council.

3. That upon consideration of the staff report (a copy of which is on file in the Planning Division); the Planning Commission comments provided at a public hearing on November 28, 2017; public testimony presented at the City Council hearing; the findings of fact; and applicable law, the City Council finds that the project is consistent with the General Plan and hereby approves the Conditional Use Permit for the cryotherapy facility as an incubator use, subject to the Conditions of Approval attached as Exhibit "B" to this resolution, and incorporated by this reference as though fully set forth herein.

4. That this Resolution shall become effective and operative on the day immediately subsequent to the date that Ordinance 2017-16 becomes effective.

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
PHG 17-0009

1. Granting this Conditional Use Permit for the proposed cryotherapy business is based on sound principles of land use and would not create a nuisance, cause deterioration of bordering land uses or create special problems for the area in which it is located because the use would be conducted entirely inside an existing light-industrial building located in the M-1 zone. Conditions of Approval limiting the use to be a sub-lessee of a bona fide industrial user, and would occupy no more than 1,000 square feet or ten percent of the total floor area of the primary industrial space from which the sub lease, whichever is less.
2. The Conditional Use Permit would not adversely affect or be inconsistent with any community or neighborhood plans in affect for the site or surrounding area.
3. The Conditional Use Permit would assist in achieving the goals and quality of life standards contained in the General Plan as outlined in the Planning Commission staff report.
4. The public health, safety and welfare would not be adversely affected by the proposed Conditional Use Permit because the school would provide entrepreneurial opportunities to up and coming business in the M-1 and M-2 Zones.
5. The proposed Conditional Use Permit would provide a necessary and desirable service to the community without adversely affecting the surrounding area or the city as a whole.

EXHIBIT "B"
CONDITIONS OF APPROVAL
PHG 17-0009
(Cryotherapy Facility)

General

1. All uses, hours of operation, and activities shall be substantially consistent with the Details of Request on-file with the Planning Division, and as described within this report. Any substantial changes to the hours of operation shall subject to review and written approval by the Director of Community Development or his/her designee.
2. All uses shall be conducted entirely within the existing building.
3. Appropriate fire access and ADA compliant paths of travel shall be maintained, as may be required by the Fire Department and Building Division.
4. The developer shall be required to pay all development fees of the City then in effect at the time and in such amounts as may prevail when building permits are issued, including any applicable City-Wide Facilities fees.
5. The legal description attached to the application has been provided by the applicant and neither the City of Escondido nor any of its employees assume responsibility for the accuracy of said legal description.
6. The premises shall be made available for inspection by City staff during hours of operation and shall provide such records, licenses or other materials necessary to show evidence of compliance with the conditions of this permit.
7. All landscaping shall be maintained in a flourishing manner and kept free of all foreign matter and weeds. All irrigation shall be maintained in fully operational condition.
8. The City of Escondido hereby notifies the applicant that the County Clerk's office requires a documentary handling fee of \$50.00 in order to file a Notice of Exemption for the project (environmental determination for the project). In order to file the Notice of Exemption with the County Clerk, in conformance with the California Environmental Quality Act (CEQA) Section 15062, the applicant shall remit to the City of Escondido Planning Division, within two working days of the final approval of the project (the final approval being the hearing date of the Planning Commission or City Council, if applicable), a certified check payable to the "San Diego County Clerk" in the amount of \$50.00. The filing of a Notice of Exemption and the posting with the County Clerk starts a 35-day statute of limitations period on legal challenges to the agency's decision that the project is exempt from CEQA. Failure to submit the required fee within the specific time

noted above will result in the Notice of Exemption not being filed with the County Clerk, and a 180-day statute of limitations will apply.

9. The Conditional Use Permit may be revoked or the terms/conditions of the Conditional Use Permit modified as necessary upon any valid continual nuisance complaints regarding the facility in accordance with Article 61 of the Escondido Zoning Code.
10. This Conditional Use Permit shall become null and void unless utilized within 12 months of the effective date of approval.
11. The incubator use shall occupy no more than 1,000 square feet or a maximum of ten (10) percent to the total floor area of the industrial space from whom they sublease, whichever is less.
12. Parking for incubator uses shall be determined based on the parking requirement for the proposed use, in accordance with the provisions of Article 39 of the Zoning Code, governing off-street parking requirements.
13. Hours of operations shall be limited to the primary industrial use on site and not adversely impact industrial use activity or operations
14. Exterior signage for the incubator use shall be limited to window signage.
15. Customers of the incubator space shall be seen by appointment only.
16. The incubator use shall be conditionally permitted for no more than four (4) years, at which time it must vacate the space. Sub-lessee shall not assign any lease agreement, or sub-let or grant any use to the premises or any part thereof without the prior written consent of the City. In accordance with this provision, the proposed use is authorized to remain in operation at the location described in Exhibit "C," until December 21, 2021 at 5pm PST. Upon the termination date, the sub-lessee shall be required to vacate the premises.
17. The applicant shall provide to the City of Escondido a signed and notarized statement acknowledging his/her acceptance of these conditions of approval prior to establishing the use.

EXHIBIT "C"
LEGAL DESCRIPTION
PHG 17-0009

Parcel 1:

Lot 1 of Escondido Tract No. 491, in the City of Escondido, County of San Diego, State of California, according to Map Thereof No. 10242, filed in the office of the County Recorder of San Diego County, October 19, 1981.

Parcel 2:

An undivided 1/11th interest in and to Lot 12 of Escondido Tract No. 491, in the City of Escondido, County of San Diego, State of California, according to Map Thereof No. 10242, filed in the Office of the County Recorder of San Diego County, October 19, 1981.

ORDINANCE NO. 2017-16

AN ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AMENDING ARTICLES 1 AND 26 OF THE
ESCONDIDO ZONING CODE PERTAINING TO
INCUBATOR USES WITHIN THE M-1 AND M-2
ZONES

Planning Case No. AZ 17-0003

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

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

SECTION 2. The City Council has duly reviewed and considered all evidence submitted at said hearings, including, without limitation:

- a. Written information;
- b. Oral testimony from City staff, interested parties, and the public;
- c. The City Council staff report, dated December 20, 2017, which along with its attachments is incorporated herein by this reference as though fully set forth herein, including the Planning Commission recommendation on the request, and
- d. Additional information submitted during the Public Hearing.

SECTION 3. That the City Council has reviewed and considered the Notice of Exemption prepared for this project, in conformance with the California Environmental

Quality Act (“CEQA”) Section 15061(b)(3) “General Rule,” and has determined that all environmental issues have been addressed and finds that no significant environmental impact will result from approving the Zoning Code Amendment.

SECTION 4. That upon consideration of the staff report; Planning Commission recommendation; Findings of Fact/Factors to be Considered, attached as Exhibit “A” to this Ordinance and incorporated herein by this reference as though fully set forth herein; and all public testimony presented at the hearing held on this project, this City Council finds the proposed Zoning Code Amendment is consistent with the General Plan and does not affect any specific plans of the City of Escondido.

SECTION 5. That Articles 1 and 26 of the Escondido Zoning Code are amended as set forth in Exhibit “B” to this Ordinance and incorporated herein by reference as though fully set forth herein.

SECTION 6. SEPARABILITY. If any section, subsection sentence, clause, phrase or portion of this ordinance is held invalid or unconstitutional for any reason by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions.

SECTION 7. That as of the effective date of this Ordinance, all ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 8. That the City Clerk is hereby directed to certify to the passage of this ordinance and to cause the same or a summary to be published one time within 15

days of its passage in a newspaper of general circulation, printed and published in the County and circulated in the City of Escondido.

EXHIBIT "A"

FINDINGS OF FACT/FACTORS TO BE CONSIDERED AZ17-0003

1. The public health, safety and welfare would not be adversely affected by the proposed Zoning Code Amendment because incubator uses would be evaluated on a case-by-case basis as part of the Conditional Use Permit process, and necessary conditions of approval would be applied. Furthermore, this Ordinance has a built in sunset provision, which would compel the City Staff, Planning Commission and City Council to reconsider the Ordinance in light of the forgoing should there be an interest to allow incubator uses to continue and extend beyond the five (5) year sunset period.
2. The proposed Zoning Code Amendment would not be detrimental to surrounding properties because incubator uses would not be industrial in nature, and conditions of approval would be applied through the Conditional Use Permit process that would restrict activities to those with negligible impacts on surrounding properties. Any compatibility issues would be analyzed and addressed as part of the Conditional Use Permit process on a case-by-case basis.
3. The General Plan contains a variety of standards, goals, and policies aimed at improving the quality of life for City residents by providing ways to raise income levels. The General Plan also encourages the recruitment and expansion of businesses that pay higher-than-average wages. Amending the Zoning Code to allow incubator uses in the M-1 and M-2 zones will assist in achieving these goals because the Zoning Code Amendment facilitates job creation, diversifies the labor force market, and facilitates higher-paying jobs that likely require a high degree of knowledge and expertise in an emerging industry.
4. The proposed amendment has been structured as a pilot program. As such, if it is determined in the future, through monitoring of implementation of the amendment, that incubator uses are not appropriate for the M-1 and M-2 zones, the amendment will become null and void after five (5) years with no further action required.
5. The proposed Zoning Code Amendment would not affect nor conflict with any adopted specific plans.

EXHIBIT "B"
Proposed Changes to the Zoning Code
AZ17-0003

- I. Amend the various Zoning Code sections to read as specified below (The changes are listed in order by section number, with (note: ~~strikeout~~) typeface illustrating deletions and underline typeface illustrating new text)

Sec. 33-564. Land uses.

(a) Principal Uses and Structures. The following Table 33-564 lists those uses which are permitted (P) or subject to a conditional use permit (C) in industrial districts. Major conditional use permits (C) and minor conditional use permits (C#) shall be processed pursuant to Article 61, Division 1 of this chapter.

Table 33-564

PERMITTED AND CONDITIONALLY PERMITTED PRINCIPAL USES

Use Title	I-O	M-1	M-2	I-P
Administrative and business offices	P			P
Agriculture livestock (not including animal waste processing facilities)		C	P	
Ammunition manufacturing		C	C	
Animal boarding (indoor boarding only) and training, feeding, care, grooming and "daycare" ² . Does not include animal shelters****, sales or breeding		P	P	
Animal hospital and care		P	P	
Assembly	P	P	P	P
Auction services	P	P	P	P
Auto, RV and boat sales**(subject to Article 57)	P	P	P	P
Automotive services (excluding gasoline service stations)		P	P	
Banks/automated teller machines		P	P	P
Boat repair		P	P	
Building materials**	P	P	P	P
Bulk fertilizer (not including animal waste processing facilities)			C	
Cabinet manufacturer/wholesaler**	P	P	P	P
Canning/curing seafood		C	C	
Carpeting manufacturer/wholesaler**	P	P	P	P/C
Communication facilities (subject to Article 34)	P	P	P	P
Construction services	P	P	P	P
Crematoriums	P	P	P	P
Daycare (subject to Article 57)				C
Electrical wholesale houses**	P	P	P	P
Emergency shelters****		P		
Equipment sales and leasing (subject to Article 57)		P	P	
Experimental-type industrial uses	C	C	C	C
Feed stores**	P	P	P	P
Fleet fueling		P	P	
Furniture manufacturer/wholesaler**	P	P	P	P
Government services	P			
Grain mills		C	P	
Green waste compost facility			C	
Health and fitness facilities	C#			C#
Heavy construction equipment** (e.g., tractors, earth moving equipment, etc.)	P	P	P	P
Helipads		C	C	C

Use Title	I-O	M-1	M-2	I-P
Industrial hardware**	P	P	P	P
Landscape materials** (e.g., soil, compost, wood chips)	P	P	P	P
Lumber yards**	C	C#	P	C
Manufacturing	P	P	P	P
Masonry products**	P	P	P	P
Materials batch plants and concrete recycling			C	
Medical laboratories	P	P	P	P
Oil refinery and bulk stations (located outside of the HCO zone)			C	
Plumbing supply**	P	P	P	P
Postsecondary vocational training schools, limited to training for uses which are permitted or conditionally permitted in the zone	C	C	C	C
Power plants			C	C
Primary metal manufacturing			C	
Recycling facilities ¹				
Reverse vending machine ¹	P	P	P	
Small processing facility ¹		P/C	P	
Large processing facility ¹		C	C	
Repair services	P	P	P	P
Restaurants		C#	C#	C#
Slaughter houses/meat products		C	C	
Social and charitable services (including emergency shelters)***		C		
Solid waste transfer facility			C	
Storage yards		C	P	
Swap meet		C		
Trades	P	P	P	P
Transmission/communication facilities		C	C	
Transportation facilities	P	P	P	
Uses involving hazardous chemicals or waste*	C	C	C	C
Utilities	P	P	P	
Vehicle, shredding and dismantling		C	P	
Warehousing and distribution	P	P	P	P
Wholesale	P	P	P	P

Notes:

- * = As determined by the director and the fire chief based on information provided by the business describing the quantity and nature of hazardous chemicals used.
- ** = Retail or support service components component greater than the maximum fifteen (15) percent floor area/sales allowed by section 33-565 (Accessory uses and structures) under "Incidental Use" regulations is allowed only in M-1 and M-2 zones, subject to conditions in section 33-566—Specialized retail uses.
- *** = Only on sites immediately adjacent to the general commercial zone and within five hundred (500) feet of public transportation.
- **** = Only on sites within the emergency shelter overlay, Figure 33-661, and subject to the requirements of Article 27.
- ***** = Dog shelters generally means an establishment, especially one supported by charitable contributions, that provides a temporary home for dogs, cats and other animals that are offered for adoption.
- 1 = Pursuant to Article 33 of the zoning code (recycling facilities).
- 2 = Pursuant to section 33-576 of this article (animal boarding and daycare).
- P = Permitted use.
- C = Conditionally permitted use subject to issuance of a conditional use permit; either major (C) or minor (C#) (pursuant to Article 61, Division 1 of this chapter).

(b) The following business uses shall be classified as “environmentally sensitive businesses”:

(1) If any portion of the business is classified as a group H occupancy, except divisions 4 and 5, pursuant to California Building Code section 307.1, as amended;

(2) If the business operations require the approval of, or a permit from, the San Diego County Air Pollution Control District;

(3) Any business that operates under a permit or conditions imposed by state or federal laws regarding odor or the release of airborne contaminants;

(4) Any business that requires a conditional use permit for operation, and which is identified in the conditional use permit as a business producing odors derived from hazardous materials or hazardous waste;

(5) Any business that requires an industrial waste users discharge permit, pursuant to section 22-176 of the Escondido Municipal Code;

(6) Any business that is required to prepare and submit a storm water pollution prevention plan, pursuant to Escondido Municipal Code section 22-26; and

(7) Any business that identifies itself as using any hazardous manufacturing or industrial processes, as identified on its business license application or a fire department inspection form. (Ord. 94-37, § 1, 11-9-94; Ord. No. 97-05, § 2, 4-2-97; Ord. No. 2000-28, § 4, 10-4-00; Ord. No. 2000-37R, § 4, 12-13-00; Ord. No. 2001-31R, § 15, 12-5-01; Ord. No. 2013-09R, § 4, 11-6-13; Ord. 2015-04, § 4, 3-4-15; Ord. No. 2016-12, § 4, 9-28-16; Ord. No. 2016-15, § 4, 10-26-16; Ord. No. 2017-03R, § 4, 3-22-17)

Sec. 33-565. Accessory uses and structures.

(a) Accessory uses and structures are permitted in the industrial zones, provided they are incidental to and do not substantially alter the character of the permitted principal use or structure. Such permitted accessory uses and structures include, but are not limited to, the following:

Table 33-565

PERMITTED ACCESSORY USES AND STRUCTURES

Use Title	I-O	M-1	M-2	I-P
Bus stop shelters**	P	P	P	P
Cafeteria, operated in conjunction with a permitted use for the convenience of persons employed upon the premises	P	P	P	P
Caretakers' or watchperson's dwelling	P	P	P	P
Commercial sales and service <u>uses</u> clearly incidental and secondary to a principal permitted use <u>as provided for in section 33-565(b)</u>	P	P	P	P
<u>Incubator uses as provided for in section 33-565(c)</u>		<u>C#</u>	<u>C#</u>	
Cottage food operations and home occupations as provided for in Article 44	P	P	P	P
Employee recreational facilities and play areas	P	P	P	P
Other accessory uses and buildings customarily appurtenant to a permitted use	P	P	P	P

Use Title	I-O	M-1	M-2	I-P
Satellite dish antennas*	P	P	P	P
Storage buildings incidental to a permitted use	P	P	P	P

Notes:

* Subject to special regulations—see section 33-700.

** Subject to special regulations—see section 33-1118.

(b) Sales and service uses incidental and accessory to a principally permitted use may be permitted by the Director of Community Development provided that the following standards are met:

- (1) The operations are contained within the main structure which houses the primary use.
- (2) The use occupies no more than fifteen (15) percent of the gross building square footage.
- (3) No retail sales or display of merchandise occur(s) outside the structure(s), or outside designated outdoor storage area.
- (4) All products offered for sale on the site are manufactured, warehoused, or assembled on the premises.
- (c) Sales and service uses not accessory to a principally permitted use may be conditionally permitted in the M-1 and M-2 zones, as an incubator use or activity.
 - (1) Incubator uses and/or activities shall be subject to all applicable city, state, and federal code requirements, as well as the following operational limitations:
 - (A) The use shall be permitted in the existing space of an existing industrial building or suite.
 - (B) No more than one incubator, as described by this section, shall be permitted within any industrial building complex, regardless of size.
 - (C) An incubator shall only be allowed as a sub-lessee of a bona-fide industrial user.
 - (D) The use shall occupy no more than 1,000 square feet or ten (10) percent of the total floor area of the primary industrial space from whom they sublease, whichever is less.
 - (E) Parking for incubator uses shall be determined based on the parking requirement for the proposed use, in accordance with the provisions of Article 39 of the Zoning Code, governing off-street parking requirements.
 - (F) Hours of operations shall be limited to those of the primary industrial use on site and not adversely impact industrial use activity or operations.
 - (G) Exterior signage for the use shall be limited to window signage.
 - (H) Customers of the incubator space shall be seen by appointment only.
 - (I) Incubator uses must have restrooms available for employees and customers/clients.
 - (2) The use shall be conditionally permitted for no more than four (4) years, at which time it must vacate the space. Sub-lessee shall not assign any lease agreement, or sub-let or grant any use to the premises or any part thereof without the prior written consent of the City. Upon the termination date, the sub-lessee shall be required to vacate the premises.
 - (3) This subsection shall remain in effect only until January 1, 2023, and as of that date is repealed. Any use, as described by the section, in operation after this date shall be permitted as a non-conforming use, subject to Article 61 of the Zoning Code, and shall be allowed to lawfully continue its operations until the fourth anniversary of the approval of its conditional use permit.

(Ord. 94-37, § 1, 11-9-94; Ord. No. 2013-07RR, § 4, 12-4-13)

Sec. 33-566. Specialized retail uses.

A limited list of industrial uses which contain a retail component greater than the maximum fifteen (15) percent floor area/sales allowed under the "~~accessory incidental uses and structures~~" section shall be permitted within the M-1 and M-2 industrial zones. These uses have been determined to be industrial in nature; however, given unique circumstances involving the need to manufacture, warehouse, wholesale, and/or store their products on-site, they would not be appropriately located in the commercial zones. Those industrial uses, specified in Table 33-564 (and other uses determined to be similar in nature as permitted by the director), shall be permitted subject to the following:

(a) Prior to issuance of a building or occupancy permit, the applicant shall submit a plot plan application pursuant to Article 61, Division 8 of this chapter.

(b) The applicant shall provide parking at a ratio of one (1) space per two hundred fifty (250) square feet of floor area for that portion of the retail and display/showroom designated areas which exceed fifteen (15) percent of the gross floor area on the site (unless a lower parking ratio is deemed adequate by the director pursuant to section 33-764). Parking shall be provided at the standard industrial use ratios for the balance of the floor area on the site, pursuant to section 33-760 et seq.

(c) The applicant will be allowed only the amount of signage permitted by the citywide sign ordinance for the underlying industrial zone, pursuant to section 33-1390.

(Ord. No. 94-37, § 1, 11-9-94; Ord. No. 2017-03R, § 4, 3-22-17)

~~Sec. 33-567. Incidental uses.~~

~~_____ Sales and service uses incidental to a principally permitted use may be permitted by the director provided that the following standards are met:~~

~~_____ (a) _____ The operations are contained within the main structure which houses the primary use.~~

~~_____ (b) _____ The use occupies no more than fifteen (15) percent of the gross building square footage.~~

~~_____ (c) _____ No retail sales or display of merchandise occur(s) outside the structure(s), or outside designated outdoor storage area.~~

~~_____ (d) _____ All products offered for sale on the site are manufactured, warehoused, or assembled on the premises.~~ (Ord. No. 94-37, § 1, 11-9-94; Ord. No. 2017-03R, § 4, 3-22-17)

CITY COUNCIL STAFF REPORT

Public Hearing Item No. 15

December 20, 2017

File No. 0480-45

SUBJECT: Escondido's Public Facilities Fee, Park Development Fee, Traffic Impact Fee, and Drainage Facilities Fee (Continued from December 6, 2017)

DEPARTMENT: City Manager's Office

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2017-154RR adjusting Public Facilities, Park Development, Traffic Impact, and Drainage Facilities Development Impact Fees necessary to serve new development. A process creating an annual review of fees and adjustment using the method adopted by SANDAG is also included.

BACKGROUND:

On December 6, 2017, the City Council considered the first thorough evaluation of Development Impact Fees that had occurred in more than ten years, reviewing long overdue adjustments to assure that fees were sufficient to offset impacts caused by new development. It was discussed that the fees cumulatively collect 39% of the total infrastructure costs required to serve new growth.

The City Council concurred with staff's recommendation that the fees be adjusted to more accurately reflect the costs to serve new growth. Direction was given to adjust the fees to cumulatively collect approximately 82% of the total infrastructure costs, and to incorporate grants, bonds, and/or other one time revenues to offset the funding gap. Because such a long period had elapsed since the last thorough review of fees, the Council expressed an overall policy direction to phase in certain fees, with specific policy direction to:

- a) Implement the City-wide fee adjustments on the 60th day after adoption (pursuant to the Escondido Municipal Code);
- b) Allow active projects additional time to secure their building permits under the current fee structure; and,
- c) Implement the fees for projects in the Downtown Specific Planning Area over multiple phases in order to transition the total adjustment.

RECOMMENDED IMPLEMENTATION:

Staff has prepared Resolution No. 2017-157RR for City Council adoption that includes the following provisions for implementation:

- a) City-wide fee adjustments would not become effective until February 19, 2018.
- b) Active projects determined to be in the pipeline will have until July 1, 2018, to secure Building Permits before the new fees become effective.

Note: Staff defines active projects as those within ninety (90) days prior to the date of the adopted resolution that have either provided a complete grading and/or building plancheck submittal to the City, or have received a construction inspection. If these projects continue to actively pursue completion, it is feasible for each project to pull all building permits before July 1, 2018. Applicants falling into the “active” category will be notified that they have until July 1, 2018, to pull building permits and to pay any deferred impact fees to be eligible for the lower (current) rate.

- c) Fee adjustments within the Downtown Specific Planning Area would be implemented in three equal installments: The first adjustment would be effective February 19, 2018; the second adjustment would be effective February 19, 2019; and the third adjustment would be effective February 19, 2020.

Also included in the accompanying Resolution is a provision to annually schedule future Development Impact Fees for adjustment and use the method adopted by SANDAG for the regional traffic development impact fee (RTCIP). This avoids the problems encountered when long periods of time elapse without review of fees, and avoids the need for large increases at any one time.

SANDAG uses the Engineering News Record Construction Cost Index (ENR CCI) with a minimum adjustment of 2 percent. This practice has also been conducted by other area jurisdictions as a mechanism for keeping pace with the rising costs of construction. The ENR CCI is used to adjust for price changes and to translate set numbers into inflation-free dollars. Therefore, increasing the Development Impact Fees by the change in the ENR CCI ensures that the City’s fees maintain their purchasing power by protecting against erosion from inflation. Also, adjusting the fees according to the ENR CCI does not increase the Development Impact Fee revenue beyond the amount necessary to accommodate for future growth because an ENR CCI adjustment only keeps the current level of fee revenue at pace with inflation.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Jay Petrek, Assitant City Manager
12/14/2017 10:24 a.m.

ATTACHMENTS:

- 1. City Council Staff Report, December 6, 2017
- 2. Resolution No. 2017-154RR

CITY COUNCIL STAFF REPORT

Public Hearing Item No. 10

December 6, 2017

File No. 0480-45

SUBJECT: Escondido's Public Facilities Fee, Park Development Fee, Traffic Impact Fee, and Drainage Facilities Fee

DEPARTMENT: City Manager's Office

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2017-154 adjusting Public Facilities, Park Development, Traffic Impact, and Drainage Facilities Development Impact Fees necessary to serve new development. Fees become effective 60 days after adoption. An annual review of fees and adjustment using the method adopted by SANDAG is also provided.

FISCAL ANALYSIS:

Development impact fees collected from future dwelling units, commercial (retail and office), and industrial development anticipated to be constructed by the General Plan horizon year of 2035 will offset the cost of Citywide public capital facilities that are necessary to serve the new development. Public facilities include those for Parks, Fire and medical emergencies, Police, Administration & Technology, a Public Library, a Senior Citizen center, Public Works, Drainage, and Traffic Improvements. Staff has calculated that the total cost of providing the necessary public facilities to serve new development is estimated at \$246.2 million (see "Citywide Public Facilities" [Attachment "A"](#)).

The basic formula for setting development impact fees is relatively straightforward. The amount of new residential and non-residential development is forecasted by the General Plan horizon year of 2035. The infrastructure to serve the new development is then estimated, and the total cost is determined. Permit fees can then be established by dividing the total infrastructure cost by the anticipated new development.

Several external factors will affect this basic formula. Funding is often available from other sources, such as grants or other one-time money that can be used to offset the permit fee, meaning a lower fee is possible. And while questionable from a public policy standpoint, fees can also be kept low by simply not building or delaying the infrastructure. From a policy perspective, the City also may maintain lower fees as an incentive to attract particular types of development. And finally, the cost of permit fees established by surrounding jurisdictions for similar development types is often taken into account as a basis for competitive pricing.

Staff is recommending that fees be set using the basic formula, and based on staff experience, reasonably anticipate a certain level of one-time funding to complete the infrastructure. This approach allows development impact fees to cumulatively fund up to 82 percent of expected costs. The added virtue of this estimation is that it places Escondido squarely in the mid-range of development impact fees charged by other jurisdictions in this area.

ORRELATION TO THE CITY COUNCIL ACTION PLAN:

This item relates to the City Council's Action Plan regarding Fiscal Management – *Strategy #10: Evaluate Development Impact and Processing Fees and consider adjustments to more closely align with regional averages, cost recovery, and buildout needs.*

PREVIOUS ACTION:

Development Impact Fees have been charged to new development since the 1970s to fund various Citywide projects. Since their adoption, Development Impact Fees have been adjusted to reflect the upward or downward cost of funding the various public facilities needed to serve new growth. In December 2016 the City Council approved a 2 percent adjustment for Development Impact Fees currently collected from new development. Prior to last December, fees had not been adjusted since 2006. The following table identifies Development Impact Fees rates since 1996 (Table 1):

TABLE 1: Development Impact Fee Adopted Rates (also see notes on next page)*						
Adoption Year	2016 (Current)	2006	2004	1999	1997	1996
<i>Public Facility Fee (Paid by all new construction)</i>						
Residential	\$4,624/DU	\$4,522/DU	\$3,326/DU	No Change	\$1,582/DU	\$2,148/DU
Downtown SPA	\$1,614/DU	\$1,582/DU	\$1,582/DU	No Change	\$1,582/DU	\$2,148/DU
Commercial	\$2.17/SF	\$2.13/SF	\$1.56/SF	No Change	\$0.74/SF	\$1.00/SF
Industrial	\$1.64/SF	\$1.61/SF	\$1.18/SF	No Change	\$0.56/DU	\$1.75/SF
<i>Park Development Fee (Paid only by new residential construction)</i>						
Residential	\$4,212/DU	\$4,129/DU	\$2,355/DU	\$1,098/DU	\$1,239/DU	\$1,708/DU
Downtown SPA	\$1,120/DU	\$1,098/DU	\$1,098/DU	\$1,098/DU	\$1,239/DU	\$1,708/DU
<i>Traffic Impact Fee (Paid by all new construction)</i>						
Single Family	\$87/ADT	\$85/ADT	No Change	No Change	Residn'l: \$1,693/DU Comm.: \$1.69/SF Indust.: \$0.42/SF	Residn'l: \$1,940/DU Comm.: \$1.94/SF Indust: \$0.48/SF
Multi-Family	\$69/ADT	\$67/ADT				
Non residential	\$43/ADT	\$42/ADT				
<i>Drainage Facilities Fee (Paid by all new construction)</i>						
Single Family	\$1,092/DU	\$1,071/DU	\$908/DU	----	----	----
Multi-Family	\$437/DU	\$428/DU	\$363/DU	----	----	----
Downtown SPA	\$370/DU	\$363/DU	\$363/DU	----	----	----
All other uses	\$0.71/SF roof area	\$0.70/SF roof area	\$0.59/SF roof area	----	----	----

* Table 1 NOTES:

- 1) *Park Development Fees* are collected only from residential development to fund park and recreation improvements.
- 2) *Public Facilities Fees, Traffic Impact Fees, and Drainage Facilities Fees* are collected from all projects to fund Police, Fire, Library, Senior Citizens, Public Works, Administration & Technology, Major Public Streets, and Major Drainage projects.
- 3) According to statutory requirements, Development Impact Fees must not exceed the cost of providing such facilities. Development Impact Fees also may *not* be used for maintenance and/or operational costs, *nor* can they be used to fund existing public facility deficiencies.

BACKGROUND:

Escondido's General Plan includes Quality of Life (QOL) Standards establishing minimum thresholds of service for various facilities to serve the community through the 2035 planning horizon year. Implementing the QOL Standards is accomplished through Master Plans and other documents guiding the City's buildout. Cost estimates for constructing all Quality of Life Public Facilities, Parks, Traffic, and Drainage improvements total approximately \$364.4 million (see "Citywide Public Facilities" [Attachment "A"](#)).

The portion of improvements listed in the "Citywide Public Facilities" attachment necessary to serve new growth is estimated to be \$246.2 million. Development Impact Fees can be collected from new construction to fund the building of these facilities. Based on construction activity projected by the 2035 planning horizon year, it is estimated that the current Development Impact Fees will cumulatively generate approximately \$96 million towards the construction of these facilities, which comprises only 39 percent of the total anticipated improvement costs (Table 2).

The adopted Development Impact Fees do not fully fund their proportionate share of providing all the public facilities needed to serve new development. Development Impact Fees are frequently combined with other funding sources including grants, General Fund revenues, bonds, etc. to fully fund facilities. As previously mentioned, rationale for not collecting fees that fully fund projects' proportionate share include: a) incentivizing certain types of development that meet the City's vision; b) generating increased revenue through the collection of higher property taxes, sales tax, job creation, and/or customer spending; and c) pricing fees to remain competitive within the region.

The adopted Development Impact Fees have not kept pace with the cost of providing community facilities planned for the General Plan buildout. Without an adjustment to Development Impact Fees being collected, the City will either: a) need to more heavily rely on General Funds or other one-time revenues to finance these facilities; b) significantly delay construction of community facilities in order to pursue alternative funding opportunities, such as grants and bonds; and/or c) significantly reduce the number and/or quality of facilities currently planned for the City's buildout.

TABLE 2: General Plan Buildout and Anticipated Development Impact Fee Collections						
General Plan Designation	2035 Anticipated Construction	Development Impact Fee Collection		Cumulative Impact Fee Collections	Estimated Buildout Costs Related to Growth	Revenue Collection (Shortfall)
Single Family Residential	1,587 units	Facilities:	\$7,338,288	Facilities: \$37,350,669	Facilities: \$58,761,840	Facilities: (\$21,411,171) 63% funded
		Parks:	\$6,684,444			
		Traffic:	\$3,815,148			
		Drainage:	\$1,733,004			
Multi-family residential outside Downtown SPA	1,359 units	Facilities:	\$6,284,016	Parks: \$16,888,552	Parks: \$50,702,285	Parks: (\$33,813,733) 33% funded
		Parks:	\$5,724,108			
		Traffic:	\$ 3,267,036			
		Drainage:	\$ 593,883			
Multi-family residential inside Downtown SPA	4,000 units	Facilities:	\$6,456,000	Traffic: \$32,179,718 (includes \$2,404 / du RTCIP fee)	Traffic: \$123,124,000	Traffic: (\$90,944,282) 26% funded
		Parks:	\$4,480,000			
		Traffic:	\$9,616,000			
		Drainage:	\$1,480,000			
Retail	4,028,000 sq. ft.	Facilities:	\$8,740,760	Drainage: \$9,725,092	Drainage: \$13,700,000	Drainage: (\$3,974,908) 71% funded
		Traffic:	\$6,928,160			
		Drainage:	\$2,859,880			
Office	2,768,500 sq. ft.	Facilities:	\$6,007,645	Total: \$96,144,031	Total: \$246,198,125	Total: (\$150,054,094) 39% funded
		Traffic:	\$2,380,910			
		Drainage:	\$1,965,635			
Industrial	1,539,000 sq. ft.	Facilities:	\$2,523,960			
		Traffic:	\$1,061,910			
		Drainage:	\$1,092,690			

DISCUSSION / ANALYSIS:

Several factors were involved in the analysis regarding the recommended Development Impact Fee pricing levels:

1) Number of Anticipated Future Dwelling Units

The total number of future dwelling units is based on General Plan residential densities for undeveloped and underdeveloped land in Escondido's Planning Area anticipated by the 2035 General Plan horizon year. Undeveloped land is identified as vacant or uninhabited land that is not developed or approved for development. Underdeveloped land are properties constructed with a lower density than allowed by the General Plan and future intensification of these areas are anticipated.

2) 'Permitted' Versus 'Constructed' Residential Density

The General Plan identifies residential density as the maximum number of dwelling units permitted per acre. Developments are typically constructed with lower densities when considering environmental constraints (steep slopes, habitat areas, etc.), as well as marketing trends and development styles (carriage units, town homes, flats, etc.). This influences the amount of revenue collected from Development Impact Fees to fund future capital facilities because the fees are only collected from *constructed* units.

The 2012 General Plan anticipates a maximum 2,268 single-family, and 7,656 multi-family units by the 2035 planning horizon year (9,924 total units). Staff took into account residential development since 2012 and reviewed residential projects that have received recent City approval and/or under construction to compare *actual* project densities with the underlying General Plan *permitted* densities. Based on this analysis, construction densities are averaging approximately 70 percent of the maximum permitted densities, resulting in 6,946 dwelling units projected by 2035. It is estimated that 4,000 of these projected units will develop within the Downtown Specific Planning Area (SPA).

3) Downtown SPA Residential Fee Reduction

The City Council significantly reduced Development Impact Fees in 2004 involving residential projects within the Downtown Specific Planning Area to incentivize construction. Residential units pay only 35 percent of the adopted Public Facility Impact Fee, 26.5 percent of the adopted Park Development Impact fee, and 85 percent of the Drainage Facilities Impact Fee compared to projects elsewhere in the City. It is worth noting that most of Escondido's future residential growth is projected to occur in the Downtown SPA. The potential expansion of Grape Day Park and other amenities involve the acquisition of downtown property where land values and development costs are the highest.

4) 'Permitted' versus 'Constructed' Non-Residential Square Footage

A similar analysis involving projected residential units was made with commercial, office and industrial development. The 2012 General Plan evaluated a maximum of 5,035,000 sq. ft. commercial, 5,537,000 sq. ft. office, and 3,078,000 sq. ft. Industrial sq. ft. (13,650,000 sq. ft. total non-residential square feet) by the 2035 planning horizon year.

Non-residential development construction averages approximately 50 percent of permitted General Plan Industrial and Office intensities (4,307,500 sq. ft.), and 80 percent of the General Plan Commercial intensities (4,028,000 sq. ft.), resulting in a total of 8,335,500 sq. ft. of non-residential construction projected by 2035. Development Impact Fees to fund future capital facilities are only collected from constructed square footage.

5) Public Facilities Needs / Anticipated Revenues for 2035 Planning Horizon Year

Staff took into account existing facilities, community needs and trends, Quality of Life Standards, acquisition and construction costs, and percentage of facilities related to new growth to determine public facility needs listed in the "Citywide Public Facilities" [Attachment "A."](#) Infrastructure related to growth eligible for funding with the collection of Development Impact Fees total approximately \$246.2 million (Table 2).

6) Fee Comparisons with Area Jurisdictions

The City Council has expressed a desire to maintain Development Impact Fees at levels that encourage investment in the community. Comparing fees adopted by adjacent jurisdictions is an opportunity to gauge the City’s competitiveness. Development Impact Fees (as well as all fees associated with development), have been a topic of discussion for the Building Industry Association (BIA), whose members advocate maintaining fees at levels that ensure community investment and affordability. The BIA has also mentioned the expedited project processing and timely assurances as important factors in lowering overall construction costs. The City of Escondido has responded by enacting several measures to streamline the entitlement and construction permitting process.

The BIA completed its 2017 survey of Development Impact Fees adopted by jurisdictions in the region. Staff compiled the information pertaining to other Highway 78 cities in tables 3-7 to compare typical single family, multi-family, industrial, retail, and office projects. A comparison of Development Impact Fees reveals that Escondido’s are among the least expensive fees of all five jurisdictions, particularly for Park Development and Traffic Impact fees. When factoring the reduced fees for residential development in the Downtown Specific Planning Area, Escondido’s fees are significantly lower (Tables 3-7):

TABLE 3: Jurisdiction Fee Comparison: Single Family Dwelling Unit					
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Jurisdiction	Park Develop Fee	Traffic Impact Fee	Drainage Impact Fee	Combined, Park, Traffic, Drainage Fees	Cumulative Development Impact Fee - includes Column 5 <i>plus</i> Public Facility Fees, other local fees, <i>excludes</i> City processing fees, school, and SANDAG fees
Escondido	\$4,212	\$870	\$1,092	\$6,174	\$26,228
Carlsbad	\$7,649	Average: \$5,428	\$6,526	\$19,603	\$54,825
Oceanside	\$4,431	\$1,305	\$2,054	\$7,790	\$49,310
San Marcos	\$6,251	\$4,343	\$1,298	\$11,892	\$48,339
Vista	\$7,174	\$2,837	\$427	\$10,438	\$31,766

TABLE 4: Jurisdiction Fee Comparison: Multi Family (100 unit townhome – 18 du/acre)					
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Jurisdiction	Park Develop Fee	Traffic Impact Fee	Drainage Impact Fee	Combined, Park, Traffic, Drainage Fees	Cumulative Development Impact Fee - includes Column 5 <i>plus</i> Public Facility Fees, other local fees, <i>excludes</i> City processing fees, school, and SANDAG fees
Escondido	\$421,200	\$69,600	\$43,700	\$534,500	\$2,539,900
Downtown Escondido	\$112,000	\$69,600	\$37,000	\$218,600	\$1,923,000
Carlsbad	\$619,000	\$515,300	\$35,893	\$1,170,193	\$3,398,636
Oceanside	\$443,100	\$58,200	\$97,600	\$599,600	\$3,155,814
San Marcos	\$625,100	\$164,400	\$227,200	\$1,016,700	(estimate) \$3,679,006
Vista	\$712,900	\$178,888	\$14,850	\$906,638	(estimate) \$2,108,338

TABLE 5: Jurisdiction Fee Comparison: 1-Story, 50,000 SF Multi-Tenant Industrial (3.6 acres)

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Jurisdiction	Park Develop Fee	Traffic Impact Fee	Drainage Impact Fee	Combined Park, Traffic, Drainage Fees	Cumulative Development Impact Fee - includes Column 5 <i>plus</i> Public Facility Fees, other local fees, <i>excludes</i> City processing fees, school, and SANDAG fees
Escondido	\$0	\$34,500	\$35,500	\$70,000	\$240,195
Carlsbad	\$0	\$111,000	\$54,790	\$165,790	\$336,848
Oceanside	\$0	\$72,350	\$35,200	\$107,550	\$228,256
San Marcos	\$0	\$193,767	\$23,306	\$217,073	(estimate) \$389,089
Vista	\$0	\$239,000	\$6,135	\$245,135	(estimate) \$376,315

TABLE 6: Jurisdiction Fee Comparison for 1-Story, 100,000 SF Multi-Tenant Retail (9.2 acres)

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Jurisdiction	Park Develop Fee	Traffic Impact Fee	Drainage Impact Fee	Combined Park, Traffic, Drainage Fees	Cumulative Development Impact Fee - includes Column 5 <i>plus</i> Public Facility Fees, other local fees, <i>excludes</i> City processing fees, school, and SANDAG fees
Escondido	\$0	\$172,000	\$71,000	\$243,000	\$633,375
Carlsbad	\$0	\$444,000	\$150,737	\$594,737	\$1,055,055
Oceanside	\$0	\$361,600	\$42,400	\$404,000	\$531,843
San Marcos	\$0	\$1,158,409	\$59,726	\$1,218,135	(estimate) \$1,866,776
Vista	\$0	\$1,449,000	\$15,723	\$1,464,723	(estimate) \$1,918,170

TABLE 7: Jurisdiction Fee Comparison for 2-Story, 50,000 SF Flex Office (3.1 acres)

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Jurisdiction	Park Develop Fee	Traffic Impact Fee	Drainage Impact Fee	Combined Park, Traffic, Drainage Fees	Cumulative Development Impact Fee - includes Column 5 <i>plus</i> Public Facility Fees, other local fees, <i>excludes</i> City processing fees, school, and SANDAG fees
Escondido	\$0	\$43,000	\$35,500	\$78,500	\$281,375
Carlsbad	\$0	\$111,000	\$ 50,791	\$161,791	\$476,254
Oceanside	\$0	\$90,400	\$35,200	\$125,600	\$246,306
San Marcos	\$0	\$272,673	\$20,125	\$292,798	(estimate) \$530,264
Vista	\$0	\$584,000	\$5,298	\$589,298	(estimate) \$706,441

RECOMMENDATION:

Staff recommends that Development Impact Fees be adjusted to cumulatively fund 82 percent of the anticipated costs for constructing facilities, and to maintain the fees in the mid-range of the other Highway 78 cities. Raising Development Impact Fees to fully offset the facility costs associated with General Plan buildout, as depicted below, would elevate the fees above most communities in the area. Based on this approach the following Development Impact Fee adjustments are proposed below:

Public Facilities Fee¹:

Development Type	Existing Fee	Fee to fully offset costs	Proposed Fee
Multi-Family (Downtown)	\$1,640 / unit	\$5,548 / unit	\$4,624 / unit
Multi-Family (Citywide)	\$4,624 / unit	\$5,548 / unit	No Change
Single Family	\$4,624 / unit	\$5,548 / unit	No Change
Retail Commercial	\$2.17 / sq. ft.	\$2.60 / sq. ft.	No Change
Industrial	\$1.64 / sq. ft.	\$1.97 / sq. ft.	No Change
Office	\$2.17 / sq. ft.	\$2.60 / sq. ft.	No Change

¹ Public Facility Fee - proposed fees would fund up to 87% of the City's needs to serve new growth (Table 8)

Park Development Fee²:

Development Type	Existing Fee	Fee to fully offset costs	Proposed Fee
Single Family	\$4,212 / unit	\$7,500 / unit	\$6,500 / unit
Multi-Family	\$4,212 / unit	\$7,240 / unit	\$6,200 / unit
Multi-Family Downtown	\$1,120 / unit	\$7,240 / unit	\$6,200 / unit

² Park Development Fee - proposed fees would fund up to 85% of the City's needs to serve new growth (Table 8)

Traffic Impact Fee³:

Development Type	Existing Fee	Fee to fully offset costs	Proposed Fee
Single Family	\$870 / unit	\$4,500 / unit	\$3,900 / unit
Multi-Family	\$696 / unit	\$2,250 / unit	\$1,950 / unit
Commercial	\$1.72 / sq. ft.	\$11.35 - \$56.50 / sq. ft.*	\$9.00 - \$45.00 / sq. ft.*
Industrial	\$0.69 / sq. ft.	\$2.90 / sq. ft.*	\$2.25 / sq. ft.*
Office	\$0.86 / sq. ft.	\$3.80 - 6.60 / sq. ft.*	\$3.00 - \$5.25 / sq. ft.*

³ Traffic Impact Fee - proposed fees would fund up to 80% of the City's needs to serve new growth (Table 8)

* Fees capped at certain thresholds to remain competitive

Drainage Facilities Fee⁴:

Development Type	Existing Fee	Fee to fully offset costs	Proposed Fee
Multi-Family Downtown	\$370 / unit	\$577 / unit	\$437 / unit
Multi-Family (Citywide)	\$437 / unit	\$681 / unit	No Change
Single Family	\$1,092 / unit	\$1,420 / unit	No Change
Retail Commercial	\$0.71 / sq. ft.	\$0.92 / sq. ft.	No Change
Industrial	\$0.71 / sq. ft.	\$0.92 / sq. ft.	No Change
Office	\$0.71 / sq. ft.	\$0.92 / sq. ft.	No Change

⁴ Drainage Facility Fee - proposed fees would generate up to 73% of the City's needs to serve new growth (Table 8)

Establishing fees at rates that finance most of Escondido’s buildout needs will improve the City’s opportunities for securing state and federal matching grants to fully fund facilities’ improvement costs. Staff does not recommend collecting cumulatively less than 82 percent of the City’s buildout needs because: a) not all projects will be appropriate or eligible for matching grants; b) the timing to apply for certain grant funds may not align with implementation schedules; c) matching grants are highly competitive; the success rate for being awarded is not guaranteed; and d) staff cannot forecast the continued availability of matching grants, or their amounts, given constrained state and federal budgets.

It is estimated that the proposed Development Impact Fees will generate approximately \$201.4 million towards the construction of public facilities by the 2035 planning horizon year. This comprises 82 percent of cumulative improvement costs, as compared to only 39 percent of the cumulative improvement costs anticipated to be collected by the existing Development Impact Fees (Table 8).

TABLE 8: General Plan Buildout and Anticipated Development Impact Fee Collections (Page 1 of 2)									
General Plan Designation	2035 Anticipated Buildout	Development Impact Fee Collection*		Cumulative Impact Fee Collections*	Estimated Buildout Costs Related to Growth	Revenue Collection (Shortfall)*			
Single Family Residential	1,587 units	Facilities:	\$7,338,288	Facilities: E: \$37,350,669 P: \$49,390,669	Facilities: \$58,761,840	Facilities: E: (\$21,411,171) 63% funded P: (\$6,981,171) 87% funded			
		Parks:	E: \$4,212/du				Parks: E: \$16,888,552 P: \$43,541,300	Parks: \$50,702,285	Parks: E: (\$33,813,733) 33% funded P: (\$7,160,985) 85% funded
			\$6,684,444						
		Traffic: (includes \$2,404 / du RTCIP fee)	E: \$870/du				Traffic: E: \$32,179,718 P: \$98,532,855	Traffic: \$123,124,000	Traffic: E: (\$90,944,282) 26% funded P: (\$24,591,145) 80% funded
			\$5,195,838						
Drainage:	\$1,733,004	Drainage: E: \$9,725,092 P: \$9,993,092	Drainage: \$13,700,000	Drainage: E: (\$3,974,908) 71% funded P: (\$3,706,908) 73% funded					
Multi-family residential (outside Downtown SPA)	1,359 units	Facilities:	\$6,284,016	Total: E: \$96,144,031 P: \$201,457,916	Total: \$246,198,125	Total: E:(\$150,054,094) 39% funded P:(\$44,830,209) 82% funded			
		Parks:	E: \$4,624/du				Parks: E: \$9,725,092 P: \$9,993,092	Parks: E: (\$3,974,908) 71% funded P: (\$3,706,908) 73% funded	
			\$5,724,108						P: \$6,200/du
		Traffic: (includes \$2,404 / du RTCIP fee)	E: \$696/du				Traffic: E: \$9,725,092 P: \$9,993,092	Traffic: \$13,700,000	
			\$4,212,900						P: \$1,950/du
Drainage:	\$593,883	Drainage: E: \$9,725,092 P: \$9,993,092	Drainage: \$13,700,000	Drainage: E: (\$3,974,908) 71% funded P: (\$3,706,908) 73% funded					

* E= Estimated Revenues generated based on existing Development Impact Fee rates

* P= Projected Revenues generated based on proposed Development Impact Fee rates

TABLE 8: General Plan Buildout and Anticipated Development Impact Fee Collections (Page 2 of 2)						
General Plan Designation	2035 Anticipated Buildout	Development Impact Fee Collection*		Cumulative Impact Fee Collections*	Estimated Buildout Costs Related to Growth	Revenue Collection (Shortfall)*
Multi-family residential (inside Downtown SPA)	4,000 units	Facilities:	E: \$1,614/du \$6,456,000	Facilities, Traffic, and Drainage Fee Collections reported on previous page	Buildout Costs Related to Growth reported on previous page	Revenue Collection (Shortfall) reported on previous page
			P: \$4,624/du \$18,496,000			
		Parks:	E: \$1,614/du \$4,480,000			
			P: \$6,200/du 24,800,000			
		Traffic: (includes \$2,404 / du RTCIP fee)	E: \$696/du \$12,400,000			
			P: \$1,950/du \$17,416,000			
Drainage:	E: \$1,480,000					
	P: \$1,748,000					
Retail	4,028,000 sq. ft.	Facilities:	\$8,740,760	Facilities, Traffic, and Drainage Fee Collections reported on previous page	Buildout Costs Related to Growth reported on previous page	Revenue Collection (Shortfall) reported on previous page
		Traffic:	E: \$6,928,160			
			P: \$53,169,600			
Drainage:	\$2,859,880					
Office	2,768,500 sq. ft.	Facilities:	\$6,007,645	Facilities, Traffic, and Drainage Fee Collections reported on previous page	Buildout Costs Related to Growth reported on previous page	Revenue Collection (Shortfall) reported on previous page
		Traffic:	E: \$2,380,910			
			P: \$8,562,970			
Drainage:	\$1,965,635					
Industrial	1,539,000 sq. ft.	Facilities:	\$2,523,960	Facilities, Traffic, and Drainage Fee Collections reported on previous page	Buildout Costs Related to Growth reported on previous page	Revenue Collection (Shortfall) reported on previous page
		Traffic:	E: \$1,061,910			
			P: \$3,462,750			
Drainage:	\$1,092,690					

* E= Estimated Revenues generated based on existing Development Impact Fee rates
 * P= Projected Revenues generated based on proposed Development Impact Fee rates

When factoring the entire cost of obtaining building permits for the building scenarios included in the Building Industry Association 2017 Fee Survey, Escondido’s Development Impact Fees, if adopted, would remain competitive within the region (Table 9).

Table 9: Development Impact Fee Rankings – Highway 78 Jurisdictions					
Jurisdiction	Development Type	Existing Permit Fees*	Fee Rank 1 (highest) 5 (lowest)	Proposed Permit Fee*	Fee Rank 1 (highest) 5 (lowest)
Escondido	Single Family	\$26,228	5	\$31,546	5
	Multi-Family-100 unit	\$2,539,900	4	\$2,864,190	4
	Multi-Family-100 unit (d.town)	\$1,929,700	5	\$2,864,190	4
	Indus. (50K SF multi-tenant)	\$240,195	4	\$318,195	4
	Retail (100K SF multi-tenant)	\$633,375	4	\$1,361,375	3
	Office (50K SF multi-tenant)	\$281,375	4	\$388,375	4
Carlsbad	Single Family	\$57,182	1		1
	Multi-Family-100 unit	\$3,661,836	2		2
	Indus. (50K SF multi-tenant)	\$336,848	3		3
	Retail (100K SF multi-tenant)	\$1,055,055	3		4
	Office (50K SF multi-tenant)	\$476,254	3		3
Oceanside	Single Family	\$51,618	2		2
	Multi-Family-100 unit	\$3,386,314	3		3
	Indus. (50K SF multi-tenant)	\$228,256	5		5
	Retail (100K SF multi-tenant)	\$531,843	5		5
	Office (50K SF multi-tenant)	\$246,306	5		5
San Marcos	Single Family	\$48,339	3		3
	Multi-Family-100 unit	\$3,679,006	1		1
	Indus. (50K SF multi-tenant)	\$389,089	1		1
	Retail (100K SF multi-tenant)	\$1,866,776	2		2
	Office (50K SF multi-tenant)	\$530,264	2		2
Vista	Single Family	\$34,170	4		4
	Multi-Family-100 unit	\$2,348,752	5		5
	Indus. (50K SF multi-tenant)	\$376,315	2		2
	Retail (100K SF multi-tenant)	\$1,918,170	1		1
	Office (50K SF multi-tenant)	\$706,441	1		1

* Cumulative Development Impact Fee - includes Public Facility Fees, other local fees, excludes City processing fees, school, and SANDAG fees

To retain the current purchasing power of the fees that are meant to fund improvements necessary to accommodate future growth, the City Council directed staff in December 2016 to annually schedule future Development Impact Fees for adjustment and use the method adopted by SANDAG for the regional traffic development impact fee (RTCIP). SANDAG uses the Engineering News Record Construction Cost Index (ENR CCI) with a minimum adjustment of 2 percent. This practice has also been conducted by other area jurisdictions as a mechanism for keeping pace with the rising costs of construction.

The ENR CCI is used to adjust for price changes and to translate set numbers into inflation-free dollars. Therefore, increasing the Development Impact Fees by the change in the ENR CCI ensures that the City's fees maintain their purchasing power by protecting against erosion from inflation. Also, adjusting the fees according to the ENR CCI does not increase the Development Impact Fee revenue beyond the amount necessary to accommodate for future growth because an ENR CCI adjustment only keeps the current level of fee revenue at pace with inflation.

Upon adoption of the recommended adjustment to Park, Public Facilities, Traffic Impact, and Drainage Development Impact Fees anticipated to serve new development, the fees would be enacted in 60 days.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Jay Petrek, Assistant City Manager
11/30/2017 8:14 a.m.

ATTACHMENTS:

1. Attachment A – Citywide Public Facilities
2. Resolution No. 2017-154

RESOLUTION NO. 2017-154RR

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ADJUSTING DEVELOPMENT IMPACT FEES FOR PUBLIC FACILITIES, PARK DEVELOPMENT, TRAFFIC IMPACT, AND DRAINAGE FACILITIES

WHEREAS, Government Code Section 66000 et seq. allows for the collection of Development Impact Fees to fund certain city-wide improvements necessary serve new growth; and

WHEREAS, the City Council of the City of Escondido (“City”) has adopted Chapter 6 of the Escondido Municipal Code, which established certain Development Impact Fee (“DIF”) amounts for funding public facilities and infrastructure needed to serve new development; and

WHEREAS Section 6-444.4 of the Municipal Code provides that the City Council may, by Resolution, adjust or modify the fees; and

WHEREAS, it has been over a decade since DIF amounts have been thoroughly reviewed and adjusted in order to accurately reflect the cost of funding facilities and infrastructure needed to serve new growth; and

WHEREAS, on December 6 and 20, 2017, the City Council held a duly noticed public hearing on the proposal to adjust the DIF amounts with an opportunity for the public to be heard, pursuant to the provisions of Government Code Sections 66016-66018.

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. As outlined in the staff report accompanying this Resolution, which is incorporated by this reference, infrastructure necessary to meet anticipated new growth through the Horizon Year of the General Plan have been evaluated.

3. That the City of Escondido Fee Schedule for Public Facilities, Park Development, Drainage Facilities and Local Traffic Impact shall be adjusted as follows to account for the construction costs associated with building the needed infrastructure to serve new growth.

		Current Fee	Proposed Fee
<i>Public Facilities</i>			
	Downtown SPA	\$1,614 / DU	\$4,624 / DU
<i>Park Development</i>			
	Single Family Residential	\$4,212 / DU	\$6,500 / DU
	Multi-Family Residential	\$4,212 / DU	\$6,200 / DU
	Multi Family Downtown	\$1,120 / DU	\$6,200 / DU
<i>Drainage Facilities</i>			
	Downtown SPA	\$370 / DU	\$437 / DU

<i>Proposed Local Traffic Impact¹</i>			
Category	RTCIP	Local	Per
Single Family	\$2,404	\$3,900	unit
Multi Family ²	\$2,404	\$1,950	unit
Commercial/Retail/Service³		\$9.00	sq. ft.
Bank		\$15.00	sq. ft.
Sit Down (Quality) Restaurant		\$13.50	sq. ft.
High Turnover or Deli		\$15.00	sq. ft.
Fast food with or without drive-through		\$45.00	sq. ft.
Convenience Market		\$30.00	sq. ft.
Convenience Market with Fueling		\$13,500	fueling space
Car Wash		\$67,500	each
Office⁴		\$3.00	sq. ft.
Medical / Dental Office		\$5.25	sq. ft.
Hospital / Care Facility		\$3.75	sq. ft.
Industrial⁵		\$2.25	sq. ft.
Church		\$1.35	sq. ft.

¹ Refer to SANDAG's "Not so Brief Guide to Traffic Generation" using \$150 per average daily trip (ADT) for non-residential uses not listed in this table

² Condo, townhome, mobile home, retirement, duplex

³ Grocery, discount/club store, specialty retail, lumber, hardware, garden, car sales, auto repair, day care, hotel, bowling center, theatre, and health club

⁴ Includes education

⁵ Includes business park, warehouse, storage, science Research & Development

4. The DIF amounts set forth by this Resolution shall supercede those set by prior Resolutions regarding Public Facility, Park Development, Drainage Facilities and Local Traffic Impact fees. This Resolution supercedes Resolution No. 2016-173.

5. The DIF amounts set forth by this Resolution may be modified on a case-by-case basis by a Development Agreement in exchange for, or in recognition of, specific development considerations and subject to approval by the City Council.

6. A Project which within ninety (90) days prior to the date of this Resolution has either provided a complete grading and/or building plancheck submittal to the City, or has received a construction inspection, shall be deemed to be an "Active Project."

7. The DIF amounts adopted herein shall be effective on February 19, 2018, with the following exceptions:

- a. Applicants on Active Projects will be notified that they have until July 1, 2018, to pull building permits and to pay any deferred DIF amounts to be eligible for the DIF rates in effect prior to adoption of this Resolution.
- b. The DIR amounts applied to projects within the Downtown Specific Planning Area will be implemented in three equal installments: the first adjustment will be effective February 19, 2018; the second adjustment will be effective February 19, 2019; and the third adjustment will be effective February 19, 2020.

CITY COUNCIL STAFF REPORT

Public Hearing Item No. 16

December 20, 2017

File No. 0820-20

CERTIFICATION OF THE FINAL ENVIRONMENTAL IMPACT REPORT PREPARED FOR THE LAKE WOHLFORD DAM REPLACEMENT PROJECT (ENV 13- 0005).

- This item has been continued to a date uncertain.



FUTURE CITY COUNCIL AGENDA ITEMS

Updated December 13, 2017

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

December 27, 2017
NO MEETING (Christmas)

January 3, 2017
NO MEETING (Christmas Break)

Weekly Activity Report



December 14, 2017

FEATURED THIS WEEK

Lilac Fire – THANK YOU Firefighters & First Responders

On 12/07/17 the Lilac Fire started in the Bonsall/Fallbrook area of North County. The City of Escondido was able to help support the fight against this very destructive fire, by allowing CAL FIRE Incident Management Team 1 to use Kit Carson Park as the Incident Command Post and Base Camp for all the fire resources until yesterday when they packed up. The fire is currently 95% contained and remains at 4,100 acres.



Escondido's A-List Winners!

The San Diego A-List features more than 8,076 businesses competing for title of San Diego's best. This year Escondido showcased over 30 businesses entered for consumer voting in five categories: Museums/Arts, Foodies, Other Things To Do, Wineries, and Breweries. Escondido won big with seven First Place winners and eleven winners in the Top 5 of their respective categories, competing in some cases, with as many as 60 other businesses in one category.

<http://visitescondido.com/12393/san-diegos-a-list-vote-escondido/>

City Employees Give Back in a BIG Way!

This year the City employees collected 365 "Souper Sacks" which were given to the Seniors at the Park Avenue Community Center AND donated over 530 pairs of pajamas for children who have been displaced by CPS, domestic violence, and homelessness at the Polinsky Center. The Fire Department coordinated a special drop off of their donation by the Big Guy himself!



ECONOMIC DEVELOPMENT

Escondido would like to welcome the following new businesses to Grand Avenue:

Gaming on Grand – 237 W. Grand Ave.

Game shop, snacks and community space for tabletop gamers to come together and play.

Boxwood & Ivy – 233 E. Grand Ave.

Furniture, home décor and interior design boutique.

COMMUNITY DEVELOPMENT

Major Projects Update

The following major projects are being reviewed and coordinated by Planning, Engineering, Fire, Building and Utilities . A complete description of each project can be viewed [here](#). Below are project milestones from last week.

Commercial / Office:

1. Escondido Research and Technology Center – West (ERTC) (Developer: James McCann) – A plan for a new two-story, 57,000 SF, 52-bed Palomar Rehabilitation Institute was submitted on July 31, 2017. Revised elevations were submitted to Planning on October 3, 2017. The applicant has been informed that civil plans are necessary.
2. Centre City Commercial Center (Developer: Todd Dwyer) SE corner Centre City/Mission – Rrough grading is underway. Building permits are nearly ready to be issued for the commercial buildings. The carwash plans are tracking separately and comments on the carwash building plans were sent by Planning on October 2, 2017. Revised carwash plans have now been resubmitted back to Esgil. The precise grading plan and landscape plans for the carwash lot were submitted mid-November 2017. CC&R's have recently been resubmitted back to Planning and Engineering.
3. Downtown Parking Garage (Municipal Parking Lot No. 4 - NW Corner of 2nd/Kalmia) (Developer:, Touchstone Communities) – The project is a three/four-story parking garage that would recapture spaces relocated from the residential development of Parking Lot No. 1 (Aspire project). Revised plans are anticipated to be submitted this week.

Industrial

1. Escondido Self-Storage Facility (Developer: Brandywine Homes, Inc.) 2319 Cranston Dr. – The project plans are nearly ready for permit issuance. The applicant has recently notified staff that other issues unrelated to the project plans will delay their request for permits until March or April of 2018.
2. Exeter Harmony Grove Industrial Development (Developer: John Couvillion, Badiee Development) 1925 and 2005 Harmony Grove Road – The Planning Commission approved the Exeter project on November 28, 2017. Grading plans were submitted for concurrent, expedited processing on October 11, 2017, and comments on the second plan check were sent out on November 28, 2017. Building plans were submitted for concurrent, expedited processing on October 23, 2017. Both Engineering and Building are now coordinating with the applicant on a phased grading and building approach that should help get the construction underway sooner.
3. North American Self-Storage (Developer: Russ Colvin) 852 S. Metcalf – Building plans were approved by Esgil, Planning and Fire the last week of June. The grading permit was issued the end of September. The applicant has not started construction. On October 16, 2017, the applicant now wants to remove the basement level and increase the building height to five stories, and has been advised that a civil site plan is necessary.

City Projects

1. Micro-Filtration Reverse Osmosis (Developer: City of Escondido Utilities Department) SE corner Ash/Washington – The lawsuit challenging the project approval has been settled and it is expected that a contract for engineering design will be considered soon.
2. Lake Wohlford Replacement Dam (Developer: City of Escondido Utilities Department) – A Draft EIR was prepared and issued for a 45-day public review period that began on October 4, 2016 and closed on November 17, 2016. A field visit with staff from the state and federal wildlife agencies took place on May 11, 2017, to review biological mitigation requirements. Staff sent a follow-up letter to the wildlife agencies on June 29, 2017, seeking clarification on the proposed biological mitigation requirements. The Final EIR has been scheduled for certification by the City Council on December 20, 2017.

Institutional

1. Self-Realization Fellowship Center (Developer: John Pyjar, Domusstudio Architecture) 1840 Del Dios Rd. – A revised project submittal was received on October 20, 2017. A Planning Commission hearing has tentatively been scheduled for January 23, 2018.
2. Chalice Unitarian Universalist Congregation (Developer: Pete Bussett, Bussett Architecture) 2324 Miller Avenue – The applicant has been revising the project to respond to staff comments and meet the needs of the congregation. The Mitigated Negative Declaration completed a 20-day public review period on October 18, 2017. A Planning Commission hearing has tentatively been scheduled for January 9, 2018.
3. Escondido Assisted Living (Developer: Tigg Mitchell, Mitchell Group) 1802 N. Centre City Parkway – This CUP application for a 71,300 SF three-story, assisted living and memory

care facility with 90 total units was submitted on October 31, 2017. Revisions could be necessary to address fire vehicle access concerns and Engineering issues related to the existing retaining wall and a proposed extension of that wall. A letter indicating the application is incomplete was sent to the applicant on November 30, 2017.

4. Epiphany Charter School (Architect: Andy Champion, MAA Architects) 713-725 N. Escondido Blvd. – A plot plan application to remove the six modular classroom buildings from the parking lot and complete the interior building renovations to accommodate full enrollment of 697 students was submitted on November 27, 2017. Plans have been routed to other departments for the initial review.

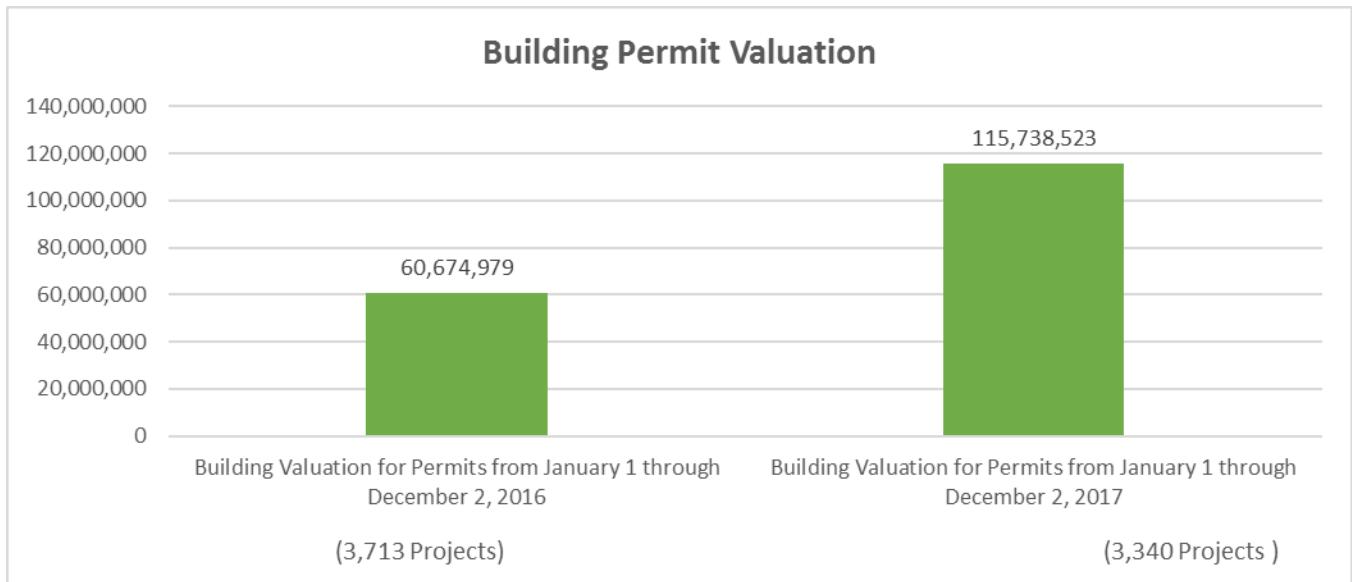
Residential

1. Citron (formerly Stella Park) (Developer: William Lyon Homes) 63 condo units at 2516 S. Esc. Blvd. – Building plans were submitted on April 6, 2017. Esgil and Fire have approved the building plans. The rough grading has been completed on the site. The applicant submitted the latest versions of the grading and improvement plans on November 9, 2017, and Engineering sent out a bond and fee letter three weeks ago. Engineering and Building staff are working with the applicant to get construction of the model units underway. The City Council will consider approving the final map on December 20, 2017.
2. Wohlford (Developer: Jack Henthorne) 55 lots at 661 Bear Valley Pkwy. –City staff is currently working to complete negotiations on the terms for the Development Agreement and schedule the item with the Planning Commission for review and consideration, most likely in January of 2018. Staff met this week with the applicant this week to review the draft conditions of approval for the project.
3. Safari Highlands Ranch (SHR) (Developer: Jeb Hall, Concordia Homes) 550 lots east of Rancho San Pasqual – A Notice of Availability for the Draft EIR was issued on October 16, 2017. The Draft EIR was noticed for a 52-day public review period that started on October 16 and was scheduled to end on December 7, 2017. Additional agencies have since been notified and that review period has been extended to January 2, 2018. The Draft EIR and appendices have been posted on the City's website at the following link: [Safari Highlands Ranch Specific Plan - City of Escondido](#).
4. 18 lots at 701 San Pasqual Valley Rd (Developer: Bob Stewart) – A three-year extension of time for the previously approved ten-lot subdivision (Tract 895) was approved by the City Council on June 7, 2017. Staff comments on the revised tentative map were issued the last week of July. Staff met with the applicant recently regarding unresolved project design issues.
5. Escondido Gateway (Developer: Carolyn Hillgren, Lyon Living) 126 condo units at 700 W. Grand – Building plans have been approved by Esgil, Planning and Fire. Grading plans have been approved by Utilities, Planning and Fire. A street vacation for right-of-way frontage along Grand Avenue has been completed. Demolition is complete and construction permits are ready to be issued once title to the site transfers to the builder.
6. The Villages at Escondido Country Club (Developer: Jason Han, New Urban West, Inc.) 380 residences – The City Council voted 3-2 to approve the project on November 15, 2017. The

approved tentative subdivision map, Final EIR and appendices, Specific Plan and other related information can be accessed on the City's website at the following link: [ECC - City of Escondido](#).

7. North Avenue Estates (Developer: Casey Johnson) 34 lots at North Ave./Conway Dr. – A new annexation survey of surrounding property owners was mailed out at the request of LAFCO. A neighborhood meeting hosted by staff and the project applicant occurred on August 9, 2017. The Planning Commission voted to recommend approval of the project on November 28, 2017. A City Council hearing has tentatively been scheduled for January 10, 2018.
8. Aspire (106 condo units on Municipal Lot 1) (Developer: Addison Garza, Touchstone Communities) – The proposal consists of a mixed-use development on Parking Lot 1. The project was initially submitted for entitlement processing on June 23, 2017. A project kick-off meeting with the applicant and city staff occurred on July 13, 2017. On July 24, 2017, staff sent a letter to the applicant indicating the project application submittal was incomplete. Subsequent meetings with the applicant and staff have been on-going.
9. The Ivy (95 condo units at 343 E. 2nd) (Developer: Addison Garza, Touchstone Communities) - The project was initially submitted for entitlement processing on June 23, 2017. A project kick-off meeting with the applicant and city staff occurred on July 13, 2017. On July 24, 2017, staff sent a letter to the applicant indicating the project application submittal was incomplete. Subsequent meetings with the applicant and staff have been on-going. Demolition of the vacant surgery center building on The Ivy site started this week
10. Grand Avenue Apartments (Developer: Norm LaCaze, Escondido Venture 99, LLC) 15 apt. units at 1316 E. Grand Ave. – A planned development application proposing 15 multi-family units in one three-story building on a vacant 0.51-acre lot was submitted for entitlement processing on September 22, 2017. A completeness review letter was sent to the applicant on October 20, 2017 indicating the application was incomplete. A meeting with the applicant team occurred on October 26, 2017 to discuss identified issues. The applicant submitted a Storm Water Management Plan on October 30, 2017.
11. Quince Street Senior Housing (Developer: Matt Jumper, 220 Quince, L.P.) 145 apartment units at 220 N. Quince St.– Request for Amendment to Downtown Specific Plan and Planned Development (Master and Precise Plan) for five-story affordable senior housing apartment project was submitted on November 21, 2017. Plans have been routed to various departments for initial review.
12. Accessory Dwelling Units – Planning staff is currently working on four applications for accessory dwelling units with an additional three applications expected to be submitted

Building Division

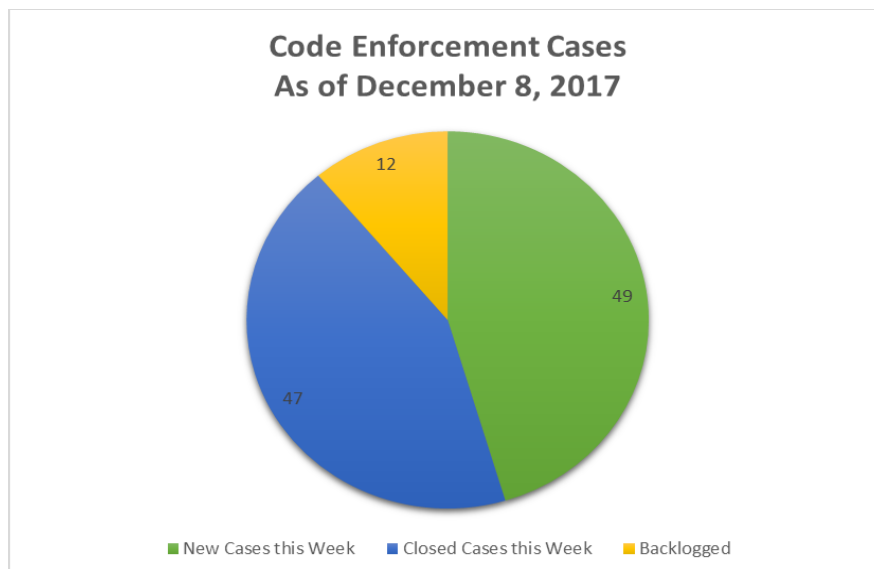


Building Permits Issued Last Week	Total Valuation
51	\$319,374

1. A total of 20 solar photovoltaic permits were issued for the week. The Building Division has issued 944 solar permits so far this year compared to 1,269 issued during the same time last year.
2. Our building inspectors responded to 178 inspection requests for the week.
3. Building has issued 220 single-family dwelling permits this year and 224 multi-family units. This compares with 66 single family dwellings and 88 multi-family dwellings for the same time last year.
4. Projects nearing permit issuance are:
 - a. 917 W Lincoln, 3 new apartment buildings, 9 units.
 - b. 700 W Grand Ave Gateway project (former police building)
5. The City Plaza three-story mixed use building at 300 S. Escondido Blvd. is requesting final inspection for specified units.
6. The Meadowbrook, three-story apartment building with underground garage at 2081 Garden Valley Glen is preparing the building for final inspection.
7. Escondido Disposal is requesting inspection for site walls and framing of the weigh station.
8. The medical office building at 2125 Citracado Pkwy is preparing for final inspection of the shell building. Suspended ceiling is being installed.

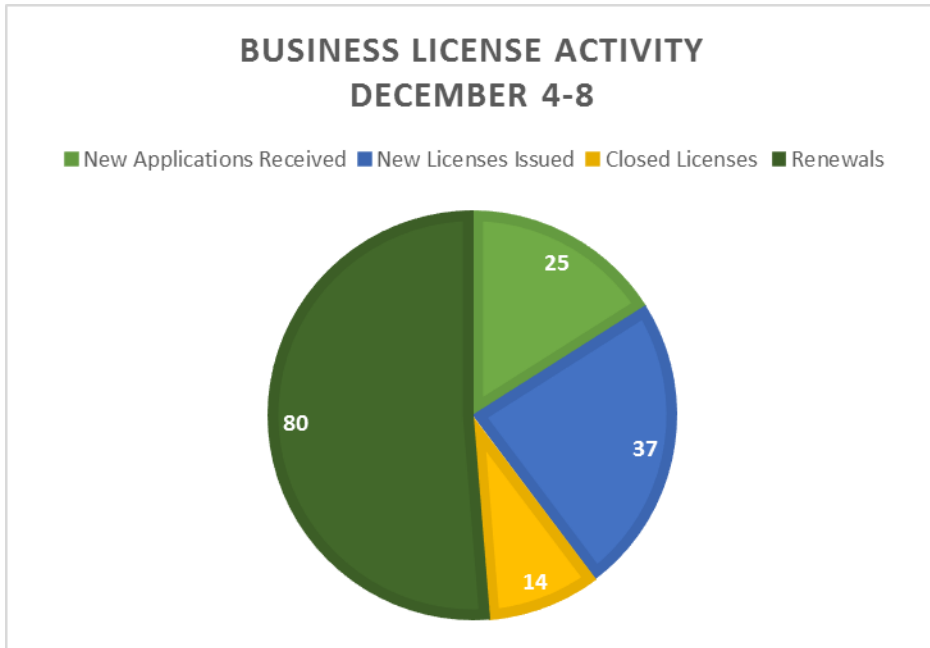
9. The medical office building at 1951 Citracado Pkwy is preparing for final inspection of the shell building with tenant improvement to follow.
10. The Westminster Seminary at 1725 Bear Valley Pkwy has received framing inspection for four of the buildings and framing for Building 5 is in progress.
11. The children's building for Emanuel Faith Church at 639 E 17th Ave has received inspection approval for the framing of the building. The Church of Resurrection at 1445 Conway is progressing through 2nd floor framing and exterior lath.
12. The Veterans Village project at 1540 S Escondido Blvd has received underground plumbing and foundation inspections for the residential buildings.
13. The new supermarket shell building at 999 N. Broadway has completed the exterior masonry walls, parapets and roof ledgers.
14. The Ford dealership at 1717 Auto Park Way has commenced on the second phase of construction which includes the interior remodel and new showroom addition.
15. The Latitude II multi-family residential development at 650 N. Centre City Parkway has received foundation inspection approval for Buildings 3 and 4. Building 5 has received underground plumbing approval. Framing is in progress.
16. The new, two-story church sanctuary building at 1864 North Broadway has completed the foundation.
17. The new drive through Starbucks at 302 W. El Norte Parkway has received foundation inspection approval and framing is underway.

Code Enforcement

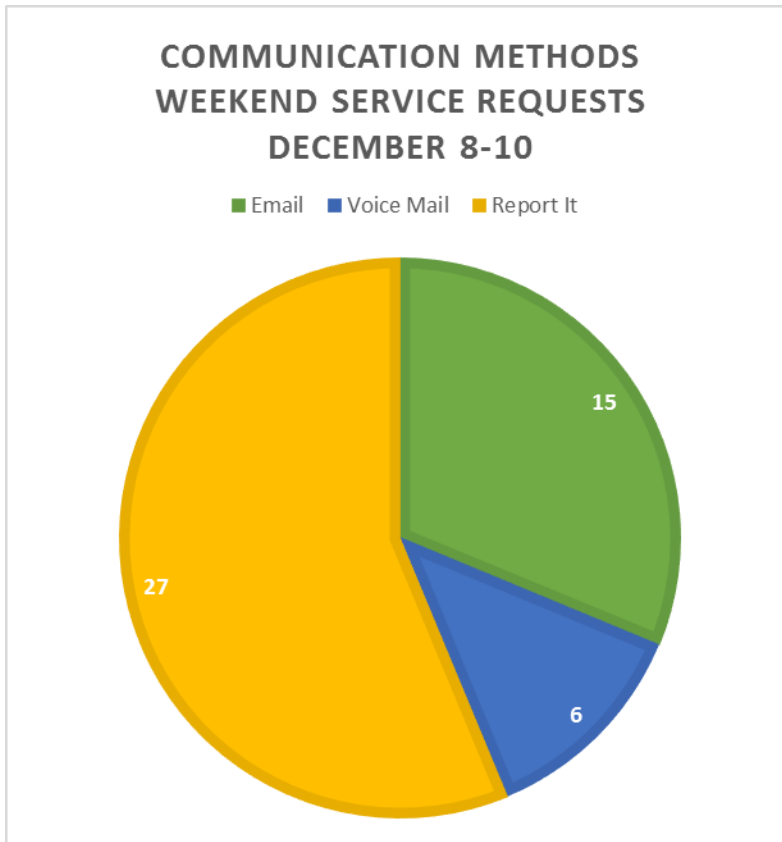


Total Open Code Cases	Illegal Signs Confiscated over the Previous Weekend
390	139

Business Licensing



Public Works Operations



Graffiti Restitution

Collected This Week	Collected Year to Date
\$20	\$9329.86

ENGINEERING

Capital Improvements

Valley Pkwy/Valley Center Road Widening Project

The bridge subcontractor completed the pier 2 casing installations in the channel bottom this past week. The next step in the construction phase is the footing for the pier 2 wall section. This operation requires the dewatering and construction of the footing to proceed around the clock until this item is complete. The dry utility contractor is continuing to install new conduit and vault structures along the east side of the project. Work on the west side of the project includes completing the pouring of the concrete pilaster for the construction of the 8' sound walls along the dog park frontage.

Neighborhood Lighting Project

No changes from that previously reported. The contractor is working in three neighborhoods this week potholing utilities, installing conduits and constructing foundations for new street lights. The scope of work for the project includes the installation of 44 new street lights along with the replacement of 22 existing street light fixtures with the latest L.E.D. fixtures in 5 neighborhood areas.

2017 Street Rehabilitation and Maintenance Project

This week the City's paving contractor is completing the application of the rubberized chip seal (ARAM) to approximately 80 city streets. The paving restoration this week included resurfacing portions of Lincoln Avenue between Broadway and Ash Street. This work is being performed during a night time operation to help maintain day time traffic volumes along this corridor. Work on replacing concrete improvement throughout this year's program area is continuing this week.

Corrugated Metal Storm Drain Pipe Assessment Study

No changes from that previously reported. This project televises all City-maintained corrugated metal pipes (CMP) and assesses their condition to allow for proactive and efficient pipe maintenance. To date, approximately 99% of the CMP storm drains have been televised.

Private Development

Pradera - Lennar Communities

Contractors are raising utility manholes to grade, setting center line monumentations in preparation of installing final signage and striping along the project frontages.

Lexington Model Homes - KB Homes

The contractor completed base pavement installation along all roadways this past week. Installation of concrete improvements as well as landscaping elements is the next order of work.

Citron Project by William Lyon Homes

No changes from that reported last week: The project is idled again this week. The project is located at 2516 S. Escondido Boulevard.

Tract 932 - Canyon Grove Shea Homes Community

On site roadways are being prepared for the installation of asphalt pavement this week.

Latitude II Condominiums by a Lyon Homes Partnership: Washington Avenue at Centre City Parkway

Onsite installation of the remaining storm drain system is being done this week. The remaining sections of the project are entering the framing phase of construction. The work is located adjacent to Centre City Parkway.

Veterans Village

No changes from that reported last week. Storm Drain improvements have been suspended while a solution is found for a conflict with a dry utility package. A site meeting is scheduled for later this week.

Victory Industrial Park

The grading operation is continuing this week. The project is located at 2005 Harmony Grove Road and is 5.4 acres in size.

Escondido Innovation Center

No changes from that reported last week. The contractor has begun to import material to the site. The project requires the importing of 17,700 cubic yards of material. The project is located 1925 Harmony Grove Road.

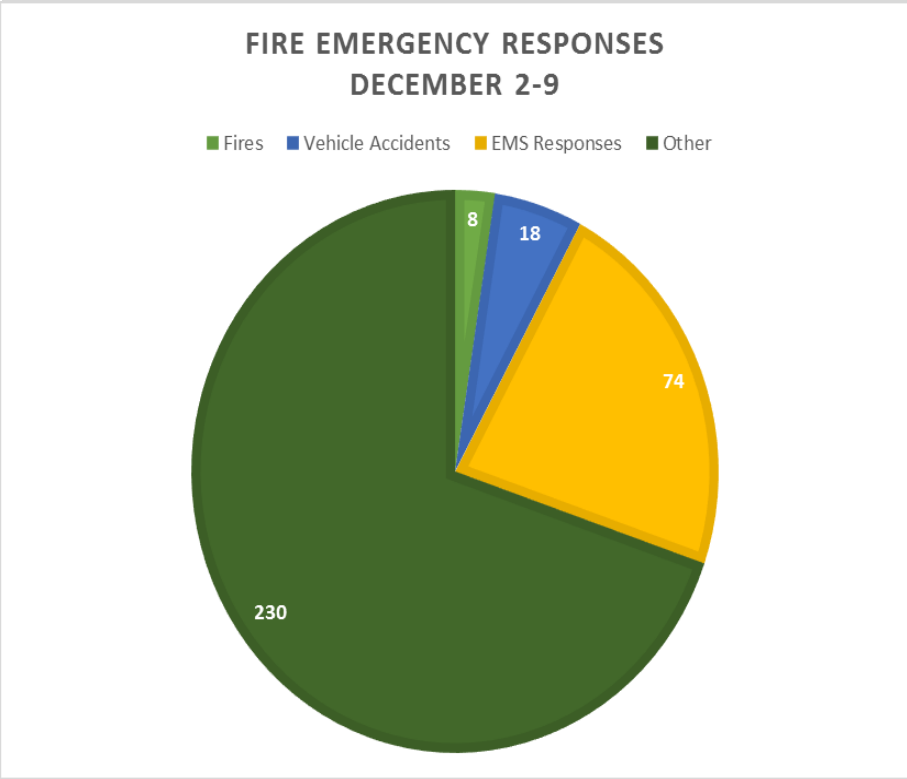
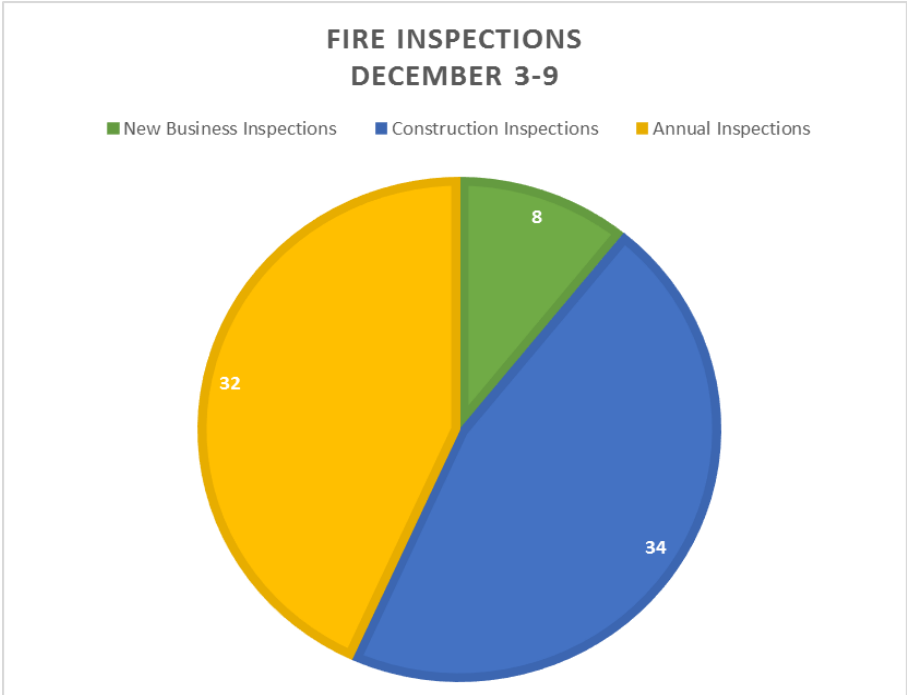
City Plaza

No changes from that reported last week. The offsite construction of public improvement is continuing this week with the placement of new concrete improvements along Escondido Boulevard and 3rd Avenue. The project is located at 328 S Escondido Boulevard.

Spring Hill Suites Hotel/ La Terraza Boulevard

No changes from that reported last week: The grading operation is continuing this week with the construction of the block wall along the rear of the property.

FIRE



Total Emergency Responses (Year To Date)	15,567
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News

Current Status of Fires throughout the State:

- Lilac Fire – currently 95% contained and remains at 4,100 acres
 - Thomas Fire - currently 25% contained and 237,500 acres. 18,00 structures threatened and 921 structures destroyed
 - Creek Fire – currently 98% contained and over 15,000 acres burned
- On Tuesday, December 5th, OES was deployed to the Thomas Fire in Ventura county. Escondido sent Strike Team Leaders Battalion 133 & Brush Rig 133.



- On Wednesday, December 6th, Escondido deployed Battalion Chief Bertrand and Captain Miller to the Creek Fire as Base Camp Managers.
- On Thursday, December 7th, Escondido Fire sent Brush Rig 132 to the Lilac Fire.
- On Friday, December 8th, Escondido Fire sent Engineer Polito to the Lilac Fire as a Public Information Officer and Engineer Brad Bihun to the Thomas Fire as a Public Information Officer.



- On Friday, December 8th, Escondido Fire sent Engine 133 with Captain Beverly, Engineer Jenkins, and Firefighter/Paramedic Cagle to the Lilac Fire. On Sunday, December 10th, Engine 133 was reassigned from the Lilac Fire to the Thomas Fire with a North Zone Type 1 Strike Team.

POLICE INCIDENTS:

- On 12/3/2017, an at risk, 84-year-old missing person was located at NCTD Transit Center by an officer working the area. The missing person had been missing for approximately a day and was the subject of an extensive search.
- On 12/5/2017, Officer Gimenez located stolen vehicle in the area of Wilson and Wabash. Officer Gimenez made contact with the suspect as the suspect is exited the stolen vehicle. The suspect was taken into custody without incident, and booked into the Vista Detention Facility for possession of a stolen vehicle.
- On 12/6/2017, an officer from the California Highway Patrol (CHP) was in pursuit of a vehicle that came into Escondido. Officers responded to the area of Park Hill and San Pasqual Valley Rd. to assist after the vehicle crashed and the occupant fled. The CHP is handling the investigation.
- On 12/7/2017, a Daytime Truancy Sweep was conducted which caught four students from various schools not in school in during school hours. Escondido Compact assisting with the sweep.

COPPS:

The EPD COPPS (Community Oriented Policing and Problem-Solving) Unit is dedicated to increasing the quality of life for the residents of Escondido through pro-active responses to crime trends and community issues. Addressing crime and public nuisance in Grape Day Park is one project the Unit has been tasked with, along with patrolling the Downtown Business District and surrounding areas.

- 5 arrests were made
- 12 citations were issued

EVENTS:

On 12/6/2017, COPPS officers teamed up with Mrs. Stewart and the Community Relations Team at Reidy Creek Elementary school to collect Souper Sacks for the Senior Citizen Center. Reidy Creek school donated 135 Souper Sacks that are to be passed out to senior citizens. The Souper Sacks contain soups, crackers, easily made meals, desserts and special Christmas surprises to brighten the day of the recipient



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