MAY 15, 2019
CITY COUNCIL CHAMBERS
6:00 P.M. Regular Session
201 N. Broadway, Escondido, CA 92025

MAYOR Paul McNamara
DEPUTY MAYOR Consuelo Martinez
COUNCIL MEMBERS Olga Diaz
                        John Masson
                        Michael Morasco
CITY MANAGER Jeffrey Epp
CITY CLERK Zack Beck
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.
May 15, 2019
6:00 P.M. Meeting

Escondido City Council

CALL TO ORDER

MOMENT OF REFLECTION

FLAG SALUTE

ROLL CALL: Diaz, Martinez, Masson, Morasco, McNamara

PRESENTATIONS: North County Transit District

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)
   Request the City Council approve the City Council, Successor Agency, and Housing Successor Agency warrant numbers:
   - 330196 – 330408 dated May 1, 2019
   
   Staff Recommendation: Approval (Finance Department: Sheryl Bennett)

3. APPROVAL OF MINUTES: Regular Meeting of May 1, 2019

4. AUTHORIZATION TO PROCESS A GENERAL PLAN AMENDMENT TO CHANGE THE LAND-USE DESIGNATION FOR TWO (2) PARCELS FROM LIGHT INDUSTRIAL TO GENERAL COMMERCIAL LOCATED AT 900 W. MISSION AVENUE (APNS 228-220-43 AND 228-220-13)
   Request the City Council approve processing the proposed amendment to the General Plan to change the land-use designation of two (2) parcels from Light Industrial (LI) to General Commercial (GC).
   
   Staff Recommendation: Approval (Community Development Department: Bill Martin)

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

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

CURRENT BUSINESS

5. VALIANO PROJECT SEWER FLOW AGREEMENT
   Request the City Council approve authorizing the Mayor and City Clerk to execute a Sewer Flow Agreement with The Eden Hills Project Owner, LLC; The EHF Owner, LLC; The EHH Owner, LLC; and The EHA Owner, LLC (collectively the "Property Owner") for the City of Escondido's acceptance of sewer flow from a 326 single-family residential development project (the "Valiano Project"). This item was continued from April 10, 2019.
   
   Staff Recommendation: Approval (Utilities Department: Christopher W. McKinney)

   RESOLUTION NO. 2019-60
FUTURE AGENDA

6. **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: Zack Beck)**

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. This report is also available on the City’s website, www.escondido.org.

- **WEEKLY ACTIVITY REPORT -**

ORAL COMMUNICATIONS

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

ADJOURNMENT

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<tr>
<th>Date</th>
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<th>Time</th>
<th>Meeting Type</th>
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<tbody>
<tr>
<td>May 22</td>
<td>Wednesday</td>
<td>5:00 &amp; 6:00 PM</td>
<td>Regular Meeting</td>
<td>Council Chambers</td>
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<td>May 29</td>
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<td>June 5</td>
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<td>June 12</td>
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<td>Regular Meeting</td>
<td>Council Chambers</td>
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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 5:00 in Closed Session and 6:00 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
SUBJECT: Approval of Warrants

DEPARTMENT: Finance Department

RECOMMENDATION:

Request approval for City Council, Successor Agency and Housing Successor Agency warrant numbers 330196 – 330408 dated May 1, 2019.

FISCAL ANALYSIS:

The total amount of the warrants for the period of April 25 – May 1, 2019, is $2,189,965.44.

BACKGROUND:

The Escondido Municipal Code Section 10-49 states that warrants or checks may be issued and paid prior to audit by the City Council, provided the warrants or checks are certified and approved by the Director of Finance as conforming to the current budget. These warrants or checks must then be ratified and approved by the City Council at the next regular Council meeting.
CALL TO ORDER

The Regular Meeting of the Escondido City Council was called to order at 3:30 p.m. on Wednesday, May 1, 2019 in the City Council Chambers at City Hall with Mayor McNamara presiding.

ATTENDANCE:

The following members were present: Councilmember Olga Diaz, Deputy Mayor Consuelo Martinez, Councilmember John Masson, Councilmember Michael Morasco, and Mayor Paul McNamara. Quorum present.

ORAL COMMUNICATIONS

CLOSED SESSION: (COUNCIL/SUCCESSOR AGENCY/RRB)

MOTION: Moved by Councilmember Diaz and seconded by Deputy Mayor Martinez to recess to Closed Session. Motion carried unanimously.

I. CONFERENCE WITH LEGAL COUNSEL-- EXISTING LITIGATION (Government Code 54956.9(d)(1))
      Case No: 37-2018-00025690-CU-PA-NC

II. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION/SIGNIFICANT EXPOSURE (Government Code 54956.9(d)(2))
   a. One Matter

III. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code §54956.8)
   a. Property: 3450 East Valley Parkway (APN 225-141-34)
      City Negotiator: Jeffrey Epp, City Manager
      Negotiating Parties: San Diego Humane Society
      Under Negotiation: Lease Terms

ADJOURNMENT

Mayor McNamara adjourned the meeting at 4:05 p.m.
CALL TO ORDER

The Regular Meeting of the Escondido City Council was called to order at 4:30 p.m. on Wednesday, May 1, 2019 in the City Council Chambers at City Hall with Mayor McNamara presiding.

MOMENT OF REFLECTION
Zack Beck, City Clerk, led the Moment of Reflection.

FLAG SALUTE
Michael McGuinness, City Attorney, led the flag salute.

ATTENDANCE:
The following members were present: Councilmember Olga Diaz, Deputy Mayor Consuelo Martinez, Councilmember John Masson, Councilmember Michael Morasco, and Mayor Paul McNamara. Quorum present.

Also present were: Jeffrey Epp, City Manager; Michael McGuinness, City Attorney; Bill Martin, Director of Community Development; Julie Procopio, Director of Engineering Services; Zack Beck, City Clerk.

PRESENTATIONS
Conrad Beck, President of North County Letter Carrier’s Association, presented regarding National Association of Letter Carriers Food Drive.

Nate Alcorn, Pastor of Community Engagement for The Church at Rancho Bernardo, presented regarding Unite North County Inland.

William L. Wolfe, Deputy City Manager, presented regarding Volunteer Appreciation and Recognition.

ORAL COMMUNICATIONS

Alejandro Sanchez, Escondido, shared concerns regarding local apartment conditions.

CONSENT CALENDAR

MOTION: Moved by Councilmember Masson and seconded by Councilmember Diaz to approve all Consent Calendar items with the exception of items 4 and 5. Motion carried unanimously.

1. AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/SUCCESSOR AGENCY/RRB)
2. **APPROVAL OF WARRANT REGISTER (Council/Successor Agency)**

Request the City Council approve the City Council, Successor Agency, and Housing Successor Agency warrant numbers: (File No. 0400-40)

- 329277 – 329481 dated April 3, 2019
- 329482 – 329639 dated April 10, 2019
- 329640 – 329928 dated April 17, 2019

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

3. **APPROVAL OF MINUTES: A) Regular Meeting of April 3, 2019  B) Regular Meeting of April 10, 2019**

4. **FINANCIAL REPORT FOR QUARTER ENDED MARCH 31, 2019 AND BUDGET ADJUSTMENT**

- Request the City Council receive and file the Third Quarter Financial Report for Fiscal Year 2018/19 and approve the budget adjustment. (File No. 0430-30)

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

Sheryl Bennett, Deputy City Manager/Administrative Services, and Joan Ryan, Assistant Director of Finance, was available to answer questions.

**Patricia Borchmann, Escondido**, shared comments regarding the importance of the financial report and Reidy Creek Golf Course, and requested a summary of the report.

**MOTION:** Moved by Councilmember Morasco and second by Councilmember Masson to receive and file the Third Quarter Financial Report for Fiscal Year 2018/19 and approve the budget adjustment. Ayes: Martinez, Masson, Morasco, McNamara. Noes: Diaz. Motion carried.

5. **AUTHORIZATION OF CONTINUED ABSENCE OF COUNCILMEMBER JOHN MASSON**

- Request the City Council explicitly issue its permission for the past and continued absence of Councilmember John Masson due to medical reasons through June 29, 2019. (File No. 0610-90)

Staff Recommendation: **Approval (City Clerk's Office: Zack Beck)**

**THIS ITEM WAS REMOVED AND NOT DISCUSSED.**

6. **EXCLUSIVE NEGOTIATING AGREEMENT WITH MERIDIAN PROPERTIES FOR POTENTIAL PURCHASE AND DEVELOPMENT OF 455 AND 525 NORTH QUINCE STREET**

- Request the City Council approve authorizing the City Manager to execute the proposed exclusive negotiating agreement between the City of Escondido and Meridian Properties to explore the potential sale and development of City-owned properties located at 455 North Quince Street and 525 North Quince Street. (File No. 0600-10 [A-3298])

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

7. **LEASE WITH ESCONDIDO COMMUNITY CHILD DEVELOPMENT CENTER**

- Request the City Council approve a Lease Agreement with the Escondido Community Child Development Center on City-owned property located at 613 E. Lincoln Avenue and identified as Assessor Parcel Number (APN) 229-160-54 and a portion of 229-160-53. (File No. 0600-10 [A-3258])

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

RESOLUTION NO. 2019-67
CONSENT – RESOLUTIONS AND ORDINANCES (COUNCIL/SUCCESSOR AGENCY/RRB)

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

PUBLIC HEARINGS

8. PUBLIC HEARING FOR THE CITY OF ESCONDIDO LANDSCAPE MAINTENANCE DISTRICT ZONES 1 THROUGH 38 -
Request the City Council receive input from the property owners in Zones 1 through 38 of the City of Escondido Landscape Maintenance Assessment District (LMD) on the proposed budget and assessments for Fiscal Year 2019/2020. No Council action is required. (File No. 0685-10)

Staff Recommendation: Receive Public Input (Engineering Services Department: Julie Procopio)

Rajesh Badri, Management Analyst, presented the staff report utilizing a PowerPoint presentation.

Mayor McNamara opened the public hearing and asked if anyone wished to speak on this issue in any way. No one asked to be heard, therefore he closed the public hearing.

NO COUNCIL ACTION NECESSARY.

9. AMENDMENT TO DOWNTOWN SPECIFIC PLAN - DENSITY TRANSFER PROGRAM (PHG 17-0024 and ENV 19-0004) -
Request the City Council approve amending the Downtown Specific Plan (DSP) to allow property owners to transfer density from undeveloped or underutilized properties to developing properties in the DSP; adopt an addendum to the previously certified Environmental Impact report for the 2012 General Plan Update, Downtown Specific Plan Update, and Climate Action Plan Program EIR (Final EIR) in conformance with the California Environmental Quality Act (CEQA); and approve establishing the purpose, administration, and benefits of the Density Transfer Program. (File No. 0800-70)

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

A) RESOLUTION NO. 2019-69  B) ORDINANCE NO. 2019-06 (First Reading and Introduction)

Bill Martin, Director of Community Development, presented the staff report utilizing a PowerPoint presentation.

Mayor McNamara opened the public hearing and asked if anyone wished to speak on this issue in any way.

Tom Stamos, Economic Development Chair for the Escondido Chamber of Commerce, voiced support for the Density Transfer Program.

Patricia Borchmann, Escondido, shared concerns regarding auto traffic impacts and foot traffic of the Density Transfer Program.

Louisa Magoon, Escondido, Board Member for the Downtown Business Association, voiced support the Density Transfer Program.

Mayor McNamara asked if anyone else wished to speak on this item in any way. No one asked to be heard, therefore he closed the public hearing.
MOTION: Moved by Deputy Mayor Martinez and seconded by Councilmember Morasco to approve amending the Downtown Specific Plan (DSP) to allow property owners to transfer density from undeveloped or underutilized properties to developing properties in the DSP; adopt an addendum to the previously certified Environmental Impact report for the 2012 General Plan Update, Downtown Specific Plan Update, and Climate Action Plan Program EIR (Final EIR) in conformance with the California Environmental Quality Act (CEQA); and approve establishing the purpose, administration, and benefits of the Density Transfer Program and adopt Resolution No. 2019-52 and introduce Ordinance No. 2019-06.

FUTURE AGENDA

10. 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: Zack Beck)

AN AD HOC COMMITTEE TO UPDATE THE CITY COUNCIL POLICY HANDBOOK WAS ESTABLISHED WITH COUNCILMEMBER DIAZ AND DEPUTY MAYOR MARTINEZ.

COUNCIL MEMBERS SUBCOMMITTEE REPORTS

Councilmember Diaz attended a Budget Subcommittee Meeting for the San Dieguito River Park Joint Powers Authority and reported an upcoming five percent increase to all member agencies.

Councilmember Masson attended the San Diego County Water Authority (SDCWA) meeting and reported SDCWA is opposed to Assembly Bill 217.

Councilmember Morasco attended the North Country Transit District meeting and reported three bus stops will be renovated in Escondido.

Mayor McNamara attended the SANDAG meeting and reported regarding a regional plan for public transportation presentation.

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. This report is also available on the City’s website, www.escondido.org.

- WEEKLY ACTIVITY REPORT -

ORAL COMMUNICATIONS
ADJOURNMENT

Mayor McNamara adjourned the meeting at 6:08 p.m.

_______________________________   _______________________________
MAYOR       CITY CLERK
SUBJECT: Authorization to Process a General Plan Amendment to Change the Land-Use Designation for two (2) parcels from Light Industrial to General Commercial Located at 900 W. Mission Avenue, (APNs 228-220-43 and 228-220-13).

DEPARTMENT: Community Development Department, Planning Division

RECOMMENDATION:

It is requested the City Council authorize the processing of the proposed amendment to the General Plan to change the land-use designation of two (2) parcels from Light Industrial (LI) to General Commercial (GC).

PROJECT DESCRIPTION:

The Planning Division received a proposal from Golchem Group, LLC to develop a gasoline station/convenience store on an approximately 1.1-acre industrial zoned site located at 900 W. Mission Avenue. The proposed project would include up to eight (8) pump stations (16 gas pumps) and a 4,100 SF 7-Eleven convenience store. The project site is located on the northwestern corner of W. Mission Avenue and Rock Springs Road with a General Plan land-use designation of Light Industrial (LI) and zoned Light Industrial (M1) as depicted in Attachment 1. The Light Industrial land-use designation and corresponding industrial zoning does not permit retail type uses such as gasoline stations and convenience stores. Therefore, the project proponent is requesting the City initiate a General Plan Amendment to change the land-use designation to General Commercial (GC). This change would permit the processing of a land-use development application consisting of a Zone Change from Light Industrial to General Commercial zoning, which allows gasoline stations and convenience stores as a permitted use. Authorizing this request to proceed with the amendment to the General Plan is not an approval of the proposed project nor a guarantee of approval of the proposed project or General Plan Amendment. A Conditional Use Permit (CUP) also would be necessary because the CG zone requires a CUP for a gasoline station that include the sale of alcoholic beverages with facilities to dispense fuel to more than five (5) vehicles. The applicant indicated the existing 7-Eleven store located on the northeastern corner of Mission Avenue and Rock Springs Road would be closed and the existing alcohol license transferred to the new facility.

FISCAL ANALYSIS:

For the purposes of this agenda item, the City Council only would be providing direction to staff on the processing of the prospective amendment to the General Plan. Authorization to process the amendment application will have no direct fiscal or staff impacts. The privately initiated amendment application would be processed using existing staff resources with costs to be paid by the project.
proponent. Any corresponding development applications (e.g., Zone Change and Conditional Use Permit) would be processed concurrently with the proposed General Plan Amendment request.

ENVIRONMENTAL REVIEW:

The action before the City Council is statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15262, Feasibility and Planning Studies. This agenda item involves the consideration of processing a General Plan Amendment and land use development application. This general direction does not have a legally binding effect on any possible future discretionary action.

BACKGROUND:

California Government Code Section 65358(a) provides, "If it deems it to be in the public interest, the legislative body may amend all or part of an adopted general plan. An amendment to the general plan shall be initiated in the manner specified by the legislative body." In accordance with its legislative discretion, the City of Escondido has established a set of General Plan Amendment Procedures to provide a process for preliminary review of proposed amendments. The purpose of which is intended to screen and/or prioritize land use development applications for review and identify applications the City Council has no interest in pursuing.

Based on the above, after receiving a General Plan Amendment authorization request, the City Council will consider which projects, if any, will be authorized to proceed with a formal amendment application. The decision does not in any way presume approval of the amendment or project. It only authorizes staff to process the application, but the City retains its discretion to consider the application in accordance with all applicable laws, including the California Environmental Quality Act and the City's zoning laws and ordinances. Consideration of the application will be in accordance with the City's Municipal Code and regulations. The City is allowed to approve up to four (4) General Plan Amendments per year, and has approved one (1) this calendar year (City File No. PHG17-0025) to allow buildings up to three stories within the Suburban (S) land-use designation. There is no limit on the number of General Plan Amendment requests that may be initiated or processed.

The subject site is zoned Light Industrial (M-1) and currently utilized for vehicle sales and repair. The parcels located at the northwestern intersection (Mission Avenue and Rock Springs Road) are within the Light Industrial General Plan land-use designation, while the properties around the other three (3) corners of the intersection are located within the General Commercial land-use designation and developed with a variety of retail, restaurant and automotive/service type uses. The applicant indicated in their letter (See Attachment 2), that the proposed amendment to the General Plan to change the northwestern corner to commercial zoning to allow for a gasoline station/convenience store, is warranted because of the commercial zoning on the other three (3) corners; lack of similar gasoline/convenience stores within the vicinity; and high volume of traffic at this signalized intersection to support the proposed commercial-type uses.
Request for Authorization to Process a General Plan Amendment
May 15, 2019
Page 3

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Bill Martin, Director of Community Development
5/9/2019 8:54 a.m.

Jay Paul, Senior Planner
5/9/2019 9:27 a.m.

ATTACHMENTS:

1. Attachment 1 – Location/General Plan Map
Letter of Intent for Proposed Development

900 West Mission Avenue
Project Name: 900 Mission

April 11th 2019

City Council of Escondido

Dear Council,

It is our pleasure to submit this letter of intent to pursue land use and related approvals for the redevelopment of the 48,500 square feet property in the City of Escondido at 900 West Mission Avenue (228-220-43, 228-220-13).

Project summary

As 7-Eleven preferred developers, our plan is to purchase this site for 7-Eleven and develop per their preferred specifications. Our extensive relationship with the tenant enables us to deliver the completed plans with accuracy, speed and efficiency. Currently zoned as “Light Industrial” excluding gas stations in the allowed uses, we would look to apply for a zone change at this site mainly because we feel this is a retail corner. The other three corners of this intersection are zoned retail excluding the subject site. Currently existing at the other corners are Farmer Boys, Pep Boys, and a 7-Eleven convenience store only. We would like to propose that this Northwest corner should be modified to retail as well. Our plans would include building a fully comprehensive site with extensive landscaping along Mission Ave and Rock Springs Rd creating a beautiful gas station for the city of Escondido. We believe this site will be a top 10 7-Eleven store in Southern California, which would in turn produce generous sales’ tax for the city.

We believe this development would be very special and essential for the city of Escondido for these reasons.

1. The site’s 48,500 square feet can easily be carved into a thriving gas station with 8 MPDs (16 gas pumps) creating an efficient layout for customers and allowing for ample parking space, and a larger 4,100 square foot convenience store. With
this location offering gas, the 7-Eleven brand significantly increases sales with many more daily trips to the site.

2. There are very few gas stations within proximity to this site. Generally, a retail intersection with 30,000+ cars per day has a fuel station occupying one of the four corners. Surprisingly, there are no other gas users at this intersection, or for the next few intersections, stretching till the 76 gas station on the Southeast corner of W Mission ave and N Escondido Blvd (750 N Escondido Blvd). This site is 0.6 miles to the East and on the other side of the street from our subject site. With non-destination style real estate such as a fuel station, customers are always looking for convenience, accessibility, and visibility. Therefore, since the other fuel station is on the other side of the street, it is considered to be a different path of travel making that 0.6-mile distance seem even further. The nearest fuel station to the west of this site is 1.6 miles away on the other side of the freeway separating the trade areas. That 1.6 miles is also considered a lot of mileage for a customer in such a dense city with roughly 155,000 residents, visitors and its additional employees. The nearest fuel station to the north or south isn’t within any sort of proximity as well making this gas station and convenience store a need for the city of Escondido.

3. Though this is labeled in the “Light Industrial” zone, we believe this use is advantageous to the industrial users nearby. As a development company, we always want to bring users to an area which would create synergy with its surroundings in order for the use to thrive. 7-Eleven gas stations thrive in industrial areas due to its gas, but more importantly they thrive in these areas because of their wide offered variety of lunch, snack, and beverage options in the convenience stores. 7-Eleven is already thriving at this intersection to a level where they have the comfort of opening a site across the street and would love to the opportunity to vacate that site in order to operate at this brand new site with gas to increase to a higher rate. We have no doubt that existing 7-Eleven building at the north east corner will be leased to a mix of local or national tenants with various uses shortly after 7-Eleven would vacate due to the additional retail synergy which would be brought to this corner from the gas component. The diesel gas would be highly advantageous to the industrial use as well if 7-Eleven would proceed with that route.

4. The distance from existing homes, churches, and schools is a huge plus which would create more interest in the gas use. In attaining the CUPs in our various projects, we look to distance ourselves from these uses to avoid any hardships we would cause nearby residence’s quality of life. Unfortunately, retail users such as gas stations can create noise and are not ideal for homes. Luckily we don’t have this issue with this site. The beer and wine becomes a concern for nearby churches or schools, however there aren’t any schools or churches for a great distance.

5. The alcohol license would be transferred from across the street which would help us avoiding any issues with adding another ABC Type 21 License to the city which is always not a of any city's interest.
6. Gas stations thrive in many different scenarios. The main attraction for gas station users is traffic, visibility, density, proximity to freeways, access; and a mix of retail, industrial and residential. It happens to be this site has all of the above listed attractions for any gas user.

Golcheh Group and TAIT have tons of experience in the real estate development field and would greatly appreciate the opportunity to work with the city on this project.

Please see the site plan below.
SUBJECT: Valiano Project Sewer Flow Agreement

DEPARTMENT: Utilities Department, Wastewater Division

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2019-60, authorizing the Mayor and the City Clerk to execute a Sewer Flow Agreement with The Eden Hills Project Owner, LLC; The EHF Owner, LLC; The EHH Owner, LLC; and The EHA Owner, LLC (collectively the “Property Owner”) for the City of Escondido’s (“City”) acceptance of sewer flow from a 326 single-family residential development project (the “Valiano Project”).

FISCAL ANALYSIS:

Approval of the Sewer Flow Agreement by the City Council and future approval by the San Diego County Local Agency Formation Commission (“LAFCO”) will benefit the City through construction - at the Property Owner’s cost - of an upgraded sewer lift station and a permanent wet-weather, recycled water storage facility for the City. These projects will reduce the City’s long-term operational and capital costs, and generate a net of approximately $1.7 million in sewer connection fees.

ENVIRONMENTAL REVIEW:

The proposed sewer agreement would facilitate the provision of sewer services as considered in the Final Environmental Impact Report for the Valiano Project approved and certified by the Board of Supervisors on July 25, 2018. In accordance with the California Environmental Quality Act (“CEQA”) Section 15162, the City of Escondido has concluded the proposed sewer agreement does not involve substantial changes to the project or circumstances under which the project will be undertaken that would require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. The approval and execution of a Sewer Flow Agreement is further covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The proposed sewer agreement would not, in and of itself, result in development or any other material change to the environment. Implementation of the agreement would require separate action from LAFCO to amend Escondido’s Sphere of Influence. Therefore, pursuant to CEQA Guidelines Section 15061(b)(3), the proposed sewer agreement does not have the potential for causing a significant effect on the environment and is not subject to CEQA review. A CEQA Notice of Exemption is attached to the Resolution as Exhibit “B.”

PREVIOUS ACTION:

On December 9, 2015, the City Council adopted Resolution No. 2015-209, approving a Sewer Facilities Development Memorandum of Understanding (“MOU”) with the Property Owner. The MOU requires the Property Owner to construct an upgraded sewer lift station, construct and dedicate a wet-
Valiano Project Sewer Flow Agreement
May 15, 2019
Page 2

weather, recycled water storage facility, and pay sewer fees to the City in exchange for the City
providing sewer treatment services at its Hale Avenue Resource Recovery Facility for the Project.

Resolution No. 2015-209 also included a Traffic Mitigation Funding Agreement, which identified the
Property Owner’s obligations to mitigate traffic impacts of the Valiano Project and provided the City
with a one-time fair share contribution of $250,000 for eventual completion of Citracado Parkway.

On April 10, 2019, the City Council did not adopt Resolution No. 2019-60, which would have
authorized execution of the Sewer Flow Agreement by the Mayor and City Clerk. The motion to
adopt Resolution No. 2019-60 failed by a vote of 2-2, with Council Member Masson absent. Council
members cited concerns over the lack of public notice and engagement regarding the agreement
prior to the City Council meeting, and suggested that the agreement be reconsidered after some
engagement with concerned residents. The item was continued until May 15, 2019. City Planning
and Utilities staff met with representatives of the Eden Hills neighborhood on April 29 to further
discuss their concerns. Their comments are summarized later in this report. The City received a
letter, directed to Mayor MacNamara, from the Rincon del Diablo Municipal Water District (“Rincon”)
shortly after the City Council meeting on April 10, 2019. Rincon’s comments in that letter mirrored
those from the April 10 meeting. During staff level discussions, Rincon reiterated its desire that the
City Council not enter into the sewer agreement. City staff, while recommending approval of the
agreement to broaden the City’s options, has made clear to Rincon staff a willingness to negotiate a
future interagency agreement for Valiano sewer service if the City’s benefits are preserved. Such a
future agreement would require City Council approval.

BACKGROUND:

The Valiano Project is located on 239 acres west of Escondido, just outside of the city limits. The
project is not contiguous to the city’s boundaries. The project was approved by the San Diego
County Board of Supervisors in July of 2018. The City of Escondido has no land use approval
authority for this development project. The majority of the development is presently within the City’s
sphere of influence, with the exceptions being parcels at the northern and southern end. The Valiano
Project location and Escondido Sphere of Influence are depicted in Attachment 1.

The City previously entered into the MOU, which requires the Property Owner to reconstruct Sewer
Lift Station No. 12 in a new location, install new gravity and force mains, and provide a 5.5-million-
gallon wet-weather, recycled water storage facility. In addition, the Property Owner would pay
$2,445,000 in sewer connection fees. Under the terms of the proposed agreement, the City will credit
up to $750,000 to the Property Owner for costs incurred in the development of the sewer facilities’
improvements, leaving the City with a minimum of nearly $1.7 million for future sewer capacity
projects. The Property Owner will also reimburse the City for its review of plans and the costs of
inspection of the various sewer projects.

Under the terms of the proposed Sewer Flow Agreement, the City will provide wastewater collection
and treatment services to the Valiano Project directly, subject to LAFCO approval and in anticipation
of a future annexation. The Sewer Flow Agreement is unique because the City has not provided
wastewater service outside the City at this scale previously, except through an interagency agreement with the City of San Diego for treatment of Rancho Bernardo wastewater.

The Property Owner would pay the usual wastewater connection charges ($7,500 per unit, for a total of $2,445,000, not including credits) and future homeowners would be wastewater customers of the City of Escondido. These customers' fees would fund the cost of treatment and maintenance of the wastewater collection system, as is the case with all other wastewater customers. The Sewer Flow Agreement also includes an irrevocable offer of annexation, providing the City with the option of annexing the Valiano Project in the future.

City staff recommend adopting Resolution No. 2019-60 because wet-weather, recycled water storage is needed to ensure that increased flows during a storm can be temporarily stored if the flow exceeds the capacity of the City's wastewater outfall. Rather than discharging excess flows after treatment through the outfall, and potentially overwhelming the outfall, the water would be treated to a recycled water standard and temporarily stored in the emergency storage basin. The emergency storage associated with the Valiano Project and other planned projects will bring the City's total emergency storage volume to 15.5 million gallons. This storage, along with capital improvement projects like the Membrane Filtration and Reverse Osmosis ("MFRO") Facility and recycled water lines, will help the City meet its long-term goals for wastewater treatment and reuse. The basins to be provided by the proposed Valiano Project, while not completely satisfying the City's need for emergency storage, will help the City avoid some of the cost of land acquisition and construction of similar basins within the recycled water system.

Replacing Sewer Lift Station No. 12 will provide the City with a new lift station, and will relocate the lift station and force main. The existing force main is in a right-of-way that is difficult to access, in part because it traverses several residential yards. Relocating the force main will improve the efficiency of access and reduce the cost of maintenance.

The MOU approved in 2015 becomes effective when the County of San Diego approves the Valiano Project – which it has done – and when the City and County are able to enter into a sewer service agreement. County staff elected not to exercise jurisdiction over the sewer services in this area. Recently, Rincon activated wastewater authority in part of its historic water service area to the south of the development. The Valiano Project is within a special study area for potential future wastewater service by Rincon. Though Rincon is studying sewer service in the area of the development, it has not been formally included in Rincon's wastewater service area at this time. Given the County's decision, the Property Owner believes that an agreement with the City of Escondido would be the most expedient and cost-effective way to provide sewer service to the Valiano Project.

Adoption of the Sewer Flow Agreement would not preclude the City and the Property Owner from working with Rincon on an interagency agreement, through which Rincon could provide collection services, with the City providing treatment services at the HARRF. Such an interagency agreement could mirror the existing MOU, with Rincon taking on the County's role. However, if an interagency agreement is not negotiated, the proposed Sewer Flow Agreement under consideration here would ensure that the City's wastewater fund realizes all the benefits of serving the development.
PRIOR PUBLIC COMMENT:

Public comment from residents in County jurisdictions to the west of the City have focused on two points: (1) ongoing litigation with the Property Owner over the validity of the entitlement process with the County, specifically, analysis under CEQA; and (2) the irrevocable offer of annexation that would prevent the properties in the development from opposing future annexation by the City.

Staff do not believe that the ongoing litigation precludes the City from entering into the proposed agreement with the Valiano Project Property Owner. The proposed agreement will be enforced only when the development is constructed. If the litigation delays construction of the development, the implementation of the sewer agreement would be likewise delayed at no disadvantage to the City other than a delay in the benefits the City will receive through the agreement. If the litigation prevents construction of the development entirely, the proposed agreement would never take effect.

The irrevocable offer to annex was requested by the City and agreed to by the Property Owner so that the City’s options for future annexation would be more aligned with the City’s current Sphere of Influence (“SOI”). The majority of the development is within the City’s SOI. Future annexation of these properties has already been contemplated by virtue of their being in the SOI. The San Diego LAFCO could require, while considering its future approval of the terms of the sewer flow agreement, adding the remaining portions of the development to the SOI before these properties can be included in the irrevocable offer to annex. The Property Owner supports these additions if they are indeed necessary.

A future attempt by the City to annex the properties in the development would likely not gain LAFCO approval before the existing properties located between the City and the development are annexed. Some commenters have characterized this agreement as a “backdoor” effort to annex the properties between the City and the development. However, the irrevocable offer to annex binds only the properties in the development and does not impact the rights of other property owners to object to annexation of their properties or the City’s discretion to annex the Valiano Project in the future.

Rincon staff and elected officials have commented that this agreement is premature because the development is within that District’s “future study area.” The Property Owner would like to execute the agreement now so that it has some guarantee regarding the means and cost of wastewater service to the development. City staff recommend executing the proposed agreement now because it will give the City great operational benefits at very low cost. If a future study of wastewater service options (beyond those already completed in the Property Owner’s environmental analysis) shows that there is a better regional option for wastewater service, then the City and the Property Owner could agree to terminate (per Section 8.3) or amend the agreement to take advantage of those future options. The agreement could be superseded if Rincon and the City later agree to an interagency agreement, through which Rincon would operate the collection system and the City would provide treatment at the HARRF. Such an inter-agency agreement would require future City Council approval, allowing the City to retain the advantages of the proposed agreement with Valiano; namely the wet-weather, recycled water storage basin and sewer lift station.
APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Christopher W. McKinney, Director of Utilities
5/8/2019 7:38 p.m.

ATTACHMENTS:

1. Attachment 1 – Valiano GP Map
2. Resolution No. 2019-60
3. Resolution No. 2019-60 Exhibit A - Valiano Sewer Agreement
4. Resolution No. 2019-60 Exhibit B - Notice of Exemption
RESOLUTION NO. 2019-60

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 SEWER FLOW AGREEMENT FOR THE VALIANO PROJECT

WHEREAS, The Eden Hills Project Owner, LLC, The EHF Owner, LLC, The EHH Owner, LLC, and The EHA Owner, LLC (collectively the “Property Owner”) owns a 326 single family residential development project (the “Valiano Project”) outside of the City of Escondido’s (“City”) limits; and

WHEREAS, the majority of the Valiano Project is within the City’s sphere of influence; and

WHEREAS, the Valiano Project requires a method to treat wastewater generated by the project and the Property Owner has identified the City of Escondido as its preferred method; and

WHEREAS, it is requested that the City extend sewer service to the Valiano Project outside of the City’s limits in anticipation of future annexation; and

WHEREAS, the Sewer Flow Agreement identifies the requirements of the Property Owner regarding the sewer system upgrades and fees; and

WHEREAS, the action to approve the sewer flow agreement would facilitate the provision of sewer services as considered in the Final Environmental Impact Report for the Valiano Project and the proposal is exempt under the California Environmental
Quality Act ("CEQA") Section 15061(b)(3) (General Rule) because the agreement, in and of itself, will not have a significant effect on the environment; and

WHEREAS, the Sewer Flow Agreement is contingent on approval by the San Diego County Local Agency Formation Commission of the extension of sewer service to the Valiano Project; and

WHEREAS, it is the best interest of the City to enter into the Sewer Flow Agreement with the Property Owner.

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 proposal is exempt from the California Environmental Quality Act ("CEQA") and a Notice of Exemption will be issued.

3. That the City Council authorize the Mayor and City Clerk to executive a Sewer Flow Agreement ("Agreement") with the Property Owner. A copy of the Agreement, Exhibit “A,” and the Notice of Exemption, Exhibit “B,” are attached to this Resolution and are incorporated by this reference.
Sewer Flow Agreement

Agreement for the Acceptance of Sewer Flow from Valiano Project to the City of Escondido
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AGREEMENT FOR
THE ACCEPTANCE OF SEWER FLOW

REculars
WHEREAS, the City of Escondido ("City") owns and operates a sewage treatment disposal and reuse system; and

WHEREAS, The Eden Hills Project Owner, LLC, The EHF Owner, LLC, The EHH Owner, LLC, and The EHA Owner, LLC (collectively the "Property Owner") owns a residential development known as "Valiano Project" (the "Property" as defined herein below) located within the City’s sphere-of-influence as determined by the San Diego County Local Agency Formation Commission ("LAFCO"); and

WHEREAS, the City and Property Owner agree that in this particular case it is in the best interests of the current and future residents of the City to enter into an agreement for acceptance of sewage flows to provide more efficient and cost-effective service to customers within the jurisdictions of the County but not within an area where either the County or a special district provides wastewater/sewer service; and

WHEREAS, a portion of the Property lies near the City sewage collection system; and

WHEREAS, the Property Owner wishes to receive sewer service from the City in anticipation of future annexation.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and Property Owner agree that the terms and conditions of this Agreement created pursuant hereto are as follows:

Section 1 Definition of Terms
The following words in this Agreement shall have the significance attached to them in this Section unless otherwise apparent from their context.

1.1 Agreement. Agreement means this Agreement for the Acceptance of Sewer Flow from Valiano Project to the City of Escondido.

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

1.3 County. The County means the County of San Diego, a California charter county.

1.4 Director. Director means the City’s Director of Utilities.

1.5 Effective Date. Effective Date means the date this Agreement is countersigned by the Mayor of the City.
1.6 **Force Majeure Event.** Force Majeure Event means a cause or causes beyond a Party’s reasonable control including, but not limited to, acts of God, fires, floods, earthquakes, natural disasters, terrorism, strikes, blackouts, war, restraints of government, or other like causes any one of which makes performance hereunder commercially impracticable.

1.7 **MOU.** MOU means the Memorandum of Understanding entered into between the City and The Eden Hills Project Owner, LLC, on December 28, 2015 with certain requirements and obligations that are hereby incorporated fully into this Agreement unless otherwise expressly changed herein.

1.8 **Party.** City or Property Owner may be referred to individually as Party or collectively as Parties.

1.9 **Property.** Property means the real property currently identified as the Valiano Project and as more fully described in Exhibit “A”, and as that real property may be subdivided from time to time.

1.10 **Property Owner.** Property Owner has the meaning ascribed to such term in the second recital and shall include its successors and assigns in the Property.

1.11 **Sewer System.** Sewer System means the sewer system serving the Property to be owned and maintained by the City in accordance with the policies and procedures of the City and as accepted by the Director in writing. This includes the wastewater improvements as provided in Section 5.

**Section 2 Acceptance of Sewage**

2.1 **Public Services.** This Agreement is for the provision of public services not being provided by County or any other sewer service provider in anticipation of a future annexation to the City. Property Owner agrees to deliver sewage to the City, and the City agrees to accept said sewage, subject to the terms and conditions contained in this Agreement.

2.2 **Easements and Dedications.** Property Owner shall provide and dedicate any and all necessary easements to the City to effectuate the City’s ownership of the Sewer System as determined by the City.

2.3 **Service Interruptions.** The Parties acknowledge and agree that the sewer services anticipated by this Agreement may at times be precluded or reduced for reasons beyond the reasonable or immediate control of the City. The Parties agree that the City shall not be responsible or liable for any damage, harm, or economic loss suffered by Property homeowners due to any interruption, reduction or cessation in acceptance of sewage under this Agreement due to Force Majeure Events, or that are necessary as determined in the sole discretion of the Director because of maintenance or operational imperatives or needs.
2.4 **LAFCO Approval.** This Agreement is contingent on approval of the provision of service by the San Diego Local Agency Formation Commission (LAFCO) such that if LAFCO does not approve this Agreement, it shall be null and void, with the exception of the reimbursement required under Section 3.4.

2.5 **CC&Rs.** Property Owner shall ensure that any obligations under this Agreement are included as obligations for the Property Owner or any subsequent owner. Property Owner shall ensure that any necessary documents to obligate any subsequent property owner to perform any obligations under this Agreement are recorded on the Property, which includes but is not limited to, CC&Rs as part of the establishment of a homeowner’s association. Any amendment of the CC&Rs relating to this Agreement shall be subject to approval by the City.

**Section 3 Charges and Fees**

3.1 **Capacity charges.** Property Owner shall pay City capacity charges of $7,500 per dwelling unit. City shall reserve sufficient capacity to accept 215 GPM of effluent flow from the Property.

3.2 **Recurring charges.** Upon commencement of sewer service, Property Owner, and upon sale to individual homeowners, individual homeowners, shall pay the City all sewer charges based on the most current resolution establishing user fees for the City of Escondido at the time the charge is due per applicable City of Escondido policy. The Property will receive water service from the Rincon del Diablo Municipal Water District (“Rincon”). Meter readings will be provided to the City by Rincon for water meters serving the Property. The readings for the Property will be provided via the same mechanism that all other meter readings are provided to the City, which is bi-monthly. The City will apply its applicable sewer rates to the water use at the Property as described in the Utility Rates and Fees schedule in effect at the time of billing.

3.3 **Payments.** All recurring charges shall be payable in the same manner and due upon the same terms and conditions as other comparable ratepayers.

3.4 **Reimbursement.** The Property Owner shall reimburse the City $25,000 expended in reviewing the various terms and conditions of the MOU and this Agreement within thirty (30) days of this Agreement. The reimbursement for the City’s costs of overseeing and inspecting the construction work under the MOU shall continue as provided in the MOU.

**Section 4 Maintenance**

4.1 **Generally.** The Property Owner shall be responsible for maintaining private laterals and other private improvements serving the Sewer System in a state of repair that will prevent excessive infiltration and inflow from entering downstream sewers as determined by the City in its sole discretion.
Section 5  Wastewater Improvements

5.1 Generally. The Property Owner has agreed, by MOU with the City, to provide certain improvements and ensure certain obligations are recorded in the CC&Rs and are passed on to the Homeowner’s Association for maintenance and responsibility. The MOU is hereby incorporated as if fully set forth herein, and the improvements and obligations shall be conditions precedent to the City’s obligations under this Agreement.

5.2 Replacement and Relocated Facilities. The Property Owner has agreed to replace and relocate the City’s Sewer Pump Station No. 12 and construct a new sewer pump station, gravity main, and force main in accordance with City design standards at the time of installation and warranty the improvement for a period of at least one year. These improvements shall be the subject of a public improvement agreement, in a form approved by the City, and security shall be provided in accordance with regular City procedures. Upon completion, the new pump station, gravity main, and force main must be dedicated to the City.

5.3 Wet Weather Storage Wastewater Flows. The Property Owner has agreed to provide the City with a wet weather storage facility site within the Valiano Project site for the temporary storage of Title 22 recycled water during peak wet weather storm events. The Valiano Project has agreed to dedicate up to 2 acres for a capacity of 5,500,000 gallons for a wet weather storage facility, and the location of the proposed wet weather storage facility is generally depicted as Lot Q on Exhibit “B” hereto.

5.4 Recycled Water. The Property Owner will plan, design and construct a recycled water distribution system in accordance with the requirements of the City and Rincon. Through the use of open space, the Valiano Project will provide approximately 36 acres of permanent recycled water irrigation and 31 acres of continuing agricultural irrigation, which is planned to provide an opportunity for treated effluent disposal of wastewater on an average annual basis, and is programmed to reduce impacts on the City’s wastewater system occurring from land and ocean outfall on an average annual basis. Peak irrigation demands will be supplemented by the Plant and any system-wide storage available or dedicated to reclaimed water.

Section 6  Discharge Standards

6.1 Generally. All transferred sewage flows from the Valiano Project shall comply with the City’s established standards and limitations, as may be changed from time to time, for the quality of the sewer flows. In addition, all transferred sewage flows shall meet applicable federal, state, and local discharge requirements, which shall include all applicable industrial waste discharge limitations.

6.2 Rights of Inspection. Property Owner agrees upon reasonable notice to provide the City the right to enter the Property Owner facilities for the purposes of providing
sewer services under this Agreement, and of monitoring, sampling, analyzing or observing the sewer systems operation, as may be required to ensure compliance with this Agreement or by the RWQCB or by any state or local health departments.

**Section 7  Term**

7.1 **Term.** This Agreement shall begin upon the Effective Date and shall continue for thirty (30) years. The Agreement shall be renewed automatically for five year terms unless otherwise terminated or agreed to by the Parties. Notwithstanding any other provision of this Agreement, this Agreement shall terminate upon the annexation of the Valiano Project into the City.

7.2 **Termination.** If the City determines that (a) there is no longer sufficient capacity for the Valiano Project and (b) that the City’s best interests require the discontinuance of service, then this Agreement may be terminated after both Parties agree to an adequate alternative for delivery of sewer flows with no significant increase in cost to landowners within the Property. The Property Owner, and any subsequent owners, shall be responsible for any decommissioning costs, which cost shall not be used in the calculation of a significant increase in cost in the preceding sentence. “Decommissioning costs” shall mean the direct costs of abandoning in place unneeded sewer lines from the new point of diversion to a substitute wastewater treatment provider to the City of Escondido’s municipal boundary.

7.3 **Termination for Default.** This Agreement may be terminated after notice of default and an opportunity to cure for a material breach of this Agreement by either Party, including, but not limited to, failure to make a payment, illicit or illegal discharges, or other failures to perform the terms of this Agreement. The Party alleging the default shall provide written notice of the alleged default setting forth with reasonable particularity the nature of the default and the steps necessary to cure the default. The Party alleged to be in default shall cure the default within 30 days of receipt of the notice of default, unless such default is not capable of being cured within 30 days, in which case that Party shall commence to cure within the 30 day cure period and shall continue to diligently prosecute the cure until complete. If the Party alleged to be in default does not cure or commence cure and diligently pursue such cure within the times provided herein, the Party alleging default may exercise any legal remedies available to it; however, termination of this Agreement shall only be effective after (i) the Parties agree to termination or (ii) a court of competent jurisdiction has determined the defaulting Party is in material breach of this Agreement.

**Section 8  Annexation**

8.1 **Irrevocable offer to annex.** The Property Owner shall provide the City with an irrevocable offer to annex into the City, which may be accepted at the City’s election, and shall be recorded on the Property substantially in the form attached hereto as Exhibit “C”.

Resolution No. 2019-60
Exhibit “A”
Page 7 of 22
8.2 **Improvements.** The irrevocable offer to annex shall provide that the Property Owner consents to the transfer of any then-existing community facilities district to be transferred to jurisdiction of the City at the City’s election, subject to requirements under state law. If the Property Owner or a successor developer still has an interest in the Project at the time of annexation, the Property Owner, or the successor developer with such an interest shall use commercially reasonable efforts to assist the City to cause the transfer of such then-existing community facilities district to be transferred to the jurisdiction of the City at the City’s election.

8.3 **Merger, Consolidation or Establishment of a District.** Property Owner hereby consents, for purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, California Government Code §§ 56000 et. seq., to any petition or order for the merger of Rincon with the City of Escondido or any petition or order for the establishment of Rincon as a subsidiary district of the City.

8.4 **CC&Rs.** The Property Owner shall ensure that these annexation obligations are disclosed and acknowledged in the CC&Rs.

8.5 **Deposit of Anticipated Costs.** At the same time as the reimbursement payment required by Section 3.4 is made, Property Owner shall deliver a payment of $9,150 to defray any future annexation costs should the City proceed with annexation proceeds. Such deposit shall be deemed irrevocable when made and may be retained by the City for that purpose notwithstanding any other provision of law.

**Section 9 Indemnification**

The City shall have no liability to Property Owner or any other person for, and Property Owner shall indemnify, defend, and hold harmless the City from and against, any and all liabilities, claims, actions, causes of action, proceedings, suits, damages, judgments, liens, levies, costs and expenses of whatever nature, including reasonable attorneys’ fees and disbursements (collectively “Claims”), which the City may suffer or incur or to which the City may become subject by as a result of or allegedly caused by Property Owner’s activities, obligations, or otherwise occurring because of this Agreement. If any action or proceeding is brought against the City by reason of any of the matters against which Property Owner has agreed to indemnify the City as provided above, Property Owner, upon notice from the City, shall defend the City at Property Owner’s expense by counsel acceptable to City, such acceptance not to be unreasonably withheld. The City need not have first paid for any of the matters to which the City is entitled to defense and indemnification in order to be so indemnified. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

**Section 10 Attorney’s Fees, Costs and Expenses**

In the event legal action is brought to enforce the terms of this Agreement, the unsuccessful Party shall pay all of the successful Party’s costs of such action, together with reasonable attorney’s fees, in an amount to be fixed by the court.
Section 11  Assignment

Prior to receipt by City of the payments required in Section 3.4 and Section 8.4, Property Owner shall not assign, transfer or convey its rights and/or obligations under this Agreement or the MOU without the prior written consent of City, which consent City may withhold in its sole and absolute discretion. Any attempted assignment without the prior written consent of City shall be void, and Property Owner shall be deemed in default hereunder. After receipt by City of the payments required in Section 3.4 and Section 8.4, Property Owner may assign, transfer, convey or hypothecate this Agreement or the MOU without the consent of the City to (i) any subsequent owner of the Property or any portion thereof, (ii) to a homeowner’s association for the Property, (iii) or for the benefit of any mortgagee of the Property, and upon such assignment, assigning Property Owner shall be released of all obligations under this Agreement and assuming Property Owner shall be deemed to assume all obligations of Property Owner hereunder. Notwithstanding any other provision of this Agreement, upon the first conveyance of a recorded lot to a homebuyer, the homeowner of such lot shall not be deemed a Property Owner hereunder for any purpose, except the obligation to pay Recurring Charges pursuant to Section 3.2.

Section 12  Miscellaneous

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

12.2 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

12.3 Captions. Any captions to, or headings of, the sections, subsections, paragraphs or subparagraphs of this Agreement are solely for the convenience of the Parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

12.4 No Obligations to Third Parties. The execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the Parties thereto, to any person or entity other than the Parties hereto.

12.5 Amendment. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the Parties hereto.

12.6 Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

12.7 Entire Agreement. This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between Property Owner and City as to the subject matter hereof. No subsequent agreement,
representation, or promise made by either Party hereto, or by or to an employee, officer, agent or representative of either Party shall be of any effect unless it is in writing and executed by the Party to be bound thereby.

12.8 **Partial Invalidity.** If any portion of this Agreement as applied to either Party or to any circumstances shall be adjudged by a court to be void or unenforceable, such portion shall be deemed severed from this Agreement and shall in no way effect the validity or enforceability of the remaining portions of this Agreement.

12.9 **Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

12.10 **Preparation of Agreement.** The Parties acknowledge that they each have been represented by counsel, that the provisions and language of this Agreement have been negotiated, and agree that no provision of this Agreement shall be construed against either Party by reason of such Party having drafted such provision

*(SIGNATURES ON FOLLOWING PAGE)*
IN WITNESS WHEREOF, the Parties below are authorized to act on behalf of their organizations, and have executed this Agreement as of the date set forth below.

THE EDEN HILLS PROJECT OWNER, LLC,
A DELAWARE LIMITED LIABILITY COMPANY,

BY: __________________________
NAME: _________________________
TITLE: _________________________

THE EHF OWNER, LLC
A DELAWARE LIMITED LIABILITY COMPANY,

BY: __________________________
NAME: _________________________
TITLE: _________________________

THE EHH OWNER, LLC,
A DELAWARE LIMITED LIABILITY COMPANY,

BY: __________________________
NAME: _________________________
TITLE: _________________________

THE EHA OWNER, LLC,
A DELAWARE LIMITED LIABILITY COMPANY,

BY: __________________________
NAME: _________________________
TITLE: _________________________

CITY OF ESCONDIDO

Date:____________________      __________________________
       Paul McNamara, Mayor

Date:____________________      __________________________
       Zack Beck, City Clerk

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY
MICHAEL R. MCGUINNESS, City Attorney
EXHIBIT A

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SAN DIEGO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

APN: 232-013-01:

LOT 5 OF SECTION 19, TOWNSHIP 12 SOUTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM 1/16 OF ALL COAL, OIL, GAS AND OTHER MINERAL DEPOSITS CONTAINED IN SAID LAND AS PROVIDED IN STATE PATENT NO. 18244 ISSUED TO THOMAS M. KEMP AND RECORDED OCTOBER 22, 1930, IN BOOK 15, PAGE 232 OF PATENTS IN THE COUNTY RECORDER'S OFFICE, SAN DIEGO COUNTY.

APN 232-013-02:

PARCEL 1 OF PARCEL MAP 3795, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY ON MAY 15, 1975.

232-013-03-00 and 232-020-55-00:

PARCELS 2 AND 3 OF PARCEL MAP 3795, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, ON MAY 15, 1975.

232-492-01-00

THE SOUTHERLY HALF OF LOT 1, SECTION 19, TOWNSHIP 12 SOUTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM THE SOUTHERLY 330.00 FEET THEREOF.

232-500-18-00 and 232-500-21-00:

THE WESTERLY 466.7 FEET OF THE SOUTHERLY 466.7 FEET OF THE NORTHERLY 486.7 FEET OF THE SOUTH ONE HALF OF LOT 3 OF SECTION 19, TOWNSHIP 12 SOUTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

SAID PROPERTY BEING DESCRIBED ASParcel "B" IN A CERTIFICATE OF COMPLIANCE RECORDED ON DECEMBER 7, 1978 AS INSTRUMENT NO. 78-527514 OF OFFICIAL RECORDS.
232-500-19-00 and 232-500-22-00:


BEGINNING AT THE NORTHEAST CORNER OF THE SOUTHERLY 466.7 FEET OF THE NORHERLY 486.7 FEET OF THE SOUTH ONE HALF OF SAID LOT 3; THENCE ALONG THE NORTHERLY LINE OF SAID SOUTHERLY 466.7 FEET NORTH 89°46’21” WEST 540.53 FEET TO THE TRUE POINT OF BEGINNING; THENCE LEAVING SAID LINE, SOUTH 22°13’41” WEST 95.41 FEET; THENCE SOUTH 15°42’34” EAST 342.31 FEET; THENCE SOUTH 32°53’45” EAST 318.33 FEET; THENCE SOUTH 07°33’50” EAST 152.65 FEET; THENCE SOUTH 17°46’32” EAST 133.04 FEET; THENCE SOUTH 00°30’53” EAST 248.94 FEET; THENCE SOUTH 88°21’23” WEST 98.89 FEET; THENCE NORTH 77°21’46” WEST 225.00 FEET; THENCE NORTH 00°12’32” EAST 43.65 FEET; THENCE NORTH 89°47’28” WEST 774.97 FEET TO THE WEST LINE OF SAID LOT 3; THENCE ALONG SAID WEST LINE NORTH 00°25’06” EAST 655.74 FEET TO THE SOUTH LINE OF PARCEL "B" AS DESCRIBED IN THE CERTIFICATE OF COMPLIANCE RECORDED DECEMBER 7, 1978 AS INSTRUMENT NO. 78-527514 OF OFFICIAL RECORDS; THENCE ALONG SAID PARCEL "B" SOUTH 89°46’17” EAST 466.71 FEET; THENCE NORTH 00°25’06” EAST 466.66 FEET TO THE NORTH LINE OF THE SOUTHERLY 466.7 FEET OF THE NORHERLY 486.7 FEET OF THE SOUTH ONE HALF OF SAID LOT 3; THENCE ALONG SAID LINE NORTH 89°46’41” WEST 325.87 FEET TO THE TRUE POINT OF BEGINNING.

232-500-20-00, 232-500-23-00 and 232-500-24-00:


BEGINNING AT THE NORTHEAST CORNER OF THE SOUTHERLY 466.7 FEET OF THE NORHERLY 486.7 FEET OF THE SOUTH ONE HALF OF SAID LOT 3; THENCE ALONG THE NORTHERLY LINE OF SAID SOUTHERLY 466.7 FEET OF THE NORHERLY 486.7 FEET OF THE SOUTH ONE HALF OF SAID LOT 3, NORTH 89°46’21” WEST 540.53 FEET TO THE TRUE POINT OF BEGINNING; THENCE LEAVING SAID LINE, SOUTH 22°13’41” WEST 95.41 FEET; THENCE SOUTH 15°42’34” EAST 342.31 FEET; THENCE SOUTH 32°53’45” EAST 318.33 FEET; THENCE SOUTH 07°33’50” EAST 152.65 FEET; THENCE SOUTH 17°46’32” EAST 133.04 FEET; THENCE SOUTH 00°30’53” EAST 248.94 FEET;
THENCE SOUTH 88°21'23" WEST 98.89 FEET; THENCE NORTH 77°21'46" WEST 225.00 FEET; THENCE NORTH 00°12'32" EAST 43.65 FEET; THENCE NORTH 89°47'28" WEST 774.97 FEET TO THE WEST LINE OF SAID LOT 3; THENCE ALONG SAID WEST LINE SOUTH 00°25'06" WEST 170.00 FEET TO THE NORTHWEST CORNER OF SAID LOT 2; THENCE ALONG THE WEST LINE OF SAID LOT 2, SOUTH 00°38'35" WEST 355.35 FEET TO THE NORTHERLY LINE OF THE SOUTHERLY 308.00 FEET OF THE NORTH ONE-HALF OF THE NORTH ONE-HALF OF SAID LOT 2; THENCE ALONG SAID NORTHERLY LINE SOUTH 89°45'07" EAST 1249.06 FEET; THENCE NORTH 00°28'55" EAST 31.23 FEET; THENCE SOUTH 89°46'15" EAST 75.00 FEET TO THE EASTERLY LINE OF SAID LOT 2; THENCE ALONG SAID EASTERLY LINE NORTH 00°30'06" EAST 325.00 FEET TO THE SOUTHEAST CORNER OF SAID LOT 3; THENCE ALONG THE EASTERLY LINE OF SAID LOT 3 NORTH 00°51'33" EAST 1292.03 FEET TO THE NORTHEAST CORNER OF THE SOUTHERLY 466.7 FEET OF THE SOUTH ONE-HALF OF LOT 3; THENCE ALONG THE NORTHERLY LINE OF SAID SOUTHERLY 466.7 FEET OF THE NORTHERLY 486.7 FEET OF THE SOUTH ONE-HALF OF LOT 3, NORTH 89°46'21" WEST 540.53 FEET TO THE TRUE POINT OF BEGINNING.
EXHIBIT C

IRREVOCABLE OFFER OF ANNEXATION

(see next page)
RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

____________________
____________________
____________________
Attn: _______________

This Irrevocable Offer of Annexation is recorded at the
request and for the benefit of the City of Escondido and
is exempt from the payment of a recording fees pursuant
to Government Code Section 27383.

IRREVOCABLE OFFER OF ANNEXATION

(VALIANO PROJECT)

THIS IRREVOCABLE OFFER OF ANNEXATION (the “IOA”) is made this __________
day of ____________________, 2018, by THE EDEN HILLS PROJECT OWNER, LLC, a
Delaware limited liability company, THE EHF OWNER, LLC, a Delaware limited liability
compny, THE EHH OWNER, LLC, a Delaware limited liability company, and THE EHA
OWNER, LLC a Delaware limited liability company (collectively the “Property Owner”) in favor
of the CITY OF ESCONDIDO, a California general law city (“City”).

RECITALS

A. Property Owner is the legal owner of a fee interest in certain real property located
in the City of Escondido, County of San Diego, State of California, as more particularly described
in Exhibit A attached hereto (the “Valiano Project”).

B. Property Owner and City have previously entered into that certain Agreement for
the Acceptance of Sewer Flow from Valiano Project to the City of Escondido, dated ___, 2019
which provides, among other things, for the provision of waste water service to the Valiano Project.

C. Subject to certain terms and conditions set forth herein, Property Owner desires to
provide this IOA to consent to the annexation of the Valiano Project into the City of Escondido.

AGREEMENT

NOW, THEREFORE, Property Owner and City agree as follows:

1. Irrevocable Offer to Annex. Property Owner herby makes an irrevocable offer of
annexation to City and Property Owner agrees to waive any right of protest in the annexation of
the property to the City provided for under the annexation laws of the State of California. This
waiver shall be binding upon the Property Owner, and the Property Owner’s successor-in-interest, and assigns in the Valiano Project as depicted in Exhibit “A” and any portion thereof later subdivided.

2. **No Right to Annexation.** This IOA creates no right to annexation and shall not be construed to allow Property Owner, or successor-in-interest or assign, to cause the City to annex the Valiano Project into the City of Escondido. For purposes of clarity, the Parties acknowledge and agree that the City shall retain its full and complete discretion to determine if and when the Valiano Project is to be annexed into the City of Escondido.

3. **Resolution of Annexation.** At such time as the City determines that annexation of the Valiano Project is appropriate, City may, at its discretion, adopt a Resolution of Annexation to annex the Valiano Project, without further consent of Property Owner.

4. **Duration, Acceptance.** This IOA shall be binding upon the owner and the heirs, assigns or successors in interest to the Property and shall not expire except as provided herein. Notwithstanding any other provision of this Agreement, this IOA shall automatically terminate and be of no further force and effect upon annexation of the Valiano Project into the City of Escondido or the completion of annexation into another city.

5. **Remedies.** The City may pursue all equitable remedies to enforce the terms, conditions and restrictions of the IOA. In the event of a breach, any forbearance on the part of any such party to enforce the terms and provisions hereof shall not be deemed a waiver of enforcement rights regarding any subsequent breach.

6. **Successors and Assigns.** The terms, covenants, conditions, exceptions, obligations and reservations contained in this IOA shall be binding upon and inure to the benefit of the successors and assigns of both the Property Owner and the City, whether voluntary or involuntary.

7. **Severability.** If any provision of this IOA is held to be invalid, or for any reason becomes unenforceable, no other provision shall be thereby affected or impaired.
Executed this __________ day of ____________, 20__. 

“Property Owner”
THE EDEN HILLS PROJECT OWNER, LLC,
a Delaware limited liability company

By: ________________________
Name: ________________________
Title: ________________________

THE EHF OWNER, LLC,
a Delaware limited liability company

By: ________________________
Name: ________________________
Title: ________________________

THE EHH OWNER, LLC,
a Delaware limited liability company

By: ________________________
Name: ________________________
Title: ________________________

THE EHA OWNER, LLC,
a Delaware limited liability company

By: ________________________
Name: ________________________
Title: ________________________

“City”
CITY OF ESCONDIDO,
_____________________________ city

By: ________________________
Name: ________________________
Title: ________________________

Attest:

________________________________
City Attorney

APPROVED AS TO FORM
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )
County of ______________________ )

On ______________________, before me, ______________________, (insert name and title of the officer)

Notary Public, personally appeared ______________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ______________________ (Seal)

EXHIBIT C
-20-
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  )
County of ______________________  )

On ______________________, before me, ______________________, (insert name and title of the officer)
Notary Public, personally appeared ______________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ______________________ (Seal)

EXHIBIT C 
-21-
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of ______________________

On ______________________, before me, ______________________,

(insert name and title of the officer)

Notary Public, personally appeared ______________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ______________________ (Seal)
Notice of Exemption

To: San Diego Assessor/Recorder/County Clerk
Attn: Fish & Wildlife Notices
1600 Pacific Hwy, Room 260
San Diego, CA 92101
MS A-33

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

Project Title/Case No.: Valiano Project Sewer Flow Agreement

Project Applicant: City of Escondido and The Eden Hills Project Owner, LLC et al.

Project Location - Specific: The proposed sewer agreement would service the 239-acre Valiano project site located in the unincorporated area west of the Escondido city limits and approximately 2.4 miles west of Interstate 15 and 1.5 miles south of State Highway 78.

Project Location - City: Unincorporated area west of Escondido
Project Location - County: San Diego

Description of Nature, Purpose and Beneficiaries of Project: A proposal to execute a Sewer Flow Agreement with The Eden Hills Project Owner, LLC; The EHF Owner, LLC; The EHH Owner, LLC; and The EHA Owner, LLC for the City of Escondido’s acceptance of sewer flow from a 326 single-family residential development project (the “Valiano Project”) previously approved by the San Diego County Board of Supervisors. The proposed Sewer Flow Agreement would authorize the City’s provision of wastewater collection and treatment services to the Valiano Project directly, subject to a separate future action by the San Diego County Local Agency Formation Commission to amend Escondido’s Sphere of Influence to include a portion of the project site.

Name of Public Agency Approving Project: City of Escondido

Name of Person or Agency Carrying Out Project:
Name: Christopher McKinney, City of Escondido/Director of Utilities
Telephone: (760) 839-4662
Address: 201 North Broadway, Escondido, CA 92025

Exempt Status:
CEQA Guidelines Section 15162, “Use of Previous EIR.”
CEQA Guidelines Section 15061(b)(3), “General Rule.”

Reasons why project is exempt:
1. The proposed sewer agreement would facilitate the provision of sewer services as considered in the Final Environmental Impact Report for the Valiano Project approved and certified by the County of San Diego. In accordance with CEQA Section 15162, the City of Escondido has concluded the proposed sewer agreement does not involve substantial changes to the project or circumstances under which the project will be undertaken that would require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.
2. The approval and execution of a Sewer Flow Agreement is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Approving the proposed agreement will not have a significant effect on the environment and the activity is not subject to CEQA.

Lead Agency Contact Person:  

Area Code/Telephone/Extension (760) 839-4671

Signature: ___________________________  ___________________________  

Bill Martin, Director of Community Development  

Date  

☐ Signed by Lead Agency  

Date received for filing at OPR:
**FUTURE CITY COUNCIL AGENDA ITEMS**

*Updated May 8, 2019*

**PROCLAMATIONS**
- National Public Works Week – May 19-25, 2019
- Historic Preservation Month – May 2019

**PRESENTATIONS**
- Historic Preservation Awards
- San Diego Food System Alliance Presentation

**CONSENT CALENDAR**

<table>
<thead>
<tr>
<th>Item</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final Engineer’s Report for City of Escondido Landscape Maintenance Assessment District Zones 1-38 for Fiscal Year 2019/2020</td>
<td>(J. Procopio)</td>
</tr>
</tbody>
</table>

Adoption of Resolution No. 2019-38 is the final step in the annual review process for the Engineer’s Report and assessments for Zones 1-38 of the City of Escondido Landscape Maintenance Assessment District for Fiscal Year 2019/2020.

<table>
<thead>
<tr>
<th>Resolution of Support for a Complete 2020 Census Count</th>
<th>(B. Martin)</th>
</tr>
</thead>
</table>

Every ten years, the federal government is mandated by the US Constitution to count all persons living in the United States through the decennial census. The data collected during the census is used to calculate the number of federal dollars each state receives for programs as well as federal representation. The US Census Bureau will conduct Census 2020 in April 2020. A comprehensive count, especially of Hard-to-Count (HTC), is an advantage to the City of Escondido, the region, and the state. The City Council is asked once again work with SANDAG, the State of California, other local governments, public agencies, business and community organizations in the County to ensure every resident in Escondido is counted during the 2020 US Census.

<table>
<thead>
<tr>
<th>Electronic and Paperless Filing of Campaign Statements and Statements of Economic Interest</th>
<th>(Z. Beck)</th>
</tr>
</thead>
</table>

The proposed ordinance would require all campaign statements and statements of economic interest to be filed electronically. Electronic filing makes it easier for officials to comply with reporting obligations and provides the public with the information in a more accessible and consistent format.

<table>
<thead>
<tr>
<th>San Diego Humane Society Agreement Extension</th>
<th>(C. Carter)</th>
</tr>
</thead>
</table>

The City Council adopted Resolution No. 2014-65 on June 11, 2014 to approve the current contract for animal control services. The current contract will expire on June 30, 2019.
Renewal of Annual Contract for the Purchase of Chemicals for the Water and Wastewater Treatment Plants  
(S. Bennett)  

The City of Escondido supplies water to approximately 26,000 residential, commercial, and agricultural customers. The City obtains its raw water from multiple sources, this water has to be treated with chemicals to remove organic components and suspended materials to achieve clean potable drinking water. The City also operates a wastewater treatment and disposal facility at the Hale Avenue Resource Recovery Facility (HARRF), the wastewater is treated with chemicals to cleanse the wastewater of pollutants. The use of chemicals is essential to the proper treatment of water and wastewater.

PUBLIC HEARINGS

One-Year Action Plan for Fiscal Year 2019-2020 HOME Funds for Affordable Housing Activities, CDBG Funds for Community Development Programs and Projects, and ESG Funds for Homeless Priorities  
(B. Martin)  

This is a required public hearing for the Annual Action Plan for allocating federal HOME, CDBG, and ESG funds for projects and programs. The City Council is being asked to adopt the 2019-2020 One-Year Action Plan.

An Amendment to the Escondido Research and Technology Center Specific Plan and Approval of a Conditional Use Permit  
(B. Martin)  

The request is an amendment to the Escondido Research and Technology Center Specific Plan (ERTC) to allow temporary parking facilities within all Planning Areas of the Specific Plan, subject to a Conditional Use Permit (CUP). A CUP has been requested to establish a temporary parking facility on lots 10-15 in the ERTC Specific Plan.

Short-Form Rent Review Board Hearing for Westwinds Mobilehome Park  
(B. Martin)  

The application meets all the eligibility criteria for submittal of a short-form rent increase application. The amount requested covers a 12-month period of consideration from December 31, 2017 to December 31, 2018. Seventy-five percent of the change in the CPI for the period is 2.783 percent. The average space rent for the ten spaces subject to rent control is $450.62. The average requested increase per space is approximately $12.54.

CURRENT BUSINESS

FUTURE AGENDA ITEMS

May 29, 2019

NO MEETING (Memorial Day)
New Disc Golf Course at Riedy Creek!
JC Golf is launching San Diego County’s newest disc golf course at Reidy Creek Golf Course on May 11, 2019. Be the first to play the new course! For more information about disc golf and the course visit: https://www.jcgolf.com/san-diego-golf-blog/2019/05/01/disc-golf/

South Centre City Specific Plan wins APA Excellence Award
The South Centre City Specific Plan is at it again! San Diego Section American Planning Association (APA) recently announced its class of winners and the plan won an Excellence Award in the “Advancing Diversity and Social Change” award category. The Excellence Award is top honors in the field. This is the second award for the planning team; last year, the South Centre City Specific Plan won an Excellence Award for public outreach.

Free Workouts for Teens All Summer Long
Looking for summer activities for your teenager? Teens ages 15-18 can work out for free at Planet Fitness all summer long starting today, May 15 - September 1. Escondido’s Planet Fitness is located at: 1349 E Valley Pkwy, Escondido, CA. See the flyer below for more information.
BY THE NUMBERS

Public Works

### Number of Graffiti Tags Removed

**2018 - 2019**

<table>
<thead>
<tr>
<th>Month</th>
<th>2018</th>
<th>2019</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>2120</td>
<td></td>
<td>2120</td>
</tr>
<tr>
<td>August</td>
<td></td>
<td>3182</td>
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<tr>
<td>September</td>
<td></td>
<td>2637</td>
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<td>October</td>
<td>1851</td>
<td></td>
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<td>November</td>
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</tr>
<tr>
<td>April</td>
<td></td>
<td>3071</td>
<td>3071</td>
</tr>
</tbody>
</table>
**Code Enforcement**

**262 Total Active Cases**

- **48 New Cases**
- **50 Cases Closed**
- **49 Voluntary Compliance**
- **23 Notices Issued**
- **1 Citations Issued**

<table>
<thead>
<tr>
<th>Total Code Cases (Year To Date)</th>
<th>834</th>
</tr>
</thead>
</table>

**How Graffiti Was Reported - April 2019**

How graffiti was reported in April 2019 through various methods:
- **Voice Mail**: 533
- **Report It!**: 213
- **Eradication Team**: 533
- **Email**: 7
- **Phone**: 10

**NUMBER OF SHOPPING CARTS REMOVED**

A line graph comparing the number of shopping carts removed from 2018 to 2019, showing variations by month.
Business Licenses

Monthly New Business License Applications by Year

Graffiti Restitution

<table>
<thead>
<tr>
<th></th>
<th>Collected This Week</th>
<th>Collected Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$1890.88</td>
<td></td>
</tr>
</tbody>
</table>

Fire

Fire Inspections April 28 - May 4

- Annual Inspections: 87
- Construction Inspections: 22
- New Business Inspections: 5
Total Emergency Responses (Year To Date) | 5,688

**Police:**

![Monthly Police Calls for Service by Year]

- **Fires:** 3
- **Vehicle Accidents:** 14
- **EMS Responses:** 265
- **Other:** 67
April Abandoned Vehicle Data

- 76 Abandoned vehicle complaints received and corrected before a 72hr. Notice was issued.
- 251 72hr. Notices issued for suspected abandoned vehicles
- 58 Abandoned vehicles impounded
**Building Division:**

*Data reflects activity through April 27 of each year.*

![Permit Values Chart]

- **2019:** $11,536,480
- **2018:** $25,232,437

![Building Permits Chart]

- **Solar Permits:**
  - 2019: 419
  - 2018: 357
- **Permit Application:**
  - 2019: 1184
  - 2018: 1053
POLICE DEPARTMENT

Incidents:

Two Arrested in Separate Stolen Car Stops
On April 27 at 4:40 a.m., an Escondido police officer stopped a Honda for a traffic violation near the intersection of Washington Ave. and Fig St. A police dispatcher did a computer check on the car’s license and discovered that the car was reported stolen. That information was relayed to officers who subsequently arrested Ulises Solorio (25-year-old resident of Escondido). Less than an hour later, around 5:20 a.m., a second officer locates another reported stolen car in the area of Mission Ave. and Rose St. Officers attempt to stop the second stolen Honda, but the driver flees in the car and a vehicle pursuit begins. The pursuit ended in the city of Vista when the stolen car struck an electrical pole. The driver, Tony Perez (27-year-old resident of Escondido) was arrested on auto theft and felony evading charges. There were no injuries in the collision.

Man Arrested After Head-Butting Officer
On April 29 at 5:08 p.m., officers responded to reports of a fight along the flood control channel bike path (near the 300 block of E. Washington Ave.). Officers contacted Sergio Mata (20-year-old resident of Escondido) who was found to be drunk in public. Mata resisted arrest and head-butted one officer. The officer had a complaint of pain, but was otherwise uninjured. During the struggle between Mata and officers an illegal knife fell from his pants. Officers gained control of Mata who was ultimately charged with being drunk in public, resisting arrest, and possession of an illegal knife.

Woman Arrested on Burglary Charges
On May 5 at 5:05 p.m., officers responded to reports of a burglary in-progress call in the 1000 block of Hoover St. An alert resident watched an adult female suspect enter his car, take property, and then proceed into the garages of two adjacent homes. Officers arrived and found the suspect a short distance away. Aalyah Johnson (20-year-old transient) was arrested on burglary, and other related charges.

COPPS:
The 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, quality of life issues, and addressing crime and public nuisance in Grape Day Park and at Maple Plaza.

- 2 arrests
- 15 citations
- 58 extra patrols
FIRE

News:
Last week, Fire Captain Kevin Beverly participated in a full scale mobilization exercise for the San Diego Urban Search and Rescue Multi-Agency Task Force at the Del Valle Regional Training Center in Castaic, California. The exercise required the Task Force members to deal with the impacts of a terrorist attack including decontamination and securing of the area, searching for victims (including using search dogs), and extraction of victims from the rubble (including using cranes to lift debris and motor vehicles). This exercise and the training and experience of the San Diego Urban Search and Rescue Multi-Agency Task Force ensures the preparedness of responders in the event of a large scale incident in or around Escondido and San Diego County.

COMMUNITY DEVELOPMENT

Major Projects Update

The following major projects are being reviewed and coordinated by Planning, Engineering, Fire, Building and Utilities. The list of projects below encompasses recent project updates and/or milestones from last week.

Commercial / Office:

1. Escondido Research and Technology Center (ERTC) – West (Developer: James McCann) 2181 Citracado Parkway – A plan for a new two-story, 57,000 SF, 52-bed Palomar Rehabilitation Institute was submitted as a Plot Plan on July 31, 2017. The Plot Plan approval letter was issued on February 7, 2018. The grading permit is ready to be issued once Planning completes the related Specific Plan Amendment described below.

2. Escondido Research and Technology Center (ERTC) – East (Developer: James McCann) 2130 Citracado Parkway – Building plans for the first 71,656 SF medical office building in this approved medical complex area across from Palomar Hospital were submitted into plan check on October 9, 2018. Fire and Esgil have approved the plans. Planning has a hold on the permit until the parking issues below are resolved.

A Specific Plan Amendment (SPA) will be required to move the temporary parking lot on the medical building site (above) to another location within ERTC. The SPA application was submitted on November 13, 2018, and proposes the construction of a new temporary parking lot at the southern end of the ERTC development on Lots 10-15 and a permanent parking lot on Lot 1. The plot plan and grading exemption for Lot 1 was approved by the Zoning Administrator on March 21, 2019. Grading plan comments for Lot 1 were provided by Engineering on April 2, 2019. The applicant provided a draft MOU document on January 4, 2019 (intended to be signed by applicant, PPH and City) explaining the phasing and proposed parking improvements and a revised MOU was provided to staff on April 10, 2019. On April 23, 2019, the Planning Commission recommended approval of the Specific Plan Amendment and CUP for the temporary parking on Lots 10-15. A City Council hearing has been scheduled...
for May 22, 2019. Final engineering for the temporary parking lot will be accepted into plan check prior to the Council hearing at the applicant’s risk.

3. Toyota of Escondido Certified Used Car Facility (Developer: Stephen Myers, Toyota of Escondido) 990 N. Broadway – A Plot Plan to assemble five commercial lots including a vacant used car business into an automotive sales and service facility for Toyota. The proposal includes the demolition of a vacant residence and a small expansion of an existing service building. The project application was submitted on January 7, 2019. Staff-level design review occurred on January 31, 2019. Comments from Planning, Engineering, Utilities, Fire and Traffic were sent to the applicant on February 5, 2019. Planning met with the applicant on February 28, 2019, to discuss proposed revisions to the plans. A revised Plot plan was resubmitted March 4, 2019. Engineering met with the applicant on April 8, 2019 to finalize hydrant placements. Project review is nearing completion.

**Industrial**

1. Escondido Self-Storage Facility (Developer: Brandywine Homes, Inc.) 2319 Cranston Dr. – Updated building plans were resubmitted into plan check on July 24, 2018. Esgil and Fire have approved the plans. Planning provided comments on the building plans on September 19, 2018. The final map was approved by City Council on September 19, 2018, and has recorded. The grading permit has been approved and grading has commenced on the site. The building plans have been approved by Esgil and Fire. Planning is waiting for a plan that ensures rooftop mechanical equipment is appropriately screened.

2. Citracado Business Park (Developer: Dentt Properties) 2207 Harmony Grove Road – A proposed specific plan for two industrial warehouse/office buildings (145,930 SF and 125,930 SF) with the buildings to be separated by the future extension of Citracado Parkway. The application was submitted on August 14, 2018. All departments have completed their initial review and comments were sent to the applicant on September 17, 2018. SDG&E also has provided comments regarding the high voltage power lines that traverse the site. The applicant’s traffic consultant submitted revised methodology and distribution to Engineering on October 19, 2018. A meeting with the applicant to review the various departmental comments occurred on October 29, 2018. Another round of comments related to the proposed specific plan have also been provided. The developer team met with several departments on April 4, 2019, primarily to discuss traffic-related issues.

**City Projects**

1. Micro-Filtration Reverse Osmosis (Developer: City of Escondido Utilities Department) SE corner Ash/Washington – The City Council approved a contractual agreement with Black and Veatch for engineering services on April 4, 2018. On January 16, 2019, the City Council expressed continued support for the MFRO, but directed staff to investigate moving the facility to another location. Utilities staff are investigating the feasibility of moving the MFRO to city property located at 901 W. Washington Avenue. An on-site meeting with the selected design-build and environmental contractors occurred on January 28, 2019. Preliminary geotechnical and survey work is underway. Helix Environmental Planning will be preparing the draft environmental documents. The AB 52 consultation letter will be sent to interested tribes once a new site plan has been developed in approximately 2-3 weeks. A Design Build Agreement was approved by the City Council on April 3, 2019. The Design Build Agreement with
Filanc+BC Joint Venture provides for design and pre-construction services. The Design Build team is meeting with Utilities and Planning on May 15 to discuss design and timeline issues.

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 including an agency request for full mitigation for emergent vegetation at the eastern end of the lake that came into existence since the lake level was reduced for safety reasons. Staff sent a follow-up letter to the wildlife agencies on June 29, 2017, seeking clarification on the proposed biological mitigation requirements. Additional information has been compiled and analyzed by the City’s biological consultants based on recent conversations with the agencies. The biological consultant and staff met with the wildlife agencies on November 28, 2018 to discuss a modified approach to fulfilling mitigation requirements. Written information summarizing what was discussed at the meeting was transmitted to the agencies on December 4, 2018. City staff recently concluded a revised assessment of potential biological impacts and met with the agencies to present the findings. Additional information requested by the agencies is being prepared for submittal.

**Residential**

1. **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 for public review and comment. The comment period ended on January 2, 2018. Staff transmitted all the comment letters and emails to the Draft EIR consultant for review and to prepare a response to each comment. The Draft EIR and appendices have been posted on the City’s website at the following link:


   The responses to comments have generated related revisions to the project design. The applicant’s engineer submitted a revised tentative map on October 26, 2018. Generally, the amount of grading and the area of disturbance has decreased, while the overall number of 550 residential lots has remained the same. Engineering met with the project engineer and applicant on January 31, 2019, to discuss their comments on the revised tentative map. The revised tentative map and exhibits have been posted on-line at the link above. The applicant met with Traffic Engineering during the week of February 25th to discuss off-site improvements. Staff, applicant and biological consultant met with the wildlife agencies on April 23, 2019, to discuss the revisions to the project design mentioned above.

2. **18 lots at 701 San Pasqual Valley Rd (Developer: Bob Stewart)** – Staff comments on the revised tentative map were issued the last week of July 2017. The applicant has occasionally engaged in discussions with various departments since that time, but has declined a staff offer to schedule a comprehensive meeting with all city departments. Another set of revised plans were submitted the week of November 26, 2018. Planning, Engineering and Utilities comments on the revised plans were issued on February 25, 2019. In response to a follow-up discussion with the applicant, Planning provided additional comments on April 29, 2019.

3. **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
applicant submitted rough grading plans, drainage improvement plans and utility relocation plans for all three villages on May 7, 2018. Most of the plans are in third or fourth plan check. Engineering comments were returned on March 12, 2019; and the developer team met with Engineering on April 1, 2019, to discuss the comments. A revised Certified Tentative Map is anticipated for substantial conformance review and includes a proposal to relocate approximately 10 residential lots within the development. The homebuilder met with Building, Engineering and Planning on April 24, 2019 to discuss the building plan check and precise grading plan processes. Grading and improvement plan check for each of the villages is on-hold until the revised Certified Tentative Map is approved. That submittal is expected next week.

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:

https://www.escondido.org/ecc.aspx

4. North Avenue Estates (Developer: Casey Johnson) 34 lots at North Ave./Conway Dr. – The City Council approved the project on January 10, 2018. LAFCO approved the annexation application on October 1, 2018, and the annexation has recorded. The new homebuilder, Taylor Morrison Homes submitted a Precise Development Plan to Planning on December 14, 2018. Grading plans, final map and improvement plans were submitted for review on December 7, 2018. Engineering comments were returned on January 18, 2019 and additional comments were sent on January 25, 2019. Engineering met with the applicant’s engineer on January 31, 2019 to discuss drainage issues. A revised Certified TM was approved on March 14, 2019. A revised Precise Development Plan was submitted on March 14, 2019, and Planning comments were issued on April 11, 2019. Final engineering plans were resubmitted on March 21, 2019. The project engineer, Engineering and County Water Authority staff met on April 2, 2019, to discuss the street and utility crossings over the CWA aqueduct. The CWA is requiring upgraded structural protection to protect the aqueduct where crossings occur.

5. Aspire (131 apartment units on Municipal Lot 1) (Developer: Addison Garza, Touchstone Communities) – The proposal consists of a six-story mixed-use development across from City Hall on Parking Lot 1. The project was initially submitted for entitlement processing for a 106-unit development on June 23, 2017. On March 14, 2019, the applicant submitted a revised project under state and city density bonus law that increases the number of dwelling units in return for the provision of 11 Very Low Income housing units. The increased density (now 131 units) has been accommodated by eliminating all 3-bedroom units to allow additional studio, one- and two-bedroom units within the same building structure. The project includes 4,289 square feet of commercial space on the ground floor, primarily fronting on Maple Street Plaza. A purchase and sale agreement for the project site (Parking Lot 1) was approved by the City Council on September 19, 2018. Concerns regarding parking have been expressed; and the applicant’s parking consultant submitted a parking study on January 17, 2019. A proposed Development Agreement was submitted for staff review on April 24, 2019. Engineering is completing final review of the traffic study and storm water plans.

6. The Ivy (127 apartment units at 343 E. 2nd) (Developer: Addison Garza, Touchstone Communities) - The apartment project was initially submitted for entitlement processing for a 95-unit development on June 23, 2017. On February 8, 2019, the applicant submitted a revised project under state and city density bonus law that increases the number of dwelling units in return for the provision of 11 Very Low Income housing units. The increased density
(now 127 units) was accommodated by adding another story to the development resulting in a five-story residential building up to 63 feet in height. While the building footprint is nearly identical to the previous design, the proposal also adds 1,175 square feet of commercial space on the ground floor at the corner of Second Avenue/Ivy Street. Utilities and Fire comments on the revised development plan were issued on March 12, 2019. A revised traffic study is currently being reviewed by Traffic Engineering staff. A proposed Development Agreement was submitted for staff review on April 11, 2019. A Planning Commission hearing has tentatively been scheduled for May 28, 2019.

7. **Quince Street Senior Housing (Developer: Matt Jumper, 220 Quince, L.P.) 145 apartment units at 220 N. Quince St.** – The five-story affordable senior housing apartment project was submitted on November 21, 2017. Staff comments from Planning, Engineering, Utilities and Fire were returned to the applicant on December 27, 2018. A follow-up meeting with Planning occurred on January 15, 2019, and revised project plans were submitted on February 12, 2019. City staff provided comments on March 25, 2019. Utilities is requesting an upsizing to the water line in Quince Street to 8”. Traffic engineering received revised traffic counts on April 19, 2019. The applicant submitted revised plans on May 3, 2019. Public review of the Draft Mitigated Negative Declaration is expected to commence by the end of this month.

8. **Sager Ranch/Daley Ranch Resort Specific Plan (Developer: J. Whalen Associates, Inc., Sager Ranch Partners) 203 housing units and 225-room resort hotel on 1,783-acres, just north and east of Daley Ranch** – This proposed residential and resort hotel annexation and specific plan project was received on March 2, 2018. The project submittal has been deemed incomplete and a letter from staff requesting additional project related information was sent to the applicant on April 4, 2018. Requested information includes annexation exhibits, proposed general plan amendment text, a proposed Transfer of Development Rights Program, environmental initial study, and a fiscal impact analysis. Planning met with the applicant on May 17, 2018 to discuss items listed in the letter. A follow-up meeting to discuss engineering issues occurred on June 27, 2018. The applicant met with Escondido Fire and Valley Center Fire on August 1, 2018 to discuss fire protection issues. Significant fire-related issues to be addressed include the steepness of the project entry road, secondary emergency access and Fire Department response times. A follow-up meeting with the applicant to discuss these issues occurred on October 11, 2018. On April 5, 2019, the applicant provided a letter response with proposals to address some of the fire-related issues. Fire and Planning staff will provide a response to that letter this week.

A project webpage containing draft documents and plans has been added to the Planning Division’s website at the following link:

[Sager Ranch Resort Specific Plan - City of Escondido](#)

9. **Nutmeg Condo General Plan Amendment (Developer: Jim Simmons, CCI) 137 townhome condo units on 7.7 acres on both sides of Nutmeg between I-15 and Centre City Parkway** – This proposed multi-family residential development includes a GPA from Office to Urban III (up to 18 du/acre) as well as a specific alignment plan for Nutmeg and a vacation of approximately one acre of public right-of-way for use in the project. The project application was received on June 15, 2018. Initial comments from Planning, Fire, Engineering, Utilities and Traffic Engineering were provided to the applicant on July 13, 2018. A Notice of Preparation for the project EIR was sent out on August 29, 2018, and the comment period closed on October 1, 2018. A Scoping Meeting occurred on September 6, 2018. The third screen check of the Draft
EIR was received on March 29, 2019. The applicant met with staff on May 2, 2019 to review associated revisions to the plans and final edits to the Draft EIR. A Notice of Availability for the Draft EIR was issued May 7, 2019, announcing a 45-day public review period from May 10, 2019 to June 24, 2019.

10. Oak Creek (Builder: KB Homes) 65 single-family residential lots on approximately 44 acres at Felicita Road and Hamilton Lane – The original developer, New Urban West, has secured permits from CDFW, ACOE and RWQCB. The Zoning Administrator approved a modification to the Precise Development Plan to revise the architecture on October 25, 2018. Fence and wall plans were submitted the second week of December. The model homes were submitted into building plan check the last week of October and the Precise Grading Plan for the models was submitted at the end of March. On-site remediation of hazardous materials has been completed and DTSC has issued a clearance letter. The rough grading permit was issued on April 18, 2019, and grading has commenced on the site. The project engineer has recently discussed submitting a revision to the rough grading plan for the enhanced mitigation area.

11. Mercado 3-Story Mixed Use Building (Developer: Curtis Lively) 5 residences and 2 commercial suites on 0.14-acre at 510 W. 2nd Avenue – A Plot Plan for five two-story residential units on top of 2,375 SF of commercial floor area and a parking garage was submitted July 13, 2018. Staff review comments were provided to the applicant who then submitted revised plans. Additional Planning and Engineering comments were sent to the applicant on September 27, 2018, and a revised project submittal was received on December 11, 2018. Comments from Fire, Utilities and Planning on the revised plans were sent to the applicant on January 2, 2019. The applicant submitted revised plans including a reduction of commercial space to 1,750 square feet on February 20, 2019. Planning staff completed design review on March 21, 2019, with no major recommended changes. Engineering and Fire received revised alley and hydrant placement plans on May 6, 2019.

12. 555 West Grand Mixed-Use Building (Developer: Ed McCoy) 32 condo units in three floors over a parking garage – This 32-unit mixed-use development with 610 SF of office/flex space was submitted as a planned development application on August 27, 2018. The project is seeking a reduction in parking and open space standards. Initial multi-department comments were sent to the applicant on September 26, 2018. The applicant met with Fire, Engineering, Planning and Utilities staff on October 16, 2018 to discuss the staff comments. Engineering and Fire are coordinating fire flow and hydrant locations with the applicant. It is anticipated that water lines will need to be upsized on Quince and Grand. Planning has requested a parking study to support the proposed reduction in the number of parking spaces.

13. Villa Portofino (Developer: Chris Post, ATC Design Group) 15 apartment units in a three-story building with parking garage at 2690 S. Escondido Blvd. – This 15-unit multi-family residential project on a 0.52-acre parcel between S. Escondido Blvd and Cranston Drive was submitted as a Plot Plan application on November 28, 2018. A comment letter was issued on December 20, 2018. Comments included the need to evaluate the building construction type for fire purposes and consider the design standards in the South Centre City Specific Plan. Planning staff have had several follow-up conversations with the applicant team and are awaiting revised plans. Utilities has requested a sewer study to assess potential impacts to the nearby Lift Station 2.

14. Palomar Heights (Developer: Ninia Hammond, Integral Communities) Demolition and redevelopment of the old Palomar Hospital site with 510 multi-family units – A proposed
Tentative Map, Planned Development, Specific Plan Amendment and EIR to redevelop the 13.8-acre former hospital site. Up to 5,500 square feet of recreation or commercial space could be included. The project application was submitted on December 24, 2018. The initial plan submittal was presented to the Board of the Downtown Business Association on January 9, 2019, the Economic Development Committee of the Chamber of Commerce on January 10, 2019 and the Old Escondido Neighborhood Group on February 20, 2019. Engineering and Planning comments on the initial project submittal were sent to the applicant on February 12, 2019. A contract for a developer-funded planning consultant to work on this project as an extension of Planning staff was approved by the City Council on February 13, 2019. Planning Engineering and Fire met with the applicant team on February 27, 2019 and again on April 24, 2019 to go through proposed revisions to the site plan and building designs. The applicant revised the plans to increase the unit count from 424 units to 510 units. A Notice of Preparation (NOP) for the Draft EIR was issued on May 3, 2019 and a public scoping meeting has been scheduled for May 20, 2019. Staff is awaiting a complete submittal of the redesign package which is expected in three weeks.

15. Henry Ranch (Builder: Joe Martin, Trumark Homes) An approved development of 97 single-family residential homes on 74.35 acres at the eastern terminus of Lincoln Avenue – The Tract 920 development proposal was originally approved in 2007 and an extension of the associated Development Agreement was approved in 2016. Final Map, grading plans and improvement plans were submitted for initial review on February 12, 2019. A demolition permit for the former packinghouse structures was submitted on February 14, 2019 and only needs utility shutoff before work starts. Architectural plans were submitted for Design Review on February 15, 2019, and comments were issued on March 14, 2019. A vegetation removal permit was issued on March 21, 2019. The second submittal of final engineering was received on April 22, 2019. Utilities has identified conflicts with drainage facilities in the second plan check. The applicant is working with staff to resolve final boundary adjustment issues to satisfy the title company.

16. Del Prado (Developer: Kerry Garza, Touchstone Communities) – An approved 113-unit townhome-style Planned Development located at the southwestern corner of Brotherton Road and the Centre City Parkway frontage road - The Del Prado project was approved by the City Council in May of 2016. The project site is separated into two parcels by an SDGE parcel. Engineering and Planning are reviewing third plan check for final map, grading and improvement plans for Del Prado South. Del Prado North is in second plan check for the same plans. No building plans have been submitted into plan check. Planning has provided comments for the North landscape plans. An extension of time for both the North and South tentative maps was approved by the Zoning Administrator last week. The applicant is attempting to resolve sewer issues with Utilities.

17. Accessory Dwelling Units – Planning staff is currently working on seven applications for accessory dwelling units. Five accessory dwelling units have been approved so far this year. 24 accessory dwelling units were approved in 2018. Three accessory dwelling units were approved in 2017.
Building Division:

1. The Building Division issued 70 permits (including 25 solar photovoltaic) with a total valuation of $810,104.

2. Our building inspectors responded to 166 inspection requests. 174 customers visited the Building counter during the week.

3. No change from the previous. The Meadowbrook three-story apartment building with underground garage at 2081 Garden Valley Glen has received final Fire inspection approval and are progressing toward requesting a final inspection.

4. The Latitude 2 apartment project at 650 N. Center City Pkwy has received building final approvals and Temporary Certificates of Occupancy for Buildings 1-4 and drywall approval for Buildings 6. Building 5 received final inspection on May 6.

5. No change from the previous. The new two story church sanctuary building at 1864 N. Broadway has received rough framing approval.

6. The Citron multifamily project at 2516 S. Escondido Blvd has received final Fire approval and gas meter release for Buildings 6, 7, and 8. Final inspection will take place this week.

7. The new 105-room hotel at 200 La Terraza Blvd is open for business under a Temporary Certificate of Occupancy while they work through Engineering and Building inspection corrections.

8. The four-story, 102,774 square foot self-storage building at 222 W. Mission Ave received final inspection approval on April 30th.

9. No change from the previous. The new five-story self-storage building at 852 Metcalf St. is receiving rough framing and drywall inspection weekly until completed.

10. The Gateway Grand 126-unit apartment project at 700 W. Grand Ave has received approval for foundation and underground plumbing for Building C and sewer for the clubhouse. The installation of floor sheathing is on-going.

11. No change from the previous. The new apartments at 917 W. Lincoln Ave has received inspection approval for exterior framing for buildings B and C. The project has 3 buildings and 9 total units.

12. The two-story, 20,000 square foot office building for Superior Ready Mix on 1564 W. Mission has received underground plumbing and foundation inspection approvals. Framing is underway.
ENGINEERING DEPARTMENT

Capital Improvements

1. **2018 Street Rehabilitation and Maintenance Project** – This year’s program will focus on residential areas south of Felicita and east of I-15 with major work on Citricado Parkway, Escondido Boulevard, Del Lago Boulevard, Centre City Parkway, Felicita Road, and Bear Valley Parkway. The concrete elements for the project are complete at this time. The pavement restoration of Centre City Parkway between Felicita Avenue and Citricado Parkway was scheduled for this week but due to weather conditions has been rescheduled to Monday May 13. The slurry portion of the contract is set to begin on Monday, May 13 and run for 36 days. The ARAM portion of the project is set to begin on May 14 and be competed in 7 days. For more information on the City’s Street Maintenance Program including a comprehensive list of streets to be treated follow the link: [https://www.escondido.org/city-of-escondido-street-maintenance-program.aspx](https://www.escondido.org/city-of-escondido-street-maintenance-program.aspx).

2. **Valley Parkway/Valley Center Road Widening Project: Calendar Day 409** – Water quality testing passed on the bypass pipe section near Lake Wohlford Road. The water line will be energized on May 22 during a day time operation. Work on the punch list items are the focus of work again this week. The landscape up-lighting is operational for the Welcome Escondido monument.

3. **Transit Center Pedestrian Bridge Project** – The preconstruction meeting for the project was held on Wednesday April 24th. The contractor is currently working on the required NCTD access permit which must be in place to the start of construction.

4. **Missing Link Project** – *No changes from that reported last week.* The mid-block pedestrian signal was activated on Tuesday of this week. The previous pedestrian crossing located at Pennsylvania Avenue and Broadway has been permanently removed and temporary signage has been put in place notify of its closure. The project will now move to the punch list phase.

5. **HSIP Traffic Signal Project** – The preconstruction meeting for this project was held and a Notice to Proceed was issued for May 20th. The project will provide new traffic signals at Valley Parkway/Date Street and El Norte Parkway/Fig Street intersections. The project is funded by the Highway Safety Improvements Projects. The contractor has mobilized equipment and materials in preparation of the traffic signal pole delivery. All submittals have been reviewed and approved.

6. **Tulip Street Improvements Phase IV** – The construction of retaining walls is continuing along Tulip Street. The construction of the new curb and gutter improvements are being completed this week. SDG&E has completed the gas lateral relocation. The last remaining item for SDG&E is the installation of a replacement power pole which is set for May 16.

7. **Multi Neighborhood Street Light L.E.D. Retrofit Project** – *No changes from that reported last week:* The project will upgrade 644 existing high pressure sodium lights with energy efficient L.E.D. fixtures. The project boundaries are Lincoln Avenue to the north, 13th Avenue to the south, Ash Street to the east, and Upas Street to the west. The winning bid came in below the engineer’s estimate which will allow for the installation of an additional 100 lights. The project preconstruction meeting was held on Thursday, February 21. The first order of light fixtures totaling 64 have arrived. The remaining light fixture should arrive in two weeks. The work to install will commence immediately after delivery.
8. **Storm Drain Pipe Lining and Rehabilitation Project Phase 1** – The project consists of 14 work zones and 3 Bid Alternate locations for the videoing, grouting, repairing, and lining of existing corrugated metal pipes (CMP) within the City’s inventory. The project Notice to Proceed has been issued and the contractor is on day 26 of the contract. The low bidder was Sancon Engineering Inc. with a bid of $841,310.00. The Engineers estimate for the project was $746,734.00.

**Private Development**

1. **Tract 932 - Canyon Grove Shea Homes Community** – *No changes from that reported last week*: this: Of the 179 home lots developed since the start of construction on February 11, 2016, only 14 remain under construction.

2. **Latitude II Condominiums by a Lyon Homes Partnership: Washington Avenue @ Centre City Parkway** – *No changes from that reported last week*: Restoration of the onsite pavement was completed this week.

3. **Tract 934** – Is a 5 lot subdivision located at 1207 Gamble Street. *No changes from that reported last week*: The water line construction is currently under pretest procedures. The sewer manhole located in Gamble Street has been constructed.

4. **Veterans Village** – The project has been walked and a punch list has been provided. The remaining buildings were released for occupancy this week.

5. **KB Homes Oak Creek Project** - The grading operation is in full swing again this week. Over the course of the grading operation, 5,920 cubic yards of dirt will be delivered to the site. The grading contractor has two drop tanks for filling 4 water trucks which are on site. The project is located at the intersection of Hamilton Lane and Miller Avenue.

6. **Escondido Self Storage** - *No changes from that reported last week*: The grading of the project is idled. Offsite utility construction has begun along Brotherton Road. The project is located at the southwest corner of Brotherton Road and Cranston Drive.

7. **Citron Development** – *No changes from that reported last week*: The contractor completed restoration of the main driveway entrance this week.

8. **ATT Facility Tank Relocation** – The tank was installed and backfilled last week. The dewatering operation is complete and all operational equipment will be removed from the site. The new fuel line from the tank to the building are the order of work.

9. **North American Self Storage** – The temporary high line was tied in this week. Construction of the new mainline begun with all work being performed during a night time operation to help with traffic flow. The project is located at 852 Metcalf Street.

10. **Storquest Self Storage** – The construction of the 4 story structure is nearing completion at 222 Mission Avenue. The project has received the temporary certificate of occupancy.

**GRANT APPLICATIONS**

None this week.

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