



# Council Meeting Agenda

**JULY 21, 2021**

**CITY COUNCIL CHAMBERS**

**4:30 P.M. Closed Session; 5:00 P.M. Regular Session**

**201 N. Broadway, Escondido, CA 92025**

MAYOR	<b>Paul McNamara</b>
DEPUTY MAYOR	<b>Michael Morasco</b>
COUNCIL MEMBERS	<b>Consuelo Martinez</b> <b>Tina Inscoe</b> <b>Joe Garcia</b>
CITY MANAGER	<b>Sean McGlynn</b>
CITY CLERK	<b>Zack Beck</b>
CITY ATTORNEY	<b>Michael McGuinness</b>
DIRECTOR OF COMMUNITY DEVELOPMENT	<b>Adam Finestone (Interim)</b>
DIRECTOR OF ENGINEERING SERVICES	<b>Julie Procopio</b>

Public Comment: To submit comments in writing, please do so at the following link:  
<https://www.escondido.org/agenda-position.aspx>.

The meeting will be available for viewing via public television on Cox Communications Channel 19 (Escondido only). The meeting will also be live streamed online at the following link:  
<https://www.escondido.org/meeting-broadcasts.aspx>

In the event a quorum of the City Council loses electrical power or suffers an internet connection outage not corrected within 15 minutes, the meeting will be adjourned. Any items noticed as public hearings will be continued to the next regularly scheduled meeting of the City Council. Any other agenda items the Council has not taken action on will be placed on a future agenda.

**ELECTRONIC MEDIA:**

Electronic media which members of the public wish to be used during any public comment period should be submitted to the City Clerk's Office at least 24 hours prior to the Council meeting at which it is to be shown.

The electronic media will be subject to a virus scan and must be compatible with the City's existing system. The media must be labeled with the name of the speaker, the comment period during which the media is to be played and contact information for the person presenting the media.

The time necessary to present any electronic media is considered part of the maximum time limit provided to speakers. City staff will queue the electronic information when the public member is called upon to speak. Materials shown to the Council during the meeting are part of the public record and may be retained by the Clerk.

The City of Escondido is not responsible for the content of any material presented, and the presentation and content of electronic media shall be subject to the same responsibilities regarding decorum and presentation as are applicable to live presentations.



# Council Meeting Agenda

**July 21, 2021  
4:30 p.m. Meeting**

**Escondido City Council**

## **CALL TO ORDER**

**ROLL CALL:** Garcia, Inscoe, Martinez, Morasco, McNamara

## **ORAL COMMUNICATIONS**

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

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

- I. CONFERENCE WITH LABOR NEGOTIATOR (Government Code §54957.6)**  
**a. Agency Representatives:** Sean McGlynn (City Manager), Jessica Perpetua (Director of Human Resources) and/or designee  
**Employee Organization:** ECEA Unit (ACE and SUP)

## **ADJOURNMENT**



# Council Meeting Agenda

**July 21, 2021  
5:00 P.M. Meeting**

**Escondido City Council**

## **CALL TO ORDER**

### **MOMENT OF REFLECTION:**

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

### **FLAG SALUTE**

**ROLL CALL:** Garcia, Inscoe, Martinez, Morasco, McNamara

**PRESENTATION:** Certificate of Recognition for the Witman Family Foundation

### **CLOSED SESSION 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. (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 \(COUNCIL/RRB\)](#)**



2. [APPROVAL OF WARRANT REGISTER \(Council\)](#)

Request the City Council approve the City Council and Housing Successor Agency warrant numbers:

- 354380 - 354573 dated July 7, 2021

Staff Recommendation: **Approval (Finance Department: Christina Holmes)**

3. [APPROVAL OF MINUTES: None Scheduled](#)

4. [SETTING SPECIAL TAX LEVY FOR COMMUNITY FACILITIES DISTRICT NO. 2000-01 \(HIDDEN TRAILS\) -](#)

Request the City Council approve setting the Special Tax Levy for Community Facilities District (CFD) No. 2000-01 (Hidden Trails). A special tax is levied annually on real property within the Community Facilities District No. 2000-01 and is collected through the County of San Diego Assessor's Office. The proceeds from the special tax are used to meet debt service obligations from the issuance of bonds for the District.

Staff Recommendation: **Approval (Finance Department: Christina Holmes)**

RESOLUTION NO. 2021-75

5. [SETTING SPECIAL TAX LEVY FOR COMMUNITY FACILITIES DISTRICT NO. 2006-01 \(EUREKA RANCH\) -](#)

Request the City Council approve setting the Special Tax Levy for Community Facilities District (CFD) No. 2006-01 (Eureka Ranch). A special tax is levied annually on real property within the Community Facilities District No. 2006-01 and is collected through the County of San Diego Assessor's Office. The proceeds from the special tax are used to meet debt service obligations from the issuance of bonds for the District.

Staff Recommendation: **Approval (Finance Department: Christina Holmes)**

RESOLUTION NO. 2021-76

6. [SETTING SPECIAL TAX LEVY FOR COMMUNITY FACILITIES DISTRICT NO. 2020-2 \(THE VILLAGES\) -](#)

Request the City Council approve setting the Special Tax Levy for Community Facilities District (CFD) No. 2020-2 (The Villages). A special tax is levied annually on real property within the Community Facilities District No. 2020-2 and is collected through the County of San Diego Assessor's Office. The proceeds from the special tax are used to meet debt service obligations from the issuance of bonds for the District.

Staff Recommendation: **Approval (Finance Department: Christina Holmes)**

RESOLUTION NO. 2021-78

7. [SETTING SPECIAL TAX LEVY FOR COMMUNITY FACILITIES DISTRICT NO. 2020-1 \(PUBLIC SERVICES\) -](#)

Request the City Council approve setting the Special Tax Levy for Community Facilities District (CFD) No. 2020-01 (Public Services). A special tax is levied annually on real property within the Community Facilities District No. 2020-1 and is collected through the County of San Diego Assessor's Office. The proceeds from the special tax are used to provide public services including public safety, maintenance, administration, community development and services provided by the City.

Staff Recommendation: **Approval (Finance Department: Christina Holmes)**

RESOLUTION NO. 2021-77

8. **ESTABLISHING THE PROPERTY TAX RATE AND FIXED CHARGE ASSESSMENTS FOR GENERAL OBLIGATION BONDED INDEBTEDNESS -**

Request the City Council approve establishing the property tax rate and fixed charge assessments for bonded indebtedness for the Fiscal Year 2021-22. Each year, a property tax rate is established to generate an amount of revenue from the property tax base that is sufficient to pay the General Obligation Bond debt service (principal and interest) for the current tax year.

Staff Recommendation: **Approval (Finance Department: Christina Holmes)**

RESOLUTION NO. 2021-79

9. **AMENDMENT AND NOVATION AGREEMENT AND AUTHORIZATION TO EXAMINE SALES AND USE TAX RECORDS FROM THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION -**

Request the City Council approve authorizing the Examination of Sales and Use Tax Records, and approve the amendment and novation agreement with Municipal Resource Consultants and MuniServices, LLC. The Amendment and Novation agreement updates the records of the California Department of Tax and Fee Administration, and updates the authorized designated list of City employees by title that will be allowed to examine sales and use tax records of the California Department of Tax and Fee Administration.

Staff Recommendation: **Approval (Finance Department: Christina Holmes)**

RESOLUTION NO. 2021-101

10. **ADOPTION OF SPECIFIC ALIGNMENT PLAN FOR GRAND AVENUE -**

Request the City Council approve adopting a specific alignment plan for Grand Avenue from Escondido Blvd. to Juniper St. for the Grand Avenue Phase I Vision project.

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

RESOLUTION NO. 2021-108

11. **PROCUREMENT OF STREET LIGHT POLES, FIXTURES AND STRING LIGHTING FOR THE GRAND AVENUE VISION PROJECT – PHASE 1 -**

Request the City Council approve authorizing the City Manager to issue a purchase order to procure twenty-four street light poles and LED light fixtures for the Grand Avenue Phase I Vision project in advance of the construction project.

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

RESOLUTION NO. 2021-104

12. **NOTICE OF COMPLETION FOR THE STORM DRAIN PIPE LINING AND REHABILITATION PROJECT - PHASE 2 -**

Request the City Council approve and accept the public improvements and authorize staff to file a Notice of Completion for the Storm Drain Lining and Rehabilitation Project - Phase 2. The project rehabilitated twenty-one (21) corrugated metal pipelines totaling over half a mile in length.

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

RESOLUTION NO. 2021-105

13. [PAYMENT TO SDG&E FOR RELOCATION OF ELECTRIC FACILITIES FOR THE CITRACADO PARKWAY EXTENSION PROJECT -](#)

Request the City Council approve authorizing payment to San Diego Gas and Electric for relocation of SDG&E’s existing transmission and distribution electric facilities that are in conflict with the Citracado Parkway Extension Project (“Project”). SDG&E has received bids for the work and expects to complete the relocation during August/September 2021.

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

RESOLUTION NO. 2021-106

14. [DECLARATION OF VACANCY - HISTORIC PRESERVATION COMMISSION -](#)

Request the City Council approve declaring a vacancy to the Historic Preservation Commission, per Sec. 33-791 of the Escondido Municipal Code.

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

**CONSENT RESOLUTIONS AND ORDINANCES (COUNCIL/RRB)**

The following Resolutions and Ordinances were heard and acted upon by the City Council/RRB at a previous City Council/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**

15. [2021 - 2022 PLANNING COMMISSION WORK PLAN -](#)

Request the City Council receive a report and presentation on a work plan developed by the Planning Commission for 2021 and 2022 as an advisory body to the City Council, and direct Planning Division staff to work with the Planning Commission on the items identified in the work plan.

Staff Recommendation: **Provide Direction (Community Development Department: Adam Finestone)**

16. [SIGN REGULATIONS -](#)

Request the City Council discuss sign regulations in the City of Escondido, per the request of Councilmember Martinez during the June 9, 2021 City Council Meeting.

Staff Recommendation: **None (Councilmember: Consuelo Martinez)**

**FUTURE AGENDA**

17. [FUTURE AGENDA -](#)

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

Staff Recommendation: **None (City Clerk's Office: Zack Beck)**

## COUNCIL MEMBERS SUBCOMMITTEE REPORTS AND OTHER 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](http://www.escondido.org).

- [WEEKLY ACTIVITY REPORT -](#)

## ORAL COMMUNICATIONS

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## ADJOURNMENT

UPCOMING MEETING SCHEDULE				
Date	Day	Time	Meeting Type	Location
July 28	-	-	No Meeting	-
August 4	-	-	No Meeting	-
August 11	Wednesday	4:00 & 5:00 p.m.	Regular Meeting	Council Chambers
August 18	Wednesday	4:00 & 5:00 p.m.	Regular Meeting	Council Chambers

## TO ADDRESS THE COUNCIL

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

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

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
- Placed in the Council Chambers (See: City Clerk/Minutes Clerk) immediately before and during the Council meeting.

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

## LIVE BROADCAST

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

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

**The City Council is scheduled to meet the first four Wednesdays  
of the month at 4:00 in Closed Session and 5:00 in Open Session.  
(Verify schedule with City Clerk's Office)**

**Members of the Council also sit as the Successor Agency to the Community Development  
Commission, 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.*



A F F I D A V I T S

O F

I T E M

P O S T I N G



## CITY COUNCIL STAFF REPORT

Consent Item No. 2

July 21, 2021

File No. 0400-40

SUBJECT: Approval of Warrants

DEPARTMENT: Finance Department

RECOMMENDATION:

Request approval for City Council and Housing Successor Agency warrant numbers 354380 – 354573 dated July 7, 2021.

FISCAL ANALYSIS:

The total amount of the warrants for the period of July 1 – July 7, 2021, is \$1,610,361.46

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.



APPROVAL

OF

MINUTES



## CITY COUNCIL STAFF REPORT

**Consent Item No. 4**

**July 21, 2021**

**File No. 0685-20**

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

DEPARTMENT: Finance Department

RECOMMENDATION:

It is recommended that the City Council adopt Resolution No. 2021-75, setting the Special Tax Levy for Community Facilities District No. 2000-01 (Hidden Trails) (the "District") for Fiscal Year 2021-22.

FISCAL ANALYSIS:

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

PREVIOUS ACTION:

The City Council approved the establishment of Community Facilities District No. 2000-01 (Hidden Trails) on September 20, 2000, and has annually adopted a resolution setting the annual Special Tax Levy. Prior year's Resolution No. 2020-78 was adopted on July 15, 2020.

BACKGROUND:

At the request of the property owner/developer and pursuant to the City's Statement of Goals and Policies Regarding the Establishment of Community Facilities Districts, Community Facilities District No. 2000-01 (Hidden Trails) was formed and bonds issued for the purpose of acquiring certain backbone facilities including street, water and sewer facilities which were constructed within the Hidden Trails development as authorized in Section 6 of the Resolution of Formation No. 2000-241R adopted in March of 2000. As required, the proceeds of the bonds were used only for such authorized purposes. As of September 30, 2005, all proceeds were expended, and the projects completed. As of July 1, 2021, \$1,615,000 of principal remain outstanding and the bonds mature on September 1, 2031.

According to the Special Tax Report for Community Facilities District No. 2000-01 (Hidden Trails), a Special Tax shall be levied annually on land within the District and collected in the same manner and at the same time as ordinary ad valorem property taxes. The City is responsible for annually

determining the Special Tax liability for each parcel within the District and for providing this information to the County of San Diego in August of every year.

A Maximum Special Tax Rate was established for developed residential property and undeveloped property. The amount of the Maximum Special Tax and Proposed Actual Special Tax for Fiscal Year 2021-22 is attached as Exhibit "A" to Resolution No. 2021-75.

A comparative analysis of the annual Special Tax Levy Calculation for Fiscal Year 2021-22 is presented on Attachment "1". As noted in the analysis, the 2021-22 Special Tax Levy requirement increased by 1.20% in the amount of \$2,437.82 or an average of \$8.41 per parcel.

Actual cash resources available for the 2021-22 levy are estimated to be approximately \$10,745 greater than the amount used in the calculation of the 2021-22 tax levy. The additional available cash is not used in the current year levy calculation, as the use of all available cash for the 2021-22 levy would result in very large variances in the levy from this year to next (a large levy decrease in current year and then a subsequent year large levy increase). The additional \$10,745 in available cash resources will be used in the levy calculations of the future tax years.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

*Christina Holmes*, Director of Finance

07/14/21 4:44 p.m.

ATTACHMENTS:

1. Attachment "1" CFD 2000-01 (Hidden Trails) Special Tax Levy Comparative Analysis
2. Resolution No. 2021-75 Approving the Special Tax Rate for CFD 2000-01 (Hidden Trails)
3. Resolution No. 2021-75 – Exhibit A Special Tax Rates for FY 2021-22

**City of Escondido CFD 2000-01 (Hidden Trails)**  
**Analysis of Special Tax Levy Requirement (Fund 727)**  
**Tax Year 2021-22**

Description	Actuals		Estimated		Proposed /		Change from Prior Year	
	FY 2019-20		Actuals		Budget		\$	%
			FY 2020-21		FY 2021-22			
<b>Beginning Balance (07/01)</b>		\$174,910.37		\$172,681.55		\$172,231.23		
<b>Revenue</b>								
Special Taxes		203,745.63		205,517.19				
Interest		2,332.22		1,501.65				
		<u>\$206,077.85</u>		<u>\$207,018.84</u>		<u>\$0.00</u>		
<b>Expenditures</b>								
Cost of Bonded Indebtedness:								
Interest Due 09/01 Reported Fiscal Year	9/1/2019	40,003.13	9/1/2020	38,353.13	9/1/2021	36,484.38		
Principal Due 09/01 Reported Fiscal Year	9/1/2019	110,000.00	9/1/2020	115,000.00	9/1/2021	115,000.00		
Interest Due 03/01 Reported Fiscal Year	3/1/2020	38,353.13	3/1/2021	36,484.38	3/1/2022	34,471.88		
Interest Due 09/01 Pending Year Obligation					9/1/2022	34,471.88		
Principal Due 09/01 Pending year Obligation					9/1/2022	125,000.00		
Total Principal and Interest Due from Annual Levy		<u>\$188,356.26</u>		<u>\$189,837.51</u>		<u>\$345,428.14</u>		
Cost of Collection (Proposed Fiscal Year Shown at Maximum)		19,950.41		17,631.65		23,433.19		
Available Cash Account Balances to Reduce Levy						10,746.81		
		<u>\$19,950.41</u>		<u>\$17,631.65</u>		<u>\$34,180.00</u>		
Total Annual Expenditures		208,306.67		207,469.16		379,608.14		
<b>Ending Balance (6/30)</b>		<u>172,681.55</u>		<u>172,231.23</u>		<u>(207,376.91)</u>		
<b>Calculated Annual Special Tax Requirement</b>		<b>\$202,513.36</b>		<b>\$204,942.20</b>		<b>\$207,376.91</b>		
Approved / Proposed Levy as Allocated among 290 Parcels		<u>\$202,513.36</u>		<u>\$204,940.34</u>		<u>\$207,378.16</u>	<u>\$2,437.82</u>	1.20%
Average Levy per Dwelling Unit		<u>\$698.32</u>		<u>\$706.69</u>		<u>\$715.10</u>	<u>\$8.41</u>	1.20%

RESOLUTION NO. 2021-75

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ACTING AS LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2000-01 (HIDDEN TRAILS), PROVIDING FOR THE LEVY OF AN ANNUAL SPECIAL TAX FOR SUCH COMMUNITY FACILITIES DISTRICT FOR FISCAL YEAR 2021-22

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

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

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

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

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

1. That the above recitations are true.
2. That this legislative body hereby authorizes and provides for the levy of the Special Tax within the District on those Taxable Properties (as such term is defined in the Ordinance) within the District for Fiscal Year 2021-22 so long as the rates of such Special Tax are the same rates or lower rates than the rates provided for in the Ordinance. The Proposed Special Tax Rates for the District for Fiscal Year 2021-22 are contained on Exhibit “A” attached to this Resolution and incorporated by this reference. After adoption of this Resolution, the Finance Director of the City, or Finance Director’s designee, may make any necessary modifications to these Special Tax Rates to correct any errors, omissions or inconsistencies in the listing or categorization of parcels to be taxed or in the amounts to be charged to any category of parcels; provided, however, that any such modifications shall not result in an increase in the Special Tax applicable to any category of parcels and can only be made prior to the submission of the tax rolls to the County Auditor.
3. That the Finance Director is hereby designated and directed to prepare and submit a Certified Parcel List to the County Auditor on or before August 10, or such later date to which the County Auditor may agree, setting forth the amount of the Special Tax

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

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

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

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

**Exhibit "A"**

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

**Special Tax Rates for Fiscal Year 2021/22**

Land Use Categories	Description	Assigned Special Tax	Proposed Actual Special Tax*
Category 1**	Residential Property	\$0.39 per sq. ft.	\$0.26720 per sq. ft.
Category 2**	Other Property	\$2,861 per net acre	\$1,960.14 per net acre
Category 3	Undeveloped Property	\$3,290 per net acre	\$0.00 per net acre

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

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

## CITY COUNCIL STAFF REPORT

**Consent Item No. 5**

**July 21, 2021**

**File No. 0685-20**

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

DEPARTMENT: Finance Department

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2021-76, setting the Special Tax Levy for Community Facilities District No. 2006-01 (Eureka Ranch) (the "District") for Fiscal Year 2021-22.

FISCAL ANALYSIS:

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

PREVIOUS ACTION:

The City Council approved the establishment of Community Facilities District No. 2006-01 (Eureka Ranch) on September 27, 2006, and has annually adopted a resolution setting the annual Special Tax Levy. Prior year's Resolution No. 2020-77 was adopted on July 15, 2020.

BACKGROUND:

At the request of the property owner/developer and pursuant to the City's Statement of Goals and Policies Regarding the Establishment of Community Facilities Districts, Community Facilities District No. 2006-01 (Eureka Ranch) was formed and bonds were issued for the purpose of providing street, storm drain and sewer improvements as well as utility undergrounding within the Eureka Ranch development and East Valley Parkway area as authorized in Section 6 of the Resolution of Formation No. 2006-227 adopted in September of 2006. As required, the proceeds of the bonds were held in a separate account and used only for such authorized purposes. As of June 30, 2013, all proceeds were expended, and the projects completed. As of July 1, 2021, \$12,075,000 of principal remain outstanding and the bonds mature on September 1, 2036.

According to the Special Tax Report for Community Facilities District No. 2006-01 (Eureka Ranch), a Special Tax shall be levied annually on land within the District and collected in the same manner and at the same time as ordinary ad valorem property taxes. The City is responsible for annually



determining the Special Tax liability for each parcel within the District and for providing this information to the County of San Diego in August of every year.

A Maximum Special Tax Rate was established for developed residential property and undeveloped property. The amount of the Maximum Special Tax and Proposed Actual Special Tax for Fiscal Year 2021-22 is attached as Exhibit "A" to Resolution No. 2021-76.

A comparative analysis of the annual Special Tax Levy Calculation for Fiscal Year 2021-22 is presented on Attachment "1". As noted in the analysis, the 2021-22 Special Tax Levy requirement decreased by 0.26% in the amount of \$2,782.75 or an average of \$8.23 per parcel.

The delinquency contingency provision for the 2021-22 levy calculation increased by \$1,108.11. This increase was due to realization of an increase in the actual Fiscal Year 2020-21 delinquency rate (from 1.06% to 1.17%).

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

*Christina Holmes*, Director of Finance  
07/14/21 4:44 p.m.

ATTACHMENTS:

1. Attachment "1" CFD 2006-01 (Eureka Ranch) Special Tax Levy Comparative Analysis
2. Resolution No. 2021-76 Approving the Special Tax Rate for CFD 2006-01 (Eureka Ranch)
3. Resolution No. 2021-76 - Exhibit "A" Special Tax Rates for FY 2021-22

**City of Escondido CFD 2006-01 (Eureka Ranch)**  
**Analysis of Special Tax Levy Requirement (Fund 728)**  
**Tax Year 2021-22**

Description	Actuals		Estimated		Proposed /		Change from Prior Year	
	FY 2019-20		Actuals		Budget		\$	%
	FY 2019-20		FY 2020-21		FY 2021-22			
<b>Beginning Balance (07/01)</b>	\$792,360.88		\$798,782.26		\$817,302.77			
<b>Revenue</b>								
Special Taxes	1,058,899.98		1,086,579.32					
Interest	9,497.29		5,917.47					
	<u>\$1,068,397.27</u>		<u>\$1,092,496.79</u>		<u>\$0.00</u>			
<b>Expenditures</b>								
Cost of Bonded Indebtedness:								
Interest Due 09/01 Reported Fiscal Year	9/1/2019	284,650.00	9/1/2020	277,600.00	9/1/2021	268,000.00		
Principal Due 09/01 Reported Fiscal Year	9/1/2019	470,000.00	9/1/2020	480,000.00	9/1/2021	500,000.00		
Interest Due 03/01 Reported Fiscal Year	3/1/2020	277,600.00	3/1/2021	268,000.00	3/1/2022	258,000.00		
Interest Due 09/01 Pending Year Obligation					9/1/2022	258,000.00		
Principal Due 09/01 Pending year Obligation					9/1/2022	525,000.00		
Total Principal and Interest Due from Annual Levy	<u>\$1,032,250.00</u>		<u>\$1,025,600.00</u>		<u>\$1,809,000.00</u>			
Cost of Collection (Proposed Fiscal Year Shown at Maximum)	29,725.89		48,376.28		53,834.73			
Contingency for Delinquency (Proposed Current Year Only)	-		-		12,232.47			
	<u>\$29,725.89</u>		<u>\$48,376.28</u>		<u>\$66,067.20</u>			
Total Annual Expenditures	1,061,975.89		1,073,976.28		1,875,067.20			
<b>Ending Balance (6/30)</b>	<u>798,782.26</u>		<u>817,302.77</u>		<u>(1,057,764.43)</u>			
<b>Calculated Annual Special Tax Requirement</b>	<b>\$1,053,501.35</b>		<b>\$1,060,547.72</b>		<b>\$1,057,764.43</b>			
Approved / Proposed Levy as Allocated among 338 Parcels	<u>\$1,053,501.24</u>		<u>\$1,060,547.18</u>		<u>\$1,057,764.43</u>		<u>(\$2,782.75)</u>	-0.26%
Average Levy per Dwelling Unit	<u>\$3,116.87</u>		<u>\$3,137.71</u>		<u>\$3,129.48</u>		<u>(\$8.23)</u>	-0.26%

RESOLUTION NO. 2021-76

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ACTING AS LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2006-01 (EUREKA RANCH), PROVIDING FOR THE LEVY OF AN ANNUAL SPECIAL TAX FOR SUCH COMMUNITY FACILITIES DISTRICT FOR FISCAL YEAR 2021-22

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

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

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

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

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

1. That the above recitations are true.
2. That this legislative body hereby authorizes and provides for the levy of the Special Tax within the District on those Taxable Properties (as such term is defined in the Ordinance) within the District for Fiscal Year 2021-22 so long as the rates of such Special Tax are the same rates or lower rates than the rates provided for in the Ordinance. The Proposed Special Tax Rates for the District for Fiscal Year 2021-22 are contained on Exhibit “A” attached to this Resolution and incorporated by this reference. After adoption of this Resolution, the Finance Director of the City, or Finance Director’s designee, may make any necessary modifications to these Special Tax Rates to correct any errors, omissions or inconsistencies in the listing or categorization of parcels to be taxed or in the amounts to be charged to any category of parcels; provided, however, that any such modifications shall not result in an increase in the Special Tax applicable to any category of parcels and can only be made prior to the submission of the tax rolls to the County Auditor.
3. That the Finance Director is hereby designated and directed to prepare and submit a Certified Parcel List to the County Auditor on or before August 10, or such later date to which the County Auditor may agree, setting forth the amount of the Special Tax

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

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

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

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

**Exhibit "A"**

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

**Special Tax Rates for Fiscal Year 2021/22**

<b>Tax Class</b>	<b>Building Square Footage ("BSF")</b>	<b>Assigned Special Tax</b>	<b>Proposed Actual Special Tax*</b>
<b>Residential Property**:</b>			
Tax Class 1	> 3,600	\$1.214 per BSF	\$0.9261 per BSF
Tax Class 2	3,251 – 3,600	\$1.275 per BSF	\$0.9726 per BSF
Tax Class 3	2,851 – 3,250	\$1.350 per BSF	\$1.0298 per BSF
Tax Class 4	2,551 – 2,850	\$1.407 per BSF	\$1.0733 per BSF
Tax Class 5	≤ 2,550	\$1.526 per BSF	\$1.1641 per BSF
<b>Non-Residential Property**:</b>			
Tax Class 6	NA	\$20,750.00 per Acre	\$15,829.01 per Acre
Undeveloped Property	NA	\$20,750.00 per Acre	\$0.00 per Acre

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

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

# CITY COUNCIL STAFF REPORT

**Consent Item No. 6**

**July 21, 2021**

**File No. 0685-20**

SUBJECT: Setting Special Tax Levy for Community Facilities District No. 2020-2 (The Villages)

DEPARTMENT: Finance Department

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2021-78, setting the Special Tax Levy for Community Facilities District No. 2020-2 (The Villages) (the “District”) for Fiscal Year 2021-22.

FISCAL ANALYSIS:

A Special Tax will be levied annually on land within Community Facilities District No. 2020-2 (The Villages) and collected through the County of San Diego Treasurer-Tax Collector’s Office. The funds from the Special Tax will be used to meet the requirements established at the time of formation of the District.

PREVIOUS ACTION:

The Villages Project was approved by the City Council on November 15, 2017.

On June 12, 2019, the City Council adopted Resolution No. 2019-83, authorizing a Reimbursement Agreement to evaluate a request to form a Community Facilities District (“CFD”) for The Villages Project to fund public facilities.

On April 8, 2020, the City Council adopted Resolution No. 2020-25 declaring its intent to establish CFD No. 2020-2, The Villages Project CFD to fund public facilities.

On May 13, 2020, the City Council adopted Resolution No. 2020-45 approving the establishment of Community Facilities District No. 2020-2 (The Villages) and authorizing the Council to adopt annually a resolution setting the Special Tax Levy. This is the first year that Council will set this Special Tax Levy for The Villages CFD.

BACKGROUND:

A Community Facilities District (“CFD”) is a special taxing district that is formed at the request of a project proponent with the approval of the local jurisdiction. CFD's were established in State Government Code in 1982 (also referred to as the Mello-Roos Act) to provide an alternate method for

Special Tax Levy for Community Facilities District 2020-2 (The Villages)  
 July 21, 2021  
 Page 2

private property owners to finance the acquisition, construction and maintenance of certain public capital facilities, and/or to cover the related cost of ongoing services.

CFD No. 2020-2 was formed on May 13, 2020, to fund the public facilities fees associated with the Villages Project ("Project"), a development that includes 380 residential homes; recreational, social, and community amenities in a Village Center; and approximately 48.9 acres of permanent open space with active greenbelts and 3.5 acres of parks. The Project is currently under construction and it is anticipated that when the majority of the units are either under construction or completed the CFD bonds will be issued.

Under the Acquisition and Funding Agreement with Lennar Homes, approved on April 8, 2020, prior to the issuance of bonds the Assigned Special Tax rates are to be levied on all parcels classified as Developed Property. A lot located within the Project that has a Building Permit issued prior to March 1 of the previous fiscal year in which the Special Tax is being levied is classified as Developed Property. There are 216 developed lots in the Project that had building permits issued before March 1, 2021 that will be assessed the Special Tax Levy in FY2021/22. The special tax rate is governed by the Rate and Method of Apportionment of Special Tax ("RMA") established at the time CFD No. 2020-2 was formed. The Assigned Special Tax rate defined in the RMA is based on the Land Use Category of each property.

Shown below is a summary of the FY2021/22 Special Tax Rates by Land Use Category:

Land Use Category (Residential Property)	Developed Floor Area (square feet)	Building Permits	Assigned Special Tax	FY2021/22 Levy
1	> 3,199	14	\$2,793.78	\$39,112.92
2	2,950 to 3,199	15	2,711.16	40,667.40
3	2,700 to 2,949	15	2,618.34	39,275.10
4	2,450 to 2,699	16	2,516.34	40,261.44
5	2,200 to 2,449	18	2,406.18	43,311.24
6	1,950 to 2,199	41	2,132.82	87,445.62
7	1,700 to 1,949	14	2,109.36	29,531.04
8	1,450 to 1,699	60	1,921.68	115,300.80
9	< 1,450	23	1,804.38	41,500.74
		<b>216</b>		<b>\$476,406.30</b>

The Special Taxes received by the City will be deposited to a separate fund of the City to be used for annual administrative expenses and fund the authorized facilities or future bond debt service payments.



Special Tax Levy for Community Facilities District 2020-2 (The Villages)  
July 21, 2021  
Page 3

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

*Christina Holmes*, Director of Finance  
07/14/21 4:44 p.m.

ATTACHMENTS:

1. Resolution No. 2021-78 Approving the Special Tax Rate for CFD 2020-2 (The Villages)
2. Resolution No. 2021-78 – Exhibit "A" CFD 2020-2 (The Villages) Special Tax Levy Rates

RESOLUTION NO. 2021-78

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
ACTING AS LEGISLATIVE BODY OF  
COMMUNITY FACILITIES DISTRICT NO.  
2020-2 (THE VILLAGES), PROVIDING FOR  
THE LEVY OF AN ANNUAL SPECIAL TAX  
FOR SUCH COMMUNITY FACILITIES  
DISTRICT FOR FISCAL YEAR 2021-22

WHEREAS, the City Council of the City of Escondido, California (the “Legislative Body”), has initiated proceedings, held a public hearing, conducted an election, and received a favorable vote from the qualified electors to authorize the levy of a Special Tax in a Community Facilities District, all as authorized pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982,” being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Act”). This Community Facilities District is designated as Community Facilities District No. 2020-2 (The Villages) (the “District”); and

WHEREAS, this Legislative Body, by the adoption of the Ordinance No. 2020-11 (the “Ordinance”) pursuant to Section 53340 of the Government Code of the State of California, has authorized the levy of Special Taxes (as such term is defined in the Ordinance) within the District to finance authorized facilities; and

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

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

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, acting as the legislative body of Community Facilities District No. 2020-2 (The Villages), as follows:

1. That the above recitations are true.
2. That this legislative body hereby authorizes and provides for the levy of the Special Tax within the District on those Taxable Properties (as such term is defined in the Ordinance) within the District for Fiscal Year 2021-22 so long as the rates of such Special Tax are the same rates or lower rates than the rates provided for in the Ordinance. The Proposed Special Tax Rates for the District for Fiscal Year 2021-22 are contained on Exhibit “A” attached to this Resolution and incorporated by this reference. After adoption of this Resolution, the Finance Director of the City, or Finance Director’s designee, may make any necessary modifications to these Special Tax Rates to correct any errors, omissions or inconsistencies in the listing or categorization of parcels to be taxed or in the amounts to be charged to any category of parcels; provided, however, that any such modifications shall not result in an increase in the Special Tax applicable to any category of parcels and can only be made prior to the submission of the tax rolls to the County Auditor.
3. That the Finance Director is hereby designated and directed to prepare and submit a Certified Parcel List to the County Auditor on or before August 10, or such later date to which the County Auditor may agree, setting forth the amount of the Special Tax

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

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

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

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

**Exhibit "A"**

**City of Escondido  
 Community Facilities District No. 2020-2  
 (The Villages)**

**Special Tax Rates for Fiscal Year 2021-22**

Land Use Category	Developed Floor Area	Assigned Special Tax <sup>(1)(2)</sup>	Proposed Actual Special Tax <sup>(2)(3)</sup>
<b>Residential Property</b>			
1	> 3,199 sqft	\$2,793.78 per DU <sup>(4)</sup>	\$2,793.78 per DU <sup>(4)</sup>
2	2,950 to 3,199 sqft	\$2,711.16 per DU <sup>(4)</sup>	\$2,711.16 per DU <sup>(4)</sup>
3	2,700 to 2,949 sqft	\$2,618.34 per DU <sup>(4)</sup>	\$2,618.34 per DU <sup>(4)</sup>
4	2,450 to 2,699 sqft	\$2,516.34 per DU <sup>(4)</sup>	\$2,516.34 per DU <sup>(4)</sup>
5	2,200 to 2,449 sqft	\$2,406.18 per DU <sup>(4)</sup>	\$2,406.18 per DU <sup>(4)</sup>
6	1,950 to 2,199 sqft	\$2,132.82 per DU <sup>(4)</sup>	\$2,132.82 per DU <sup>(4)</sup>
7	1,700 to 1,949 sqft	\$2,109.36 per DU <sup>(4)</sup>	\$2,109.36 per DU <sup>(4)</sup>
8	1,450 to 1,699 sqft	\$1,921.68 per DU <sup>(4)</sup>	\$1,921.68 per DU <sup>(4)</sup>
9	< 1,450 sqft	\$1,804.38 per DU <sup>(4)</sup>	\$1,804.38 per DU <sup>(4)</sup>
<b>Non-Residential</b>			
10	NA	\$24,832.92 per Acre	\$24,832.92 per Acre
<b>Backup Special Tax</b>			
SUB16-009A	NA	\$2,713.61 per Lot	\$0.00 per Lot
SUB16-009B	NA	\$2,548.48 per Lot	\$0.00 per Lot
SUB16-009C	NA	\$2,084.97 per Lot	\$0.00 per Lot
<b>Undeveloped Property</b>			
NA	NA	\$24,832.92 per Acre	\$0.00 per Acre

- (1) The Assigned Special Tax Rates have been increased by 2% from the tax rates established at the time of formation in accordance with the formation documents.
- (2) Special Tax Rates shown above have been rounded to decimals shown, actual tax rates are not rounded.
- (3) The Proposed Actual Special Tax shown above is the authorized levy for the current fiscal year. The submitted actual levy may be reduced as directed by the Finance Director.
- (4) Dwelling unit or "DU" is as defined in the formation documents.

## CITY COUNCIL STAFF REPORT

**Consent Item No. 7**

**July 21, 2021**

**File No. 0685-20**

SUBJECT: Setting Special Tax Levy for Community Facilities District No. 2020-1 (Public Services)

DEPARTMENT: Finance Department

RECOMMENDATION:

It is recommended that the City Council adopt Resolution No. 2021-77, setting the Special Tax Levy for Community Facilities District No. 2020-1 ("Public Services CFD") for Fiscal Year 2021-22.

FISCAL ANALYSIS:

A special tax is levied annually on real property within the Community Facilities District No. 2020-1 and is collected through the County of San Diego Treasurer-Tax Collector's Office. The proceeds from the special tax are used to provide public services including public safety, maintenance, administration, community development and services provided by the City.

PREVIOUS ACTION:

On January 15, 2020, the City Council adopted Resolution No. 2020-2, directing staff to prepare documents necessary to consider the formation of a Community Facilities District to offset ongoing municipal costs of services resulting from new development.

On April 8, 2020, the City Council adopted Resolution No. 2020-24 declaring its intent to establish Community Facilities District ("CFD") No. 2020-1, a CityWide CFD to fund municipal services required for new development.

On May 13, 2020, the City Council adopted Resolution No. 2020-44 approving the establishment of Community Facilities District No. 2020-1 ("Public Services CFD") and authorizing the Council to adopt annually a resolution setting the Special Tax Levy.

BACKGROUND:

As a part of the City's ongoing efforts to address projected budget shortfalls, the City contracted with Keyser Marston Associates, Inc. ("KMA") on January 15, 2020, to complete a Fiscal Impact Analysis ("FIA") for new residential development. KMA reviewed the City's FY 2019/20 budget to determine the per capita cost of providing municipal services for new residential development involving Police, Fire, Public Works, Community Services, and General Services (support departments).

The FIA determined that the per capita cost of providing municipal services for new residential development exceeds the anticipated revenue received, including property taxes, property tax in lieu of Vehicle License Fees ("VLF"), intergovernmental, property transfer tax, fines, forfeitures, permits, licenses, and sales tax generated by new residents. Based on these findings, the current structural budget deficit is anticipated to increase with each new residential development project.

On May 13, 2020, CFD No. 2020-1 was formed and established a CityWide Public Services CFD with the goal of making new development revenue neutral. The Public Services CFD provides a streamlined way for projects to offset their impact to ongoing public services through a special tax levied on the annual property tax bill. Voluntary annexation of a development to the Public Services CFD occurs by resolution of the City Council.

The special tax rate is governed by the Rate and Method of Apportionment of Special Tax ("RMA") established at the time CFD No. 2020-1 was formed. The special tax rates were calculated at the time of formation based on the cost of providing public services, less revenue generated by the development for various classifications of residential property, or Land Use Category. The projected annual costs of Public Services provided to CFD No. 2020-1 were between \$536 and \$783 per residential dwelling unit in 2020 dollars. The special tax rates for the Public Services CFD escalates at the maximum rate of inflation as determined by the Consumer Price Index and at the minimum rate of 2% per year. The applicable increase for the current year is 2%.

The City's cost of providing municipal services, including Police, Fire, Public Works, Community Services, and General Services, has increased since the special tax rates were calculated in FY2019/20. The FY2021/22 General Fund Operating Budget increased by 6% compared to the prior fiscal year while projected Operating Revenue increased by 3%, a net increase in operating costs of 3%. In addition, the FY2021/22 General Fund Operating Budget does not account for the unfunded annual maintenance costs totaling approximately \$7.4 million for CityWide parks, streets, building, and fleet maintenance/replacement. As a result of the increasing costs of providing municipal services, the proposed special tax rates listed in Exhibit "A" to Resolution No. 2021-77 have been increased by the minimum 2% from the tax rates established at the formation of CFD No. 2020-1.

Prior to July 30 of each year, the special tax levy will be set by the City Council for all properties within the Public Services CFD that have received a building permit as of March 1 of that year. There are 216 developed lots located in The Villages Project that had building permits issued before March 1, 2021, that will be assessed the Special Tax Levy in FY2021/22.

Shown below is a summary of the proposed FY2021/22 Special Tax levy by Land Use Category:

<b>Land Use Category</b>	<b>Density</b>	<b>Building Permits</b>	<b>Proposed Special Tax Rate</b>	<b>Proposed FY2021/22 Levy</b>
1	Less than 5.5 DU/Acre	-	\$546.72	-
2	5.5 to less than 18 DU/Acre	216	\$757.86	\$196,285.74
3	18.0 to less than 30 DU/Acre	-	\$739.50	-
4	30 DU/Acre or Greater	-	\$798.66	-

The services to be funded through the Public Services CFD include public safety, maintenance, and administrative expenses for services provided by the City.

**APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:**

*Christina Holmes*, Director of Finance  
 07/14/21 4:44 p.m.

**ATTACHMENTS:**

1. Resolution No. 2021-77 Approving the Special Tax Rate for CFD 2020-1 (Public Services)
2. Resolution No. 2021-77 – Exhibit A Special Tax Rates for FY 2021-22



RESOLUTION NO. 2021-77

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
ACTING AS LEGISLATIVE BODY OF  
COMMUNITY FACILITIES DISTRICT NO.  
2020-1 (PUBLIC SERVICES), PROVIDING  
FOR THE LEVY OF AN ANNUAL SPECIAL  
TAX FOR SUCH COMMUNITY FACILITIES  
DISTRICT FOR FISCAL YEAR 2021-22

WHEREAS, the City Council of the City of Escondido, California (the “Legislative Body”), has initiated proceedings, held a public hearing, conducted an election, and received a favorable vote from the qualified electors to authorize the levy of a Special Tax in a Community Facilities District, all as authorized pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982,” being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Act”). This Community Facilities District is designated as Community Facilities District No. 2020-1 (Public Services) (the “District”); and

WHEREAS, this Legislative Body, by the adoption of the Ordinance No. 2020-1 (the “Ordinance”) pursuant to Section 53340 of the Government Code of the State of California, has authorized the levy of Special Taxes (as such term is defined in the Ordinance) within the District to finance authorized facilities; and

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

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

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, acting as the legislative body of Community Facilities District No. 2020-1 (“Public Services”), as follows:

1. That the above recitations are true.
2. That this legislative body hereby authorizes and provides for the levy of the Special Tax within the District on those Taxable Properties (as such term is defined in the Ordinance) within the District for Fiscal Year 2021-22 so long as the rates of such Special Tax are the same rates or lower rates than the rates provided for in the Ordinance. The Proposed Special Tax Rates for the District for Fiscal Year 2021-22 are contained on Exhibit “A” attached to this Resolution and incorporated by this reference. After adoption of this Resolution, the Finance Director of the City, or Finance Director’s designee, may make any necessary modifications to these Special Tax Rates to correct any errors, omissions or inconsistencies in the listing or categorization of parcels to be taxed or in the amounts to be charged to any category of parcels; provided, however, that any such modifications shall not result in an increase in the Special Tax applicable to any category of parcels and can only be made prior to the submission of the tax rolls to the County Auditor.
3. That the Finance Director is hereby designated and directed to prepare and submit a Certified Parcel List to the County Auditor on or before August 10, or such later date to which the County Auditor may agree, setting forth the amount of the Special Tax

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

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

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

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

## Exhibit "A"

### City of Escondido Community Facilities District No. 2020-1 (Services)

#### Special Tax Rates for Fiscal Year 2021-22 Applicable to all Zones Annexed as of March 1, 2021

Land Use Category	Density	Unit	Maximum Special Tax <sup>(1)(2)</sup>	Proposed Actual Special Tax <sup>(2)(3)</sup>
1	Less than 5.5 DU/Acre	DU	\$546.72	\$546.72
2	5.5 to less than 18 DU/Acre	DU	\$757.86	\$757.86
3	18.0 to less than 30 DU/Acre	DU	\$739.50	\$739.50
4	30 DU/Acre or Greater	DU	\$798.66	\$798.66

- (1) The Assigned Special Tax Rates have been increased by the greater of the Index or 2% from the tax rates established at the time of formation in accordance with the formation documents.
- (2) Special Tax Rates shown above have been rounded to decimals shown, actual tax rates are not rounded.
- (3) The Proposed Actual Special Tax shown above is the authorized levy for the current fiscal year. The submitted actual levy may be reduced as directed by the Finance Director.
- (4) Dwelling unit or "DU" is as defined in the formation documents.

## CITY COUNCIL STAFF REPORT

**Consent Item No. 8**

**July 21, 2021**

**File No. 0480-40**

SUBJECT: Establishing the Property Tax Rate and Fixed Charge Assessments for General Obligation Bonded Indebtedness

DEPARTMENT: Finance Department

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2021-79 to establish the property tax rate and fixed charge assessments for bonded indebtedness for Fiscal Year 2021-22.

FISCAL ANALYSIS:

A total of \$4,805,750 will be needed for the annual debt service payments for the General Obligation Bonds. This represents \$1,265,375 due in March 2022 and \$3,540,375 due in September 2022.

PREVIOUS ACTION:

The City Council certified the results of the November 2, 2004, election approving Proposition P on December 1, 2004. On July 12, 2006, the City Council authorized the issuance and sale of the General Obligation Bonds. The Bonds provided financing for the construction of three new fire stations, a replacement of Fire Station 1, and a combined Police and Fire Headquarters Facility.

The City of Escondido General Obligation Bonds, Election of 2004, Series A (Fire, Police, and Emergency Response Measure) were refunded on June 9, 2015 by the issuance of the General Obligation Refunding Bonds Series 2015. The Bonds mature on September 1, 2036.

BACKGROUND:

General Obligation Bonds are secured by the legal obligation to levy an ad valorem property tax upon taxable property within the City in an amount sufficient to pay the yearly debt service (principal and interest) payment. The debt service payment for March 2022 is \$1,265,375 and the debt service payment for September 2022 is \$3,540,375. The City is required to set a tax rate to meet these financial obligations. The assessed value for property in Escondido is used as the basis for applying the levy to taxable properties.

The starting point for calculating the property tax levy is the current year taxable assessed value. To this assessed value amount, a delinquency factor is applied. The City's fiscal year 2020-21 delinquency rates for secured and unsecured property are estimated to be 0.50 percent and 2.18

Property Tax Rate for General Obligation Bonds  
 July 21, 2021  
 Page 2

percent, respectively, and the five-year average delinquency rates were 0.92 percent and 1.81 percent.

For Fiscal Year 2021-22, the City has used a 3 percent delinquency factor in calculating the property tax rate for both secured and unsecured property. This rate is an increase from the prior year factor, taking into account the last fiscal year of increasing delinquency rates while still providing a conservative provision for estimated fiscal year 2021-22 delinquencies. The delinquency factors used in calculation of the property tax rate for the past five tax years 2016-17 to 2020-21 were 2.5 percent, 3.5 percent, 2.5 percent, 2.5 percent, and 3.0 percent respectively.

The County of San Diego has provided to the City the estimated 2021-22 Fiscal Year assessed valuations to be used for the tax rate computation. A two-year comparison of the City's secured and unsecured assessed valuations, as adjusted by the applicable annual delinquency factor, is shown below. The net collectible assessed valuations increased by approximately 3.2 percent. This increase in net collectible assessed value will cause a decrease in the calculated property tax rate for fiscal year 2021-22.

Description	FY 2020-21	FY 2021-22	% Increase (Decrease) in Valuation
Secured Assessed Valuation	\$17,253,142,377.00	\$17,931,895,126.00	
Less Delinquency Factor	(517,594,271.31)	(537,956,853.78)	
Net Collectible Secured	16,735,548,105.69	17,393,938,272.22	3.09%
Unsecured Assessed Valuation	583,387,537.00	466,412,368.00	
Less Delinquency Factor	(17,501,626.11)	(13,992,371.04)	
Net Collectible Unsecured	565,885,910.89	452,419,996.96	(20.1%)
<b>TOTAL ALL NET COLLECTIBLE</b>	<b>\$17,301,434,016.58</b>	<b>\$17,846,358,269.18</b>	<b>3.2%</b>

The property tax rate calculation takes into account any additional financial resources in the Debt Service Fund that may be used to reduce the amount of tax levy needed, including investment interest received, fund balance, penalties and interest received on delinquent property tax receipts, and other miscellaneous taxable revenue.

In order to collect the required debt service, the property tax rate will be set at 0.02065 per \$100 of assessed value. This represents \$20.65 per \$100,000 of assessed value, resulting in a decrease of \$2.39 when compared to last year's property tax rate of \$23.04.

During the November 2, 2004 election, the ballot measure provided to the citizens of Escondido estimated that the average annual tax rate over the life of the bonds would be \$33.44 for \$100,000 of assessed valuation for single family homes, based on a 3 percent annual growth rate in secured assessed valuations.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

*Christina Holmes*, Director of Finance  
07/14/21 4:44 p.m.

ATTACHMENTS:

1. Resolution No. 2021-79
2. Resolution No. 2021-79 – Exhibit “A” Certificate and Calculation of Property Tax Rate for 2020-21

RESOLUTION NO. 2021-79

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
ESTABLISHING THE PROPERTY TAX RATE  
AND FIXED CHARGE ASSESSMENTS FOR  
BONDED INDEBTEDNESS FOR FISCAL  
YEAR 2021-22

WHEREAS, the City Council of the City of Escondido desires to establish the rate of property tax required to generate an amount of revenue from the tax base to provide sufficient moneys to pay debt service on the voter approved bonded indebtedness payable during the fiscal year ending June 30, 2022; and

WHEREAS, the total net taxable secured assessed valuation of the City of Escondido is now estimated at \$17,931,895,126 full value; and

WHEREAS, the total net taxable unsecured assessed valuation of the City of Escondido is now estimated at \$466,412,368 full value.

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

1. That the above recitations are true.
2. That the property tax rate within the City for the City of Escondido General Obligation Refunding Bonds, Series 2015 (Fire, Police, and Emergency Response Measure) for the fiscal year ending June 30, 2022, be and hereby is established at \$0.02065 per \$100 assessed value.



3. That the City Manager and the Director of Finance are each hereby directed and authorized to take any and all actions necessary to ensure that such property tax rate is enrolled with the County of San Diego Auditor & Controller, including, but not limited to, filing the Tax Amount Rate Certificate which is attached hereto as Exhibit "A" and is incorporated by this reference.

**\$61,520,000**  
**CITY OF ESCONDIDO**  
**San Diego County, California**  
**General Obligation Refunding Bonds, Series 2015**  
**(Fire, Police and Emergency Response Measure)**

I, Christina Holmes, hereby certify that I am the Finance Director of the City of Escondido (the "City"), and as such I am authorized to execute this certificate on behalf of the City.

I hereby further certify that in connection with the City's \$61,520,000 General Obligation Refunding Bonds, Series 2015 (Fire, Police and Emergency Response Measure) the City Council has adopted the attached Resolution No. 2021-79 establishing the tax rate and fixed charge assessments for bonded indebtedness for 2021-22 and attached herewith is the summary for the calculation of the property tax rate for 2021-22.

IN WITNESS WHEREOF, I hereunto set my hand this 21st day of July, 2021.

CITY OF ESCONDIDO

By:

---

Christina Holmes, Director of Finance

**City of Escondido  
 General Obligation Refunding Bonds, Series 2015  
 Calculation of Debt Service Requirements  
 Fiscal Year 2021-22**

Description	Delinquency Rate at 3.00%	FY 21-22 Tax Rate Calculation
<b>Resources Required:</b>		
Annual Debt Service Payments:		
March 2022	\$ 1,265,375.00	
September 2022	3,540,375.00	
<b>Total Required</b>		<b>\$ 4,805,750.00</b>
<b>Resources Available:</b>		
Cash as of June 30, 2021	4,559,596.75	
Debt Service Payment, September 2021	(3,484,500.00)	
Payment of Trustee Fees	(1,000.00)	
Consultant Fees	(3,050.00)	
Remaining Cash Resources after next Debt Service Payment	1,071,046.75	
FY 20-21 Property Tax Revenue Apportionment #13, not yet recorded in G/L (estimated)	38,157.86	
<b>Total Resources Available for FY 21-22 Debt Service Payments</b>		<b>1,109,204.61</b>
<b>Net FY 21-22 Tax Revenues needed for Debt Service Requirement</b>		<b>3,696,545.39</b>
<b>Unsecured Calculation:</b>		
FY 21-22 Taxable Unsecured Assessed Valuation for the City - without Homeowners Exemptions	466,412,368.00	
Delinquency Factor	(13,992,371.04)	
Estimated Net Collectible Unsecured Assessed Valuation	452,419,996.96	
FY 20-21 Tax Rate Per \$100 of Net Assessed Value	0.023040	
<b>Total Unsecured times Tax Rate divided by \$100</b>		<b>104,237.57</b>
<b>Total Remaining FY 21-22 Debt Service Coverage Requirement to be Levied against Secured Property</b>		<b>\$ 3,592,307.83</b>
<b>Secured Calculation:</b>		
FY 21-22 Taxable Secured Assessed Valuation for the City - without Homeowners Exemptions	17,931,895,126.00	
Delinquency Factor	(537,956,853.78)	
Estimated Net Collectible Secured Assessed Valuation	17,393,938,272.22	
<b>Net FY 21-22 Collectible Taxable Secured Assessed Valuation divided by \$100</b>		<b>\$173,939,382.72</b>
<b>FY 21-22 Tax Rate per \$100 of Net Assessed Value</b>		<b>0.02065</b>



## CITY COUNCIL STAFF REPORT

**Consent Item No. 9**

**July 21, 2021**

**File No. 0600-10, A-3374**

**SUBJECT:** Amendment and Novation Agreement and Authorization to Examine Sales and Use Tax Records from the California Department of Tax and Fee Administration

**DEPARTMENT:** Finance Department

**RECOMMENDATION:**

It is requested that the City Council adopt Resolution No. 2021-101, Authorizing the Examination of Sales and Use Tax Records, and approve the amendment and novation agreement with Municipal Resource Consultants and MuniServices, LLC.

**FISCAL ANALYSIS:**

There is no financial impact associated with the consideration and adoption of this Resolution. The Amendment and Novation agreement updates the records of the California Department of Tax and Fee Administration, and updates the authorized designated list of City employees by title that will be allowed to examine sales and use tax records of the California Department of Tax and Fee Administration.

**BACKGROUND:**

The State of California Revenue and Taxation Code Section 7056 authorizes the examination of confidential sales and use tax data to officers or employees of local jurisdictions who are designated by resolution of the legislative body of the jurisdiction. The review of confidential information is governed by state law and sets certain requirements and conditions for the disclosure of sales and use tax records. State law also establishes criminal penalties for the unlawful disclosure of sales and use tax information.

On September 26, 1973, the City Council adopted Ordinance No. 73-47 allowing the City to contract with the State Board of Equalization, now the California Department of Tax and Fee Administration ("CDTFA"), to perform all functions incident to the administration and collection of sales and use taxes.

On February 24, 1993, the City Council adopted Resolution No. 93-63 authorizing the examination of sales and use tax records by the City Manager or other officer or employee of the City as designated in writing by the City Manager to the State Board of Equalization. The 1993 Resolution also authorized Municipal Resource Consultants, as a representative of the City, to examine confidential sales and use tax records.

Municipal Resource Consultants continues to provide services for the analysis and reporting of the City's sales and use tax records collected for the City by the CDTFA. Through acquisition, the

Municipal Resource Consultants company name has varied at times; however, MuniServices LLC is and always has been the registered legal entity for sales tax examination purposes. For that reason, the CDTFA issued a ruling that any contracts and/or resolutions that do not reference the company name of MuniServices LLC must be corrected. CDTFA Legal has agreed that this can be done with a contract novation agreement referencing the City's existing contract, which they have approved.

With the attached Amendment and Novation Agreement, the Assuming Party (MuniServices, LLC) becomes entitled to all rights, title, and interest of the Assigning Party (Municipal Resource Consultants). With City Council's approval, this document will be forwarded to the CDTFA to be placed on record.

This adopting resolution further formalizes the following staff positions that have access to the data on behalf of the City and their ability to work with the CDTFA:

- Assistant City Manager
- Deputy City Manager
- City Attorney
- Director of Finance
- Deputy Director of Economic Development

By listing the names in the resolution itself rather than authorizing position titles via letter of designation, the City's permanent record includes all of the authorized titles which allows for ease of update and more accurate recordkeeping. The proposed resolution also authorizes the City Manager to send letters of designation should additional positions need to be authorized to examine records.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

*Christina Holmes*, Director of Finance

07/14/21 4:44 p.m.

ATTACHMENTS:

1. Resolution No. 2021-101, Authorizing the Examination of Sales and Use Tax Records
2. Resolution No. 2021-101, Exhibit "A" – Amendment and Novation Agreement

RESOLUTION NO. 2021-101

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AUTHORIZING THE EXAMINATION OF  
SALES AND USE TAX RECORDS

WHEREAS, pursuant to Ordinance Number 73-47, the City of Escondido (“City”) entered into a contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and collection of sales and use taxes; and

WHEREAS, pursuant to Revenue and Taxation Code section 7270, the City entered into a contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and collection of transactions and use taxes; and

WHEREAS, the City Council of the City of Escondido deems it desirable and necessary for authorized officers, employees and representatives of the City to examine confidential sales or transactions and use tax records of the Department pertaining to sales and use taxes collected by the Department for the City pursuant to that contract; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Department records, and Section 7056.5 of the California Revenue and Taxation Code establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales or transactions and use tax records of the Department.

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 Assistant City Manager, Deputy City Manager, City Attorney, Director of Finance, and Deputy Director of Economic Development, or other officer or employee of the City designated in writing by the City Manager to the California Department of Tax and Fee Administration is hereby appointed to represent the City with authority to examine sales or transactions and use tax records of the Department pertaining to sales and use taxes collected for the City by the Department pursuant to the contract between the City and the Department.
3. The information obtained by examination of Department records shall be used only for purposes related to the collection of City sales and use taxes by the Department pursuant to that contract.
4. That MuniServices, LLC is hereby designated to examine the sales or transactions and use tax records of the Department pertaining to sales and use taxes collected for the City by the Department. The person or entity designated by this section meets all of the following conditions, which are also included in the contract between the City and MuniServices, LLC:
  - a) has an existing contract with the City to examine those sales or transactions and use tax records;

- b) is required by that contract to disclose information contained in, or derived from, those sales or transactions and use tax records only to the officer or employee authorized under Section 1 of this resolution to examine the information.
- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract;
- d) is prohibited by that contract from retaining the information contained in, or derived from those sales or transactions and use tax records, after that contract has expired.

5. That MuniServices, LLC is hereby designated to examine the sales or transactions and use tax records of the Department pertaining to any petition or appeal for the reallocation/redistribution of sales or transactions and use taxes that was filed by MuniServices, LLC on behalf of the City pursuant to the contract between the MuniServices, LLC and City. The person or entity designated by this section meets all of the following conditions, which are also included in the contract between the City and the MuniServices, LLC.:

- a) has an existing contract with the City to examine those sales or transactions and use tax records;
- b) is required by that contract to disclose information contained in, or derived from, those sales or transactions and use tax records only to the officer or employee authorized under Section 1 of this resolution to examine the information.



- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract;
- d) is prohibited by that contract from retaining the information contained in, or derived from those sales or transactions and use tax records, after that contract has expired.

6. That this resolution supercedes all prior resolutions of the City Council of the City of Escondido adopted pursuant to subdivision (b) of Revenue and Taxation Code section 7056.

7. That the Mayor is authorized to execute, on behalf of the City, an Amendment and Novation Agreement between Municipal Resource Consultants (the Assigning Party), and MuniServices, LLC (the Assuming Party), and the City of Escondido (the Remaining Party), which is attached to this Resolution as Exhibit "A" and is incorporated by this reference.

AMENDMENT AND NOVATION AGREEMENT AMONG  
MUNICIPAL RESOURCE CONSULTANTS  
AND  
MUNISERVICES, LLC  
AND  
CITY OF ESCONDIDO

THIS AMENDMENT AND NOVATION AGREEMENT (the "Novation") is made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2021 ("Effective Date"), by and among Municipal Resource Consultants, a Delaware limited liability company with offices located at 5680 Trinity Parkway, Suite 120, Centreville, VA 20120 (the "Assigning Party"); MuniServices, LLC, a Delaware limited liability company with offices located at 5680 Trinity Parkway, Suite 120, Centreville, VA 20120 (the "Assuming Party"); and the City of Escondido, a California municipal corporation with offices located at 201 North Broadway, Escondido, CA 92025 ("Remaining Party"). The Assigning Party, Assuming Party, and Remaining Party are collectively referred to herein as the "Parties."

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

- 1) The Parties intend that this Novation serves to amend that certain "Consulting Agreement" between Assigning Party and Remaining Party entered into on February 24, 1993 for professional services regarding the examination of sales and use tax records (the "Agreement," attached hereto as Exhibit A).
- 2) The Assuming Party shall be substituted for the Assigning Party. The Remaining Party recognizes Assuming Party as Assigning Party's successor-in-interest in and to the Agreement. By this Agreement, the Assuming Party becomes entitled to all rights, title, and interest, and is subject to all obligations, of the Assigning Party, with respect to the Agreement as of and after the Effective Date. Remaining Party and Assuming Party shall be bound by the terms of the Agreement in every way as if Assuming Party is named in the novated Agreement in place of Assigning Party as a party thereto.
- 3) This Novation may be executed on separate counterparts that, upon completion, may be assembled into and shall be construed as one document. Delivery of an executed signature page of this Novation by electronic means, including an attachment to an email, shall be effective as delivery of an executed original.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the Parties hereto have executed this Novation as of the Effective Date.

**ASSUMING PARTY**

MUNISERVICES, LLC

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ASSIGNING PARTY**

MUNICIPAL RESOURCE CONSULTANTS

By \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**REMAINING PARTY**

CITY OF ESCONDIDO

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

Name: Paul McNamara

Title: Mayor

EXHIBIT A  
Assigned Agreement

RESOLUTION NO. 93-63

A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF ESCONDIDO AUTHORIZING EXAMINATION  
OF SALES AND USE TAX RECORDS

WHEREAS, Pursuant to Ordinance 73-47, the City of Escondido entered into a contract with the State Board of Equalization to perform all functions incident to the administration and collection of local sales and use taxes; and

WHEREAS, the City Council of the City of Escondido deems it desirable and necessary for authorized representatives of the City to examine confidential sales and use tax records of the State Board of Equalization pertaining to sales and use taxes collected by the Board for the City pursuant to that contract; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Board records, and establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, sales and use tax records of the Board;

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

1. That the City Manager, or other officer or employee of the City designated in writing by the City Manager to the State Board of Equalization (hereafter referred to as Board), is hereby appointed to represent the City with authority to examine sales and use tax records of the Board pertaining to sales and use taxes collected for the City by the Board pursuant to the contract between the City and the Board. The information obtained by examination of Board records shall be used only for purposes related to the collection of City sales and use Taxes by the Board pursuant to that contract.

2. That the City Manager, or other officer or employee of the City designated in writing by the City Manager to the Board, is hereby appointed to represent the City with authority to examine those sales and use tax records of the Board, for purposes related to the following governmental functions of the City:

To determine revenues available to the City for General Fund purposes, such as Public Safety, Parks and Recreation, and Governmental Administration.

The information obtained by examination of Board records shall be used only for those governmental functions of the City listed above.

3. That Municipal Resource Consultants is hereby designated to examine the sales and use tax records of the Board pertaining to sales and use taxes collected for the City by the Board. The person or entity designated by this section meets all of the following conditions:

- (a) has an existing contract with the City to examine those sales and use tax records.
- (b) is required by that contract to disclose information contained in, or derived from, those sales and use tax records only to the officer or employee authorized under Section 1 (or section 2) of this resolution to examine the information.
- (c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract; and
- (d) is prohibited by that contract from retaining the information contained in, or derived from those sales and use tax records, after that contract has expired.

The information obtained by examination of Board records shall be used only for purposes related to the collection of City sales and use taxes by the Board pursuant to the contract between the City and the Board (and for purposes relating to the governmental functions of the City listed in section 2 of this resolution).

PASSED, ADOPTED AND APPROVED by the City Council of the City of Escondido at a regular meeting thereof this 24th day of February, 1993, by the following vote to wit:


AYES : Councilmembers: CAMERON, FOSTER, HARMON, HOLLINS,  
HOLT PFEILER  
NOES : Councilmembers: NONE  
ABSENT : Councilmembers: NONE

APPROVED:



JERRY HARMON, Mayor of the  
City of Escondido, California

ATTEST:

  
JEANNE BUNCH, City Clerk of the  
City of Escondido, California

**RESOLUTION NO. 92-306**

**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, AN AGREEMENT WITH MUNICIPAL RESOURCE CONSULTANTS AND DESIGNATING MUNICIPAL RESOURCE CONSULTANTS AS THE AUTHORIZED CITY REPRESENTATIVE TO EXAMINE SALES AND USE TAX RECORDS**

WHEREAS, pursuant to California Revenue and Taxation Code section 7200, et seq., the City of Escondido has adopted a sales and use tax ordinance (Escondido Municipal Code Section 25-17) which imposes a tax and provides a measure therefore that can be administered and collected by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes; and

WHEREAS, pursuant to California Revenue and Taxation Code section 7056, the City of Escondido, by resolution, may designate any officer, employee or any other person to examine all of the sales and use tax records of the Board pertaining to sales and use taxes collected for the City; and

WHEREAS, the City of Escondido desires to enter into an agreement for sales tax audit and information services with the firm of Municipal Resource Consultants, a partnership of John T. Austin, Inc. and Allen W. Charkow, Inc. (hereinafter "Consultant"); and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to designate Municipal Resource Consultants as the authorized City representative to examine sales and use tax records maintained by the Board on behalf of the City of Escondido.

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 in all respects as set forth above, the City Council hereby certifies to the State Board of Equalization that Municipal Resource Consultants is the designated representative of the City of Escondido to examine all of the sales and use tax records of the Board pertaining to sales and use taxes collected by the Board on behalf of the City of Escondido.

3. The Mayor and City Clerk are authorized to execute, on behalf of the city, an Agreement with Municipal Resource Consultants to examine sale and use tax records as the authorized City representative. A copy of the Agreement is attached as Exhibit "1" and is incorporated by this reference.

306.DOC

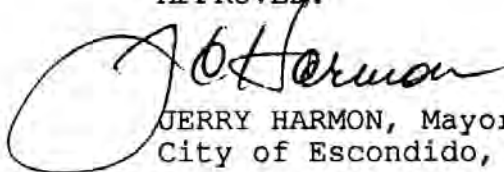
PASSED, ADOPTED AND APPROVED by the City Council of the City of Escondido at a regular meeting thereof this 15th day of July, 1992, by the following vote to wit:

AYES : Councilmembers: CAMERON, FOSTER, HARMON, HOLLINS  
HOLT PFEILTER

NOES : Councilmembers: NONE

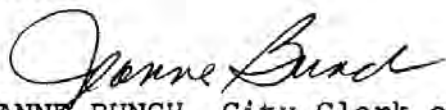
ABSENT : Councilmembers: NONE

APPROVED:



JERRY HARMON, Mayor of the  
City of Escondido, California

ATTEST:



JEANNE BUNCH, City Clerk of the  
City of Escondido, California

Exhibit "1"  
To Reso. 92-306  
page 1 of 53

**CONSULTING AGREEMENT**

This Agreement made as of this \_\_\_\_\_ day of \_\_\_\_\_, 1992.

Between: CITY OF ESCONDIDO  
a municipal corporation  
Civic Center Plaza  
Escondido, California 92025  
("CITY")

And: MUNICIPAL RESOURCE CONSULTANTS  
\_\_\_\_\_  
\_\_\_\_\_  
("CONSULTANT")

**WITNESSES THAT WHEREAS:**

- A. It has been determined to be in the CITY'S best interest to retain the professional services of a consultant to examine sales and use tax records;
- B. CONSULTANT is considered competent to perform the necessary professional services for CITY;

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

- 1. CONSULTANT shall furnish all of the services as described in Exhibit "A" which is attached and incorporated by this reference.
- 2. CITY shall compensate CONSULTANT in the amount and pursuant to the conditions contained in Exhibit "A", which is attached and incorporated by this reference.

3. CONSULTANT shall be responsible for the professional quality, technical accuracy, timely completion, and coordination of all reports and other services furnished by the CONSULTANT under this Agreement, except that the CONSULTANT shall not be responsible for the accuracy of information supplied by the CITY.
4. CONSULTANT shall provide and maintain in full force and effect while operating under this Agreement a comprehensive liability insurance policy which shall include bodily injury, and property damage coverage of \$1,000,000 combined single limit, automobile liability insurance with limits of \$1,000,000; worker's compensation insurance with limits of coverage as prescribed by law, and an Errors and Omissions professional liability policy with a minimum limit of coverage of \$1,000,000. All policies except the worker's compensation and the Errors and Omissions shall name the CITY as additional insured and shall be in form satisfactory to the City Attorney. The failure to provide and maintain insurance shall be a material breach of this Agreement.
5. CONSULTANT hereby indemnifies and holds harmless CITY and its agents and employees from any and all liability or claim of liability, including attorney fees, arising by reason of personal injury, death or property damage and resulting from CONSULTANT'S negligent acts, errors, or omissions in the performance of this Agreement.
6. All original documents, drawings and other material prepared by CONSULTANT under this Agreement, shall become the exclusive property of the CITY and shall not be used in any manner without prior consent of the CITY. Any reuse of such documents, drawings, and other material by the CITY on any project other than covered by the Scope of Services as described as Exhibit "A", shall be at CITY'S sole risk, and without liability of CONSULTANT.

7. The performance of services under this Agreement by certain professionals is significant to the CITY. CONSULTANT shall assign the persons listed on Exhibit "A" to perform the professional services in Exhibit "A", and shall not add or remove persons from the list without the written consent of the CITY. CONSULTANT shall not subcontract any tasks under this Agreement without obtaining advance written approval of the CITY.
8. CONSULTANT shall not assign or transfer any interest in this Agreement without the prior written consent of CITY, and any attempt to do so shall render this Agreement null and void.
9. CONSULTANT shall be compensated for performance of tasks specified in Exhibit "A" only. No compensation will be provided for tasks performed beyond those enumerated in Exhibit "A" without specific written authorization provided by CITY. Such authorization must be provided prior to commencing work beyond the scope of Exhibit "A." Under no circumstances will compensation be provided for work that has not received specific written approval prior to its commencement.
10. Either CONSULTANT or CITY may terminate this Agreement with thirty (30) days advance written notice.
11. This Agreement and its Exhibits are the entire understanding of the parties, and there are no other terms or conditions, written or oral, controlling this matter. In the event of any conflict between the provisions of this Agreement and any of its Exhibits, the provisions of this Agreement shall prevail.
12. This Agreement shall be governed by the laws of the State of California.

13. CONSULTANT is an independent contractor and no agency relationship, either express or implied, is created by the execution of this Agreement.

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

CITY OF ESCONDIDO

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

\_\_\_\_\_  
Jerry C. Harmon, Mayor

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

\_\_\_\_\_  
Jeanne Bunch, City Clerk

MUNICIPAL RESOURCE CONSULTANTS

\_\_\_\_\_  
Signature

Title: \_\_\_\_\_

APPROVED AS TO FORM:  
OFFICE OF THE CITY ATTORNEY

\_\_\_\_\_  
City Attorney

The consultant will be required to obtain a City of Escondido Business License prior to execution of contract.

306A.DOC

**PROPOSAL/AGREEMENT TO PROVIDE  
SALES TAX AUDIT &  
INFORMATION SERVICES TO  
THE CITY OF ESCONDIDO**

by

**MUNICIPAL RESOURCE CONSULTANTS**

April 24, 1992

TABLE OF CONTENTS

PROPOSED CONSULTANT SERVICES AGREEMENT

EXHIBIT A - CONSULTANT SERVICES

- I. SALES/USE TAX ALLOCATION AUDITS.....1
  - A. DETECTION OF MISALLOCATIONS .....1
  - B. TYPES OF AUDITS.....4
  - C. CORRECTION OF MISALLOCATIONS.....7
  - D. TIMING CONSIDERATIONS.....9
  - E. QUARTERLY PROGRESS REPORTS.....10
- II. INFORMATION SERVICES.....11
  - A. SALES TAX INQUIRY SYSTEM.....15
  - B. STARS REPORTS.....16
  - C. CONSULTING SERVICES.....20
  - D. TIMING.....21
- III. COMPENSATION.....22
  - A. ALLOCATION AUDIT SERVICE.....22
  - B. INFORMATION SERVICE.....23
  - C. EXPENSES.....23
- IV. QUALIFICATIONS.....24
- V. PROJECT TEAM.....25
- VI. CERTIFICATION OF CONFIDENTIALITY.....28

EXHIBIT B - GENERAL PROVISIONS

EXHIBIT C - SAMPLE MEMO AND RESOLUTIONS FOR COUNCIL

EXHIBIT D - REPRESENTATIVE CLIENTS, RESULTS ACHIEVED & REFERENCES



CONSULTANT SERVICES AGREEMENT

THIS AGREEMENT is made at Escondido, California, as of \_\_\_\_\_ 1992, by and between the City of Escondido (hereafter referred to as "City") and Municipal Resource Consultants (hereafter referred to as "Consultant" or "MRC"), who agree as follows:

1. Services. Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to City the services described in Exhibit "A". Consultant shall provide said services at the time, place, and in the manner specified in Exhibit "A". Consultant shall not be compensated for services outside the scope of Exhibit "A".

2. Payment. City shall pay Consultant for services rendered pursuant to this Agreement at the times and in the manner set forth in Exhibit "A". The payments specified in Exhibit "A" shall be the only payments to be made to Consultant for services rendered pursuant to this Agreement, unless the City approves additional compensation for additional service. Consultant shall submit all billings for services rendered pursuant to this Agreement to City in the manner specified in Exhibit "A".

3. Facilities and Equipment. Consultant shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing services pursuant to this Agreement.

4. General Provisions. The general provisions set forth in Exhibit "B" are part of this Agreement. In the event of any inconsistency between said general provisions and any other terms or conditions of this Agreement, the other term or condition shall control insofar as it is inconsistent with the general provisions.

5. Exhibits. All Exhibits referred to herein are attached hereto and are by this reference incorporated herein.

EXECUTED as of the day and year first above stated.

CITY OF ESCONDIDO

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

Title: \_\_\_\_\_

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

MUNICIPAL RESOURCE CONSULTANTS  
PARTNER: JOHN T. AUSTIN, INC.

By: John T. Austin

Title: President

Date: April 24, 1992

## Exhibit A

## CONSULTANT SERVICES

Municipal Resource Consultants (MRC) shall provide sales tax audit and information services to the City of Escondido (City). The objectives, scope, procedures, timing, compensation and qualifications are set forth as follows:

I. SALES/USE TAX ALLOCATION AUDITS

Many California cities are not receiving the sales/use tax revenue to which they are entitled due to point-of-sale and other types of taxpayer reporting errors (for discussion of misallocation causes, see enclosed MRC Insights newsletter). When businesses fail to properly report their California sales/use tax, the local allocation is distributed in error to pool accounts or other jurisdictions.

Accordingly, the purpose of MRC's initial and ongoing allocation audit service is to detect and correct taxpayer reporting errors and thereby generate new sales/use tax revenue which would not otherwise have been realized by the City of Escondido. Unlike most tax audits, MRC's allocation audit service produces new revenue without causing any additional tax liability for business.

As discussed under Section IV, MRC's audit staff is organized into highly focused areas of specialization related to either the detection or correction of misallocations. In this regard, the audit service scope includes, but is not limited to, MRC performing the following procedures and tasks:

A. DETECTION OF MISALLOCATIONS

1. Procure a computer tape of sales/use tax permit records from the State Board of Equalization (SBE).
2. Establish master file from tape data provided in previous task.
3. Clean-up, standardize and computerize data from City's sales tax distribution reports provided by SBE for eight (8) previous quarters, current quarter and each future quarter service is provided.

4. Develop a target list of potential point-of-sale/use taxpayer reporting errors based on a physical canvassing and evaluation of sales/use tax generating businesses located in the City of Escondido. These businesses are to be analyzed based on proprietary guidelines established by MRC, formulated through expert knowledge of corporate mergers and acquisitions, sales tax versus use tax, business marketing organization and methods, commercial/industrial sales/use tax reporting practices, and other conditions contributing to reporting errors.
5. Meet with designated City official(s) to review service objectives and scope, MRC workplan schedule, public relations and logistical matters. MRC will also establish an appropriate liaison with the City's coordinator and define logical checkpoints for reviewing the project's progress.

Note: with the exception of this initial meeting, MRC's service requires no time or effort on the part of City staff.

6. Contact personnel in sales, operations and/or tax accounting at each target business to determine whether a point-of-sale/use reporting error exists.

Note: this is accomplished with the highest regard to discretion and professional conduct, as evidenced by the fact that MRC's allocation audits have involved more than 400,000 direct contacts with taxpayer businesses without a single complaint from a taxpayer, client or the State Board of Equalization. Our allocation audits are predicated on a noncontroversial, constructive, public relations approach which emphasizes the importance of each business to the City and the mutual benefits of correcting reporting errors.

7. Provide to the City and State Board of Equalization, reports addressing each taxpayer reporting error individually, including the business name, address, telephone number, California sales tax permit number, individuals contacted, date(s) of contact, nature of business, reason(s) for error, recommended corrective procedure and, if available, estimated sales/use tax revenue which should be forthcoming to the City of Escondido.
8. Respond to negative findings by SBE with timely reconfirmation documentation in order to preserve the City's original dates of knowledge.
9. Receive and process sales/use tax quarterly distribution reports provided to City by SBE.
10. Monitor and analyze the quarterly distribution reports with audit focus on the following:
  - a. Those accounts with previously detected reporting errors to ensure that the corrections are made for current quarters plus retroactive adjustments for eligible amounts improperly distributed in prior quarters.
  - b. Those accounts representing 90% of the City's total sales/use tax revenue to identify and investigate significant aberrations (e.g., negative fund transfers, declines, deficiency assessments, etc.).
  - c. Those accounts having a use tax designation to ascertain why the tax is being classified as use tax rather than sales tax.
  - d. Those accounts receiving deficiency assessments to ensure that the City receives its local allocation.
11. Review the City's purchases to identify opportunities for the City to recover the local allocation on transactions subject to use tax. MRC will also prepare the necessary documentation to facilitate recovery, including assistance in preparing and filing the returns.

B. TYPES OF AUDITS

MRC's allocation audit service includes five distinctly different types of audits:

- o Initial and periodic field audits
- o Permitization audits
- o Deficiency assessment audits
- o Purchases audits
- o Quarterly Distribution Report audits

The nature of each audit is further described as follows:

1. FIELD AUDITS

MRC's initial and periodic field audits include a physical canvassing and evaluation of sales/use tax generating businesses located in the City. In the absence of this labor-intensive, time-consuming undertaking, significant misallocations will remain undetected.

MRC's field audits focus on those businesses located in the City from which the City has not been receiving sales/use tax revenue, but should be.

2. PERMITIZATION AUDITS

Wholesalers, contractors, processors, manufacturers and other non-retail businesses will frequently not have a sales tax permit properly registered to the jurisdiction in which they are located because their business operations do not include a point-of-sale qualifying activity.

However, these companies will often generate local sales/use tax from audit deficiency assessments, occasional sales (i.e., mergers and acquisitions), and self-accrual of use tax on purchases.

MRC's field audits facilitate the identification and correction of improperly registered permits for companies not having point-of-sale operations in the City.



### 3. DEFICIENCY ASSESSMENT AUDITS

When the California State Board of Equalization audits a business for sales/use tax compliance, it is not uncommon for the business to receive a substantial deficiency assessment due to underpayments and/or undercollections.

In many cases, the local allocation portion of the deficiency assessment is distributed in error to the State pool, County pools or other jurisdictions.

Accordingly, MRC has developed proprietary criteria and techniques to detect and correct SBE deficiency assessment misallocations and thus expand the benefits produced by our allocation audit service.

### 4. PURCHASES AUDITS

When California customers purchase tangible personal property for which title passes out-of-state, the transactions are subject to use tax (rather than sales tax) which is typically collected by the vendor who in turn remits it to the SBE, with the local allocation distributed statewide or countywide through the pools, based on customer location.

Under certain conditions, the City may elect to self-accrue the use tax and remit it directly to the SBE, in which case the local portion will come back to the City in the same manner as sales tax.

MRC's purchases audits will include a review of the City's purchases to identify opportunities for the City to recover the local allocation on transactions subject to use tax. In this regard, MRC will prepare the documentation to facilitate the recovery, including assistance in preparing and filing the tax returns.

5. QUARTERLY DISTRIBUTION REPORT AUDITS

Every three months, the City receives a Quarterly Distribution Report (QDR) from the SBE with the local allocation amount broken down by permit number, grouped according to business code, for each account that has identified the City of Escondido as the point-of-sale for the quarter ending three months prior to receipt of the QDR.

In conjunction with our initial field audit, we enter data from the current and previous eight QDRs for processing on our Sales Tax Analysis and Reporting System (STARS) in order to facilitate an ongoing sales/use tax audit program.

In the absence of such a program, there is no way of identifying misallocations that occur between field audits.

Our QDR audits have the same objective as our other allocation audits; to detect and correct taxpayer reporting errors and thereby generate new sales/use tax revenue for the City. However, our QDR audits focus on those accounts where we observe a decline in the City's sales/use tax revenue to either nothing or substantially less than what has been reported on an historical trend basis.

In most cases, the accounts showing zero balances have either relocated or simply reported late, in which case the payments will not be reflected until the next QDR. Therefore, six months elapse before the QDRs indicate whether a zero balance account can be attributed to a late payment or some other problem.

Although most zero balances and substantial declines occur for valid reasons, our QDR audits are resulting in the detection and correction of numerous accounts that were reporting properly until they changed their sales/use tax reporting procedures and created misallocations.



Whether the reporting procedures are changed due to a merger/acquisition, turnover of tax administration personnel, computerization of the sales/use tax compliance function or other reasons we encounter, the local amount of California sales tax is typically misallocated because it is reported on either a consolidated, destination or use tax basis.

Considering that:

- o there is a three-month lag time in reporting the quarterly sales tax distribution results
- o there is a six-month lag time in reporting late-paying businesses that all appear as zero balance accounts on the previous QDR
- o considerable time is required to input and analyze QDR data and contact the taxpayer in order to ascertain the cause of each potential misallocation
- o under California SBE regulations, cities and counties may only recover misallocated revenue for the three quarters prior to the SBE being notified of the reporting error

it is obvious that the QDR audits must be conducted in a highly efficient and timely manner or the eligibility window closes and the opportunity for the City to recover misallocated revenue is forfeited.

C. CORRECTION OF MISALLOCATIONS

For each misallocated account detected, MRC will coordinate with the business and SBE to make the necessary corrections plus retroactive adjustments for eligible amounts of sales/use tax improperly distributed in prior quarters. This task is simply stated, but enormously complex and time-consuming, for the following-described reasons:

When MRC detects taxpayer reporting errors, together with the reasons therefor, less than half of our audit work is accomplished. Most of our audit work is devoted to facilitating corrective action. This is largely due to the preponderance of reporting errors by out-of-state headquartered distributors, contractors, processors, manufacturers and lessors engaged in business-to-business sales in California. In terms of dollars, these companies account for more than 90% of misallocated sales/use tax revenue.

For these companies, there is considerable confusion due to the complexities posed by California's unique point-of-sale regulations. The reporting problems are further compounded when the regulations are applied to multiple California locations with each having a product/customer mix of business-to-business sales where some of the transactions are subject to sales tax, some are subject to use tax and some are exempt.

Unlike over-the-counter retail consumer outlets where all sales are taxable, business-to-business taxpayers sell to Original Equipment Manufacturers (OEMs), resellers and other types of exempt customers, as well as end users, with some products requiring installation affixing them to real property.

For convenience and expediency, it is common for taxpayers located outside of California to erroneously report by customer destination or characterize sales transactions as being subject to use tax or contractor-installed classifications.

The State Board of Equalization does not have sufficient staff or incentive to correct these types of misallocations.

In order to correct these complex reporting errors, MRC undertakes a travel-intensive liaison program to facilitate coordination and communication between typically four parties; sales/operations personnel at the taxpayer's local operation, tax personnel at the company's corporate headquarters, and State Board of Equalization personnel at Sacramento and the in-state/out-of-state District offices.

Implementation of corrective action normally requires that MRC's senior personnel travel to the taxpayer's headquarters to personally discuss the nature of the reporting error and applicable regulations with corporate tax counsel. The objective of these meetings is to correct the distribution reporting error by assisting the taxpayer in developing an allocation formula which is acceptable to the State Board of Equalization. (Note: All expenses incurred to provide the audit service are absorbed by MRC, including employee salaries, insurance, airfare, auto rentals, lodging, meals, communications, etc.).

D. TIMING CONSIDERATIONS

The SBE will only allow the City to recover misallocated sales/use tax for up to three quarters prior to the SBE being notified of the reporting error for a given account. Consequently, if a misallocating account has had its point-of-sale located in the City for more than three quarters, the City forfeits the right to recover a portion of its misallocated sales tax with every elapsed quarter that a reporting error remains undetected.

The preliminary workplan schedule following this page presents MRC's time frames for accomplishment of the prescribed tasks. As indicated, the initial field audit is to be completed within 90 to 120 working days following receipt of authorization.

By significantly accelerating the timetable for performance of the audit, MRC can convert a cost (forfeited revenue) into a benefit (recovered revenue).

**Sales Tax Audit & Information  
 Schedule & Progress Chart  
 (Preliminary)**

**City of Escondido**

**Contract Date:**

DESCRIPTION	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month
	1	2	3	4	5	6	7	8	9	10	11	12	13
Contract Authorization	X												
Mobilization/Orientation	X												
Procure Permit Listing & Quarterly Distribution Reports	XX												
Clean-up, Standardize & Computerize Permit Listing & QDR Data	XXXXX	XX											
Deliver & Review with City STARS Reports & Inquiry System		X											
Physically Canvas and Evaluate Businesses in City	XXXXX	XXXX											
Develop Target List of Potential Misallocations	X	XXXXX											
Review MRC Field Protocol with City	X		X										
Contact Each Business on Target List		XXXXX	XXXXX										
Prepare, Deliver & Review Initial Audit Reports				X									
Coordinate w/Taxpayers & SBE to Correct Misallocated Accounts													
Receive, Process, Monitor & Analyze Quarterly Distribution Reports													
Ongoing Detection & Correction of Misallocated Accounts													
Deliver Ongoing Audit & Information Service Reports													
Prepare & Submit Quarterly Audit Progress Reports													

X Full Time Effort    -    Part Time Effort As Required

E. QUARTERLY PROGRESS REPORTS

On a quarterly basis, MRC is to provide the City with audit progress reports to include, but not be limited to, the following:

1. Status of audit work in progress, including:
  - a. Copies of reports provided to the SBE addressing each point-of-sale taxpayer reporting error individually, including the business name, address, telephone number, California sales tax permit number, individuals contacted, date(s) of contact, nature of business, reason for error and recommended corrective procedure.
  - b. Copies of misallocation reconfirmation documentation, in response to negative findings by the SBE, in order to preserve original dates of knowledge.
2. Actual sales/use tax produced for the City by MRC's audit service on a quarterly and cumulative basis.
3. Projected sales/use tax revenue forthcoming to the City as a result of MRC's allocation audits, delineated according to source, timing and one-time versus ongoing.
4. Alphabetical listing of all misallocated accounts detected for the City by MRC including, for each, the permit number, correction status, payment amount received by the City, quarter to which payment is related and payment source (e.g., fund transfer, deficiency assessment, etc.).



II. INFORMATION SERVICES

The sales tax module will enable MRC to assist the City of Escondido to maintain and enhance revenue by developing and implementing strategies and solutions based on:

- o Revenue Recovery Audits
- o Business Retention
- o Business Expansion
- o Fiscal Impact Analysis
- o SWOT\* Analysis
- o Revenue Forecasting
- o Strategic Planning
- o Special Studies & Reports

Examples of these applications using the sales tax module are summarized as follows:

o Revenue Recovery Audits

The logical starting point for any city seeking revenue enhancement is to make sure it is receiving all the revenue it is entitled to from its businesses and intermediaries.

Computerized access to sales tax registration and allocation data facilitates the auditing of sales tax and other City revenues. For example, the GRIP sales tax module includes a quarterly updated Sales Tax Inquiry System installed by MRC on IBM compatible PCs, designated by the City, to provide the City's business license staff with on-line access to sales tax information on all businesses that the SBE has registered to the City (further discussed below under sales Tax Inquiry System).

o Business Retention

Many cities are unaware that 80% or more of their general fund revenue is generated by 10% to 25% of their businesses. It is thus commonplace for cities to inadvertently neglect or alienate businesses that are vital to the their fiscal health and allow - or unintentionally encourage - these businesses to leave, and take their revenue with them.

The sales tax module includes a quarterly updated report on the City's major (and top 100) sales tax producers ranked in order according to level of sales tax produced for current and prior periods.

With this accurate information, the City can develop and implement proactive public relations programs that will help retain these vital businesses and their revenue through improved communication and cooperation.

o Business Expansion

On a regular basis, taxpaying businesses (including institutions and government agencies) make arbitrary decisions that have positive and negative impacts on the City's revenue.

Typically, these taxpayers do not realize the revenue impact their decisions have on the City and the discretionary latitude they possess to enhance or impair City revenues.

By combining a the sales tax analysis with our knowledge of how the administrative procedures of taxpayers and intermediaries affect City revenue, MRC can identify those taxpayers with the greatest potential for enhancing City revenue through modification of their procedures.

In addition to retaining vital businesses, a proactive taxpayer relations program enables the City and its taxpayers to explore opportunities for enhancing revenue without creating additional tax liability.

o Fiscal Impact Analysis

Many cities charge impact fees that partially defray estimated infrastructure costs caused by development.

Rarely, however, is a provision made to recover the deficit produced when the ongoing actual cost for a county or City to service a development or business exceeds the general fund revenue produced. For this reason, many cities unknowingly subsidize developments and businesses that are not paying their way. Which is one of the reasons revenue shortfall gaps are widening.

o SWOT Analysis

Every City has unique Strengths, Weaknesses, Opportunities and Threats (SWOTs) that affect its businesses and therefore its revenue base. Current examples include:

- Major businesses migrating inland at a record pace to avoid urban traffic congestion, high housing and land costs, and long-distance commutes for their employees
- Legally binding decisions entitling major industries and businesses to budget-busting tax reductions, exemptions and refunds
- Much of a jurisdiction's general fund revenue being generated by businesses in an industry which expects a prolonged economic downturn

To develop reliable revenue forecasts and proactive strategic plans that will maintain and enhance revenue, cities must be able to assess how constantly changing external dynamics translate to SWOTs for their businesses and revenue bases. The sales tax module provides much of the basis for this type of assessment.

o Revenue Forecasting

Although the downside implications for errant revenue forecasting can be severe and embarrassing, the typical city has no reliable basis for assessing how actual and potential changes or unusual developments will impact its revenue base and fiscal future.

Based on a SWOT analysis, MRC can assist the City in developing "what if" sales tax revenue forecasts based on pessimistic, optimistic and mixed-assumptions scenarios. This analysis is especially important to the City when an adverse impact is of sufficient magnitude to cause fiscal crisis. Developing these scenarios will lead the City to strategic planning that will help avoid catastrophic outcomes.



o Strategic Planning

In order to develop and implement a strategic plan for maintaining and enhancing revenue, the City must be able to define its Strengths, Weaknesses, Opportunities and Threats (SWOTs).

With the sales tax module, MRC can assist the City in assessing its SWOTs and, based on that assessment, developing a strategic plan which will:

- Maintain and enhance revenue by capitalizing on the strengths and opportunities
- Contain losses by taking defensive steps to eliminate or reduce weaknesses and threats

o Special Studies & Reports

Cities frequently need special studies or reports for purposes such as:

- Negotiating revenue-sharing agreements with private developers, business users and other jurisdictions
- Evaluating and monitoring performance in specific developments, project areas, annexation areas, etc.
- Analyzing retail sales leakage
- Planning project development for revenue generation
- Promoting the City for business and industry

MRC's sales tax module provides the basis for estimating, tracking and evaluating revenue generation by land use, development, user, industry, parcel, address or designated geographic area. This multi-dimensional capability simplifies the task of planning and producing special reports and studies.

The sales tax module consists of a Sales Tax Inquiry System, STARS reports and related consulting, further described as follows:

A. SALES TAX INQUIRY SYSTEM

MRC will install and update quarterly the City's sales tax registration and allocation data on IBM compatible PCs designated by the City. MRC will also train authorized City staff in the use of the Inquiry System and an easy-to-follow user manual, also furnished by MRC.

Because the Sales Tax Inquiry System contains confidential information, access is limited to authorized personnel by making the System password - protected.

The Inquiry System will enable City staff to analyze the contribution of sales/use tax revenue from each business in the City, on an individual, grouped or sorted-order basis by business name, business type, permit number, size ranking, street address, development, shopping center or other geographic area.

All sales tax data processed by MRC is located on the Inquiry System. History for each account can be called up by account number and even by business tax registration number(s), if the latter are added to the Inquiry System. MRC has made the Inquiry System extremely user-friendly, even incorporating different types of name and address searches. For example, the address search only needs the street name and will fill in the direction and proper abbreviation for the street type.

Also, in looking up a particular type of business segment, a listing of business codes is shown on a "pop up" menu to help the user identify which code to select. The Inquiry System can also be used to geo-code specific areas such as business districts, shopping centers, project redevelopment areas, industrial parks, etc. MRC's Inquiry System will even generate the geo-coded addresses, thus eliminating the need to manually place a code by each business in a geo-area. The System will also eliminate a geo-area in a global command rather than having to eliminate geo-coded accounts one-by-one when removing a geo-area.

MRC's Sales Tax Inquiry System would be a particularly valuable tool for administration of the City's business license tax program.

B. STARS (SALES TAX ANALYSIS & REPORTING SYSTEM) REPORTS

Quarterly, MRC will provide the City with an updated set of bound STARS reports (sample enclosed). The scope of MRC's STARS reports includes, but is not limited to, the following:

1. Cleaning up, standardizing and automating data from the City's sales and use tax distribution reports provided by the SBE for eight (8) previous quarters, the current quarter and each future quarter service. This is done to provide two benchmark years in the initial report to the City. Amounts for the most recent quarter are included in each STARS report, but are not used for benchmark purposes as many accounts are incomplete because of late-paying businesses.

MRC clients use STARS reports to gain a better understanding of where their sales tax comes from, what trends, good or bad, are occurring in their sales tax base, and to identify those businesses on which the jurisdiction is most dependent for its sales tax revenue.

2. Receiving and processing sales tax distribution reports quarterly.
3. Reorganizing and refining the computerized sales tax data for the City using MRC's STARS.
4. Analyzing the City's major sales tax producers.

All major sales producers and business categories are monitored and analyzed quarterly to include the following:

- a. Management Summary, Sales Tax Digest, Charts. MRC delivers each quarter with the STARS reports, a confidential Management Summary, a non-confidential Sales Tax Digest, and twelve color charts that portray graphically the City's sales tax performance and composition.
- b. Analysis Section. The Analysis Section of MRC's STARS report compares the sales tax performance for the latest complete quarter/report benchmark year to previous quarters and years. This section, which is an exclusive MRC report, was instituted to replace cumbersome manual comparisons between quarters and years.

The Analysis Section includes the following: (1) historical performance of the top 100 accounts for up to four years, (2) an automated analysis of the changes that occurred by economic category and by business sector with the specific businesses that made the major contribution to the change delineated; and (3) an analysis by magnitude of change indicating which key businesses grew or declined, measured in absolute dollars and percentages.

Quarterly aberrations due to SBE audits, fund transfers and other causes are also identified and analyzed for budget planning and revenue forecasting purposes.

- c. Major (and Top 100) Sales Tax Producers. Sales tax performance of the top 100 sales tax accounts is shown in order of sales tax produced with the results for the last five quarters prominently displayed. The proportion of City sales tax produced is also shown by each account.

- d. Sales Tax Accounts by Business Code. This report shows the various business codes assigned by the State Board of Equalization and the accounts assigned those codes in order of sales tax produced. Five quarters of sales tax data are shown for each account. The client can select the cut-off level of this report (i.e., all accounts or just accounts that produce over a certain amount per year). Misclassified sales tax accounts are corrected to make the report a true reflection of the sources of the City's sales tax income.
- e. Sales Tax Trend Report. Data is summarized by economic category and by business sector making up each category. Sales tax trends are shown by quarter and by successive benchmark years. Percent of sales tax is also shown to indicate trends in sales tax composition as well as performance.
- Growth and decline comparisons are indicated by various categories for forecasting and analysis.
- f. Sales Tax By Account/Sub-Number. The State Board of Equalization does not provide the specific sales tax amounts generated by each individual location of a company with multiple locations in the same jurisdiction. Such a breakdown is needed if the City is to track sales tax by specific geo-areas, such as shopping centers, project areas, business districts, industrial parks, etc. STARS allocates sales tax by location and even customizes difficult allocations such as auto dealers with showrooms, leasing, used cars, and body repair shops. This report shows the amounts allocated to each individual location for a firm with multiple locations in the City.
- g. Geo-Coding. Tracks sales tax performance within designated areas of the City (e.g., key shopping centers, project areas, downtown business districts, etc.) Charts and printed reports are included for each geo-area.
- h. Cross Reference Reports. These reports allow the user to look up any account shown in the STARS reports by name, address, or account number.



- i. Special Business Tax Report. MRC's STARS includes a report that is specifically designed to facilitate the City's business license tax administration by replacing the manual yellow registration control cards.

These cards come in no particular order and are cumbersome to use. MRC produces a printed report each quarter that lists all changes to the City's sales tax records by the type of change (i.e., new businesses, closed businesses, new addresses, new owners, etc.). Under each type of change are the accounts in clean address order.

By correcting, cleaning up and standardizing addresses, business names and business classifications on all of the City's sales tax generators, MRC is able to provide the City's business license staff with another valuable audit tool. MRC will also provide the City with a copy of the cleaned up sales tax files on floppy disk or nine-track tape if the City wishes to add the data to its database.

C. CONSULTING SERVICES

In conjunction with the Sales Tax Inquiry System and STARS reports, MRC shall provide consulting services to include:

1. Providing City staff with post-audit sales tax orientation:
  - a. Conducting technical seminar on California's local sales tax distribution process
  - b. Training staff in the fundamentals of sales/use tax allocation auditing should the City desire to assume responsibility for future maintenance of local retail accounts internally.
2. Preparing and analyzing a list of the City's major sales/use tax generators to assist the City in developing a public relations program to prevent the loss of these important businesses.
3. Profiling for Economic Development personnel the most economically desirable/undesirable types of developments/business uses and the reasons why.
4. Providing a list of businesses located (or doing business) in the City that are not presently producing as much sales/use tax to the City as they could be through constructive changes in marketing/purchasing procedures (with the City's approval, MRC will assist the City in pursuing these opportunities and implementing the changes).
5. Assisting in defining specific geographic areas for which the City would have an interest in knowing the sales/use tax produced.
6. Serving as a resource to assist the City on an "as-needed" basis by providing legal and technical support on sales/use tax issues and questions regarding proposed legislation, estimated revenue on proposed projects, revenue-sharing negotiations, retail sales leakage, budget projections, etc.

D. TIMING

MRC shall commence preparing the Sales Tax Inquiry System and STARS reports within 10 working days following receipt of the following:

- o Contract approval and resolution designating MRC as the authorized City Consultant to examine sales and use tax records (see Exhibit C); and
- o State Board of Equalization quarterly distribution reports for most recent nine (9) consecutive quarters.

The initial Sales Tax Inquiry System shall be delivered and installed on IBM compatible PCs designated by City, together with the STARS reports, within 45 working days following receipt of the above. The quarterly updated Inquiry System and STARS reports will be delivered to the City within 30 working days following receipt of the quarterly distribution reports.

MRC will provide consulting services to the City in conjunction with delivery of the Inquiry System and STARS reports following completion of the enhancement audits.



### III. COMPENSATION

In order to make MRC's services self-funding for the City, MRC's compensation for providing the audit and information services shall be entirely predicated and contingent upon MRC's audits producing new sales/use tax revenue that would not otherwise have been received by the City, further described as follows:

#### A. ALLOCATION AUDIT SERVICE

MRC's compensation for providing the allocation audit service is 25% of the new sales/use tax revenue received by the City as a result of MRC detecting and correcting the related point-of-sale/use distribution error. Said 25% applies to each correction for fund transfers (i.e., retroactive adjustments for eligible amounts improperly distributed in prior quarters) and the first six consecutive reporting quarters following completion of the audit by MRC and confirmation of corrections by the State Board of Equalization.

Sales/use tax audit invoices are submitted quarterly after the City has received the revenue from the correction and quarterly distribution report verifying it. Each invoice is to include the business name, permit number, local allocation amount received by the City and amount due MRC. Invoices are due and payable upon receipt.

**B. INFORMATION SERVICE**

MRC shall provide the Sales Tax Inquiry System and STARS reports for \$1,000 per quarter, payable only after the City has received the Sales Tax Inquiry System, STARS report(s) and sufficient funds to cover the charges from the City's share of new tax revenue produced from MRC's audit service. The following computation illustrates a hypothetical example:

New sales/use tax revenue produced for City from MRC audit service	\$ 80,000
Less MRC compensation for audit service @ 25%	-20,000
City's share of new sales tax revenue @ 75%	60,000
Less information service charge for full year @ \$1,000 per quarter	-4,000
Net new sales/use tax revenue to City after compensating MRC for audit and information services	\$ 56,000

Should MRC's audit service fail to generate sufficient new sales/use tax revenue for the City to cover the information service charges out of the City's 75% share, then MRC shall absorb the shortfall amount.

**C. EXPENSES**

All expenses incurred by MRC in providing the sales tax audit and information services are absorbed by MRC. These expenses include items such as employee salaries and benefits, insurance, airfare, auto rentals, meals, lodging, keypunching, computer processing, clerical, communications (e.g. personal meetings, telephone, mail, etc.) photocopying, overhead and miscellaneous out-of-pockets for consumable supplies and research material such as maps, directories, etc.

#### IV. QUALIFICATIONS

Since its inception in 1978, Municipal Resource Consultants (MRC) has specialized in providing innovative revenue enhancement audit services to municipalities located throughout California. MRC is the only firm in California (or the rest of the country), offering these proprietary enhancement audit services that encompass all sources of municipal tax revenue.

MRC's revenue enhancement audit services are complemented by geobased management information programs and consulting in areas such as strategic planning, economic development and redevelopment.

In 1978, MRC pioneered the concept of revenue enhancement consulting with its sales tax services for California municipalities. Since then, MRC has established a track record of consistently impressive results by providing ongoing revenue enhancement services to more than 100 California municipalities. To date, MRC's sales tax audits have produced more than \$70 million for the clients served.

MRC's revenue enhancement services are designed to provide clients with an ongoing, readily measurable economic return that is many times greater than the amount invested in the service.

On behalf of the clients served, MRC's revenue enhancement audit findings and recommendations have been validated and accepted by third party intermediaries throughout California, in addition to thousands of corporate tax departments throughout the United States.

MRC's 55 member staff serves California cities from five in-state office locations.

Please refer to Exhibit D for a representative list of MRC client cities, results achieved and references.

V. PROJECT TEAM

In providing sales tax audit and information services to the City, MRC will be employing a project team approach. MRC's team for providing these services consists of 25 full-time, permanent MRC employees and 1 attorney specializing in sales/use tax law. Project team personnel are listed in the organizational chart on the following page according to project role and functional area of specialization, further described as follows:

Project Co-Directors: John Austin & Allen Charkow

As Project Co-Directors, John and Allen are responsible for the overall quality control and timeliness of the project. They are also responsible for making MRC's resources available to the project and assisting in the technical direction, management and liaison activities.

Both John and Allen will be personally involved in providing MRC's sales tax audit, information and consulting services to the City. John is responsible for the design and provision of MRC's sales/use tax enhancement services, contract negotiations and client relations. Allen is responsible for the development and implementation of MRC's data processing and geobased information systems for auditing, monitoring, analyzing and projecting sales tax revenue.

Project Liaison - John O'Sullivan

John is a former city manager of Fontana, California and has over 20 years experience in city and county government. His expertise includes general management, finance, community and economic development. John has seven years experience conducting a wide variety of management training and organizational development programs. He has a BS from California State University, Long Beach and has served on several committees for the League of California Cities, the California and National Society of Finance Officers, and International City/County Management Association.

Project Manager - Hunter Austin

As Project Manager, Hunter has day-to-day responsibility for the technical direction and coordination of the project, including the methodology and procedures utilized in detecting, documenting and correcting sales/use tax misallocations. In this capacity, his duties encompass creation and implementation of the workplan, including scheduling, coordinating and monitoring the activities of other project team members.

Legal Counsel - Joseph Vinatieri

When MRC's auditors or clients have questions or issues involving interpretation of sales/use tax law, they rely on the legal counsel of Joseph Vinatieri who is a Partner with Bewley, Lassleben & Miller.

Data Processing & Detection Analysis

Personnel listed under Data Processing and Detection Analysis are responsible for:

- o Creating MRC's quarterly STARS reports and Sales Tax Inquiry System
- o Developing MRC's target list of potentially misallocated accounts based on a physical canvassing and evaluation of sales/use tax generating businesses located in the unincorporated area of the County
- o Monitoring quarterly distribution reports for aberrations

For these purposes, MRC has developed proprietary electronic mapping and data processing technology.

Detection Auditing

Personnel listed under Detection Auditing are responsible for contacting target list businesses to determine whether allocation reporting errors exist and, for each misallocation detected, developing the substantiating documentation to be included in MRC's reports for submission to the County and State Board of Equalization.

Correction Auditing

Personnel listed under Correction Auditing are responsible for:

- o Correcting misallocated accounts by working with personnel at the taxpayer's local operation and corporate headquarters and the State Board of Equalization's in-state/out-of-state District offices and Local Tax Unit in Sacramento
- o Preserving the City's original dates of misallocation knowledge by responding to the SBE's negative findings with timely reconfirmation documentation
- o Recovering for the City eligible amounts misallocated in prior quarters.

Consulting

Personnel listed under Consulting have liaison responsibility for providing to the City sales tax module services, consisting of the Sales Tax Inquiry System, STARS reports and consulting to assist the City in developing and implementing strategies and solutions for:

- Enhancement Audits
- Business Retention
- Business Cooperation
- Fiscal Impact Analysis
- SWOT\* Analysis
- Revenue Forecasting
- Strategic Planning
- Special Studies & Reports

\*Strengths, Weaknesses, Opportunities, Threats



VI. CERTIFICATION OF CONFIDENTIALITY

Section 7056 of the State of California Revenue and Taxation Code specifically limits the disclosure of confidential taxpayer information contained in the records of the State Board of Equalization. This section specifies the conditions under which a City or county may authorize persons other than officers and employees to examine State Sales and Use Tax records.

- A. MRC is authorized by this Agreement to examine sales and use tax records of the State Board of Equalization provided to City pursuant to contract under the Bradley-Burns Uniform Sales and Use Tax Law.
- B. MRC is required to disclose information contained in, or derived from, those sales and use tax records only to an officer or employee of the City who is authorized by resolution to examine the information.
- C. MRC is prohibited from performing consulting services for a retailer during the term of this Agreement.
- D. MRC is prohibited from retaining the information contained in, or derived from, those sales and use tax records, after this Agreement has expired.

Information obtained by examination of State Board of Equalization records shall be used only for purposes related to collection of local sales and use tax or for other governmental functions of the City as set forth by resolution adopted pursuant to Section 7056(b) of the Revenue and Taxation Code.

The resolution shall designate MRC as a person authorized to examine sales and use tax records and certify that this Agreement meets the requirements set forth above and in Section 7056(b)(1) of the Revenue and Taxation Code (see Exhibit C).

MRC hereby certifies that any and all information examined in the conduct of work performed is to be utilized only for those purposes authorized by the City and by the Bradley-Burns Uniform Local Sales and Use Tax Law.

## EXHIBIT B

GENERAL PROVISIONS

1. Independent Contractor. At all times during the term of this Contract, Municipal Resource Consultants (Consultant) shall be an Independent Contractor and shall not be an employee of the City of Escondido (City). City shall have the right to control Consultant only insofar as the results of Consultant's services rendered pursuant to this Agreement; however, City shall not have the right to control the means by which Consultant accomplishes services rendered pursuant to this Agreement.

2. Liability. City shall not be called upon to assume any liability for direct payment of any salaries, wages, or other compensation to any Consultant personnel or subcontractor performing services hereunder for City, or any liability other than provided for in this Agreement.

City shall not be liable for compensation or indemnity to any Consultant employee or subcontractor for injury or sickness arising out of his/her employment, or for any negligent actions of the Consultant or its employees.

All persons employed in the performance of such services and functions shall be employees of Consultant, and as such shall not, for any purposes, be considered employees of City and therefore shall have no right to any City service, civil service, or other City status.

3. Subcontracts. Any subcontracts entered into by Consultant for services to be rendered towards the completion of Consultant's portion of this Agreement shall be for Consultant's benefit alone, and as such shall be its responsibility with no liability resting on the City. Consultant agrees to provide a list of all subcontractors to be used in connection with services to be rendered toward the completion of its portion of this Agreement to the City within ten (10) working days of execution of this Agreement.

4. Licenses, Permits, Etc. Consultant represents and warrants to City that he has all licenses, permits, qualifications and approvals of whatsoever nature which are legally required for Consultant to practice his profession. Consultant represents and warrants to City that Consultant shall, at his sole cost and expense, keep in effect or obtain at all times during the term of this Agreement any licenses, permits, and approvals which are legally required for Consultant to practice his profession.



GENERAL PROVISIONS  
PAGE 2

5. Time. Consultant shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary for satisfactory performance of Consultant's obligations pursuant to this Agreement. Neither party shall be considered in default of this Agreement to the extent performance is prevented or delayed by any cause, present or future, which is beyond the reasonable control of the party.

6. Insurance.

(a) Public Liability. During the term of this Agreement, Consultant shall maintain in full force and effect a policy of public liability insurance with minimum coverages as follows: \$1,000,000 for injury to one person in any one occurrence; \$1,000,000 aggregate; and, \$50,000.00 for property damage. Consultant shall cause the City, its officials and employees to be named on all liability policies described above as insured as respects: (1) activities performed for the City by or on behalf of the named insured, (2) products and completed operations of the Named Insured, and (3) premises owned, leased or used by the Named Insured.

(b) Worker's Compensation. During the term of this Agreement, Consultant shall fully comply with the terms of the law of California concerning worker's compensation. Said compliance shall include, but not be limited to, maintaining in full force and effect one or more policies of insurance insuring against any liability Consultant may have for worker's compensation.

7. Consultant Not Agent. Except as City may specify in writing, Consultant shall have no authority, express or implied to act on behalf of City in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

8. Assignment Prohibited. No party to this Agreement may assign any right or obligation pursuant to this agreement. Any attempt of purported assignment of any right or obligation pursuant to this Agreement shall be void and of no effect.

GENERAL PROVISIONS  
PAGE 3

9. Personnel. Consultant shall assign only competent personnel to perform services pursuant to this Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, desires the removal of any person or persons assigned by Consultant to perform services pursuant to this Agreement, Consultant shall remove any such person immediately upon receiving notice from City of the desire of City for the removal of such person or persons.

10. Standard of Performance. Consultant shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Consultant is engaged in the geographical area in which Consultant practices his/her profession. All products of whatsoever nature which Consultant delivers to City pursuant to this Agreement shall be prepared in a substantial, first class and workmanlike manner and conform to the standards of quality normally observed by a person practicing in Consultant's profession.

11. Reports, Charts or Other Products. All reports, charts and other products resulting from the performance of this agreement are the property of the City.

12. City Representative. The City Manager or his/her designee is the representative of the City and will administer this Agreement for the City.

13. Termination. This Agreement may terminate on ten (10) days written notice by either party, or within such time as both parties may find necessary to conclude the work currently under way and to summarize Consultant's findings for City.

14. Indemnity and Hold Harmless. Consultant shall assume the defense of, and indemnify and save harmless, the City, its officers, employees, and agents, and each and every one of them, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, the performance of the work, provided that such action, damage, claims, loss, or expense is attributable to bodily injury, sickness, disease or death, or to injury to, or destruction of property, whether upon or off the work, including the loss of use thereof, and is caused in whole or in part by any negligent act or omission of the Consultant, and subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, whether or not it is caused in part by a party indemnified hereunder.

GENERAL PROVISIONS  
PAGE 4

15. Waiver of Breach No waiver of the breach of any of the covenants, agreements, restrictions or conditions of this Agreement by any partner shall be construed to be a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions of this Agreement. No delay or omission of any partner in exercising any right, power or remedy herein provided in the event of default shall be construed as a waiver thereof, or acquiescence therein, nor shall the acceptance of any payments made in a manner or at a time other than as herein provided be construed as a waiver of or variation in any of the terms of this Agreement

16. Whole and Entire Agreement This instrument contains the whole and entire agreement of the parties hereto relating to their partnership and correctly sets forth the rights, duties and obligations of each to the others as of its date. Any prior agreements, promises, negotiations or representations not expressly set forth in this Agreement are of no force and effect.

17. Equal Employment Opportunity: During the performance of this Agreement, Consultant, for itself, its assignees and successors in interest, agrees as follows:

a. Compliance With Regulations: Consultant shall comply with the Executive Order 11246 entitled "Equal Employment Opportunity,": as labor regulations (41 C.F.R. Part 60), hereinafter referred to as the "Regulations."

b. Nondiscrimination: Consultant, with regard to the work performed by it after award and prior to completion of the work pursuant to this Agreement, shall not discriminate on the ground of race, color, religion, sex or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment.

c. Solicitation for Subcontractor, Including Procurements of Materials and Equipment: In all solicitations either by competitive bidding or negotiations made by Consultant for work to be performed under any subcontract, including procurements of materials or equipment, such potential subcontractor or supplier shall be notified by Consultant of Consultant's obligation under this Agreement and the Regulations relative to nondiscrimination on the ground of race, color, religion, sex or national origins.

GENERAL PROVISIONS  
PAGE 5

d. Information and Reports: Consultant shall provide all information and reports required by the Regulations, or orders and instructions issued pursuant thereto, and will permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the City to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of Consultant is in the exclusive possession of another who fails or refuses to furnish this information, Consultant shall so certify to the City and shall set forth what efforts it has made to obtain the information.

e. Sanctions for Noncompliance: In the event of noncompliance by Consultant with the nondiscrimination provisions of this Agreement, the City shall impose such contract sanctions as it may determine to be appropriate, including, but not limited to:

- (1) Withholding of payments to Consultant under the contract until Consultant complies;
- (2) Cancellation, termination, or suspension of the Agreement, in whole or in part.

**GENERAL PROVISIONS  
PAGE 6**

f. **Incorporation of Provisions:** Consultant shall include the provisions of paragraphs a through e in every subcontract, including Regulations, order, or instructions issued pursuant thereto. Consultant shall take such action with respect to any Regulations, order or instructions issued pursuant thereto. Consultant shall take such action with respect to any subcontract or procurement as the City may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event Consultant becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, Consultant may request City to enter such litigation to protect the interests of the City.

17. **Notices.** Any notice to be given from one party to the other pursuant to this Agreement shall be deposited with the United States Postal Service postage prepaid and addressed as follows:

To City:                                              City Manager  
                                                            CITY OF ESCONDIDO  
                                                            201 N. Broadway  
                                                            Escondido, CA 92025

To Consultant:                                          John Austin  
                                                                MUNICIPAL RESOURCE CONSULTANTS  
                                                                32107 W. Lindero Canyon Road  
                                                                Suite 233  
                                                                Westlake Village, CA 91361

Nothing in this Paragraph shall be construed to prevent the giving of notice by personal service.



## EXHIBIT D

REPRESENTATIVE LIST OF MRC CLIENT  
CITIES, RESULTS ACHIEVED & REFERENCES

MRC provides ongoing sales tax audit and information services to more than 100 California cities and one County (Sacramento).

Based on population size and magnitude of sales/use tax income received annually, the following list ranks in descending order the 10 largest cities in California, of which 8 (asterisked) have selected a private consulting firm to provide revenue enhancement audits. All 8 of the cities selected MRC.

Ten Largest Cities In California

*Los Angeles	*Oakland
*San Diego	*Sacramento
*San Jose	Fresno
San Francisco	*Anaheim
*Long Beach	*Santa Ana

Of related interest, the 1990 year-end issue of City & State published its list of "The 50 Up & Coming Cities" (see article at the end of this Exhibit) selected according to a complicated formula based on growth in population, employment and assessed values.

California has 26 (listed below) of The 50 Up & Coming Cities, of which 22 have selected private firms to provide sales tax audit services. Nineteen (86%) of the cities (asterisked) selected MRC and 3 (14%) selected another firm.

<u>C&amp;S Rank</u>	<u>City</u>	<u>C&amp;S Rank</u>	<u>City</u>
1	*San Diego	22	*Santa Rosa
3	*Sacramento	24	*Modesto
4	*Riverside	25	*Oakland
5	*Irvine	27	Fresno
6	*Oceanside	27-tie	Chula Vista
9	*Los Angeles	32	*Oxnard
9-tie	Fremont	36	*Orange
12	*San Jose	39	*Santa Ana
16	*San Bernardino	40	*Vallejo
16-tie	*Anaheim	42	*Long Beach
18	Huntington Beach	45	*Concord
20	*Thousand Oaks	46	Glendale
21	Ontario	49	Stockton

Much of MRC's capability to serve the larger, more complex municipalities is directly attributable to our staff size, specialization and technical training programs.

REPRESENTATIVE MRC CLIENT REFERENCES

(Population over 250,000)

City of Long Beach  
333 W. Ocean Boulevard  
Long Beach, CA 90802  
Contacts: Mr. James Algie (213) 590-6024  
Mr. Tony Walstrum (213) 590-6169

City of Los Angeles  
Department of Water & Power  
P. O. Box 111  
Los Angeles, CA 90051  
Contact: Mr. Walter Tanji (213) 481-4365

City of Santa Ana  
20 Civic Center Plaza  
Santa Ana, CA 92701  
Contacts: Mr. Rod Coloma (714) 647-5420

City of Sacramento  
915 I Street, #104  
Sacramento, CA 95814  
Contact: Ms. Margaret Freeman  
Ms. Betty Masuoka  
Mr. Louis Miles (916) 449-5724

City of San Jose  
801 N. First Street, #227  
San Jose, CA 95110  
Contact: Ms. Judy Gergurich (408) 277-4288

(Population from 100,000 to 250,000)

City of Fullerton  
303 W. Commonwealth  
Fullerton, CA 92632  
Contact: Ms. Barbara Henderson  
Mr. Ed Paul (714) 738-6520

City of Orange  
300 East Chapman Avenue  
Orange, CA 92666  
Contact: Mr. Ted Schoettger  
Mr. Patrick Griffin (714) 532-0305

City of Oxnard  
305 W. Third Street  
Oxnard, CA 93030  
Contact: Mr. Rudy Muravez  
Ms. Marjorie George (805) 984-4614

City of Riverside  
3900 Main Street  
Riverside, CA 92522  
Contact: Ms. Barbara Steckel (714) 782-5660

City of San Bernardino  
300 North "D" Street  
San Bernardino, CA 92418  
Contact: Mr. Andrew Green (714) 384-5242

City of Santa Clarita  
23920 Valencia Blvd.  
Santa Clarita, CA 91355  
Contacts: Ms. Andrea Daroca  
Ms. Kwan Beilin (805) 255-4925

City of Torrance  
3031 Torrance Blvd.  
Torrance, CA 90503  
Contacts: Ms. Mary Giordano  
Mr. Ben Murdoch (213) 618-5855

City of Concord  
1950 Parkside Drive  
Concord, CA 94519  
Contact: Mr. Paul R. Howard (415) 671-3078

City of Modesto  
P. O. Box 642  
Modesto, CA 95353  
Contact: Mr. John Enero (209) 577-5458

City of Santa Rosa  
100 Santa Rosa Avenue  
Santa Rosa, CA 95402-1678  
Contact: Mr. Ronald L. Bosworth (707) 576-5315  
Mr. Hal Shipman (707) 524-5126

(Population from 50,000 to 100,000)

City of Fontana  
P. O. Box 518  
Fontana, CA 92335  
Contacts: Mr. Steve Stark (714) 350-7666

City of Irvine  
17200 Jamboree Road  
Irvine, CA 92713  
Contact: Mr. Jeffrey E. Niven (714) 724-6027

City of Newport Beach  
P. O. Box 1768  
3300 Newport Blvd.  
Newport Beach, CA 92663-3884  
Contact: Mr. Dennis Danner  
Mr. Glen Everroad (714) 644-3123



City of Santa Monica  
1685 Main Street  
Santa Monica, CA 90401  
Contact: Mr. Ralph Bursey (213) 458-8281

City of South Gate  
8650 California Avenue  
South Gate, CA 90280  
Contacts: Ms. Karen Plover (213) 563-9525

City of Ventura  
501 Poli Street  
Ventura, CA 93002  
Contact: Mr. Everette Garmon (805) 654-7855

City of Antioch  
P. O. Box 130  
Antioch, CA 94509  
Contact: Ms. Dale Flynn (415) 778-0952

City of Danville  
510 La Gonda Way  
Danville, CA 94526  
Contact: Mr. Tom Hansen (415) 820-6337

City of Redwood City  
P. O. Box 391  
Redwood City, CA 94064  
Contact: Mr. Gul Ramchandani (415) 780-7071

City of San Mateo  
330 W. 20th Avenue  
San Mateo, CA 94403  
Contact: Mr. John L. deRussy  
Ms. Margaret Donnellan (415) 377-3400

City of Santa Clara  
1500 Warburton Avenue  
Santa Clara, CA 95050  
Contact: Ms. Kristin Machnick (408) 984-3261

City of South San Francisco  
315 Maple Avenue  
South San Francisco, CA 94083  
Contact: Ms. Amy Margolis (415) 877-8507

City of Walnut Creek  
1666 No. Main Street  
Walnut Creek, CA 94596  
Contacts: Ms. Arlene Hildebrand (415) 943-5820

(Population less than 50,000)

City of Brea  
Number One Civic Center Circle  
Brea, CA 92621  
Contact: Mr. Lawrence Hurst (714) 990-7684

City of Culver City  
P. O. Box 507  
Culver City, CA 90232  
Contacts: Ms. Sue McCabe (213) 202-5757  
Mr. Eric Shapiro

City of La Habra  
P. O. Box 337  
La Habra, CA 90633  
Contact: Ms. Sara Morris (213) 905-9729

City of La Palma  
7822 Walker Street  
La Palma, CA 90623  
Contact: Mr. Tom Parker (714) 523-7700

City of Manhattan Beach  
1400 Highland Avenue  
Manhattan Beach, CA 90266  
Contact: Mr. Merle Lundberg (213) 545-5621

City of Santa Fe Springs  
11710 Telegraph Road  
Santa Fe Springs, CA 90670  
Contact: Mr. Donald A. Nuttall (213) 868-0511

City of Tustin  
300 Centennial Way  
Tustin, CA 92680  
Contact: Mr. Ronald A. Nault (714) 544-8890

City of Campbell  
70 N. First Street  
Campbell, CA 95008  
Contact: Ms. Gretchen Conner (408) 866-2111

City of Cupertino  
10300 Torre Avenue  
Cupertino, CA 95015  
Contact: Mr. Blaine Snyder (408) 252-4505

City of Menlo Park  
701 Laurel Street  
Menlo Park, CA 94025  
Contact: Mr. Russ Scotten (415) 858-3362

City of Tracy  
325 East Tenth Street  
Tracy, CA 95376  
Contact: Mr. Zane Johnston

(209) 835-2211

City of West Sacramento  
P. O. Box 802  
West Sacramento, CA 95691  
Contact: Mr. Leigh Keicher

(916) 373-5816

# CITY & STATE

CHAIN'S BUSINESS NEWSPAPER FOR STATE AND LOCAL GOVERNMENT

YEAR-END ISSUE DEC. 3-31, 1990

## THE 50 UP & COMING CITIES ANNUAL FINANCIAL REPORT

# Our burgeoning cities

50 urban centers whose growth towers above the rest

By AMY LAMPHERE  
Staff Writer

The 50 Up & Coming Cities are the urban centers to watch in the 1990s.

These bastions of growth in population, employment and property values boasted an average surplus of \$3.75 million in their fiscal 1990 general funds, according to budget estimates compiled by *City & State*.

### Profiles of Up & Coming Cities begin on Page 18

The 50 Up & Coming Cities generally show fiscal and economic vigor that most older and larger urban centers can only envy. For instance, in last month's special report examining the finances of the 50 U.S. cities with the biggest budgets (*City & State*, Nov. 19), larger cities reported an average shortfall in their fiscal 1990 general funds of close to \$2.6 million.

The Up & Coming Cities were selected according to a complicated formula based on recent increases in population, jobs and assessed property values. The overwhelming majority of the cities (26) are in California.

Some of the Up & Comers — such as New York and Philadelphia — are best regarded as anomalies and were able to make the list of fast-growing urban centers primarily due to their population growth in real numbers.

Of the 50 Up & Coming Cities, 17 predict they'll suffer budgetary shortfalls for fiscal 1990, while two will end with balanced budgets and 31 will finish with surpluses.

The major difference between Up & Coming Cities and their older, larger brethren is expanding assessed property valuation. Although there are financial growing pains attached to growth, such as the need to provide more public services, city budgets also can experience revenue increases without the need to hike tax rates because more and more people and developments are paying taxes.

Expanding assessed property values are often the result of new development in a city, be it residential, commercial or industrial. Growth in property values also can be the result of reassessments or annexations of unincorporated land.

The Up & Comers that show balances or surpluses in their budgets had an average increase in assessed property value of 17.6%, vs. only 12.3% for cities reporting shortfalls.

The 33 cities with either balanced budgets or surpluses collect an average \$97 in property taxes per capita, while cities reporting deficits for fiscal 1990 collect an average of \$49.

And that statistic does not appear to be entirely dependent on the cities' effective property tax rates.

(The effective property tax rate is a combination of a city's assessment rate and its tax rate. For example, if a city assesses at 100% of market value and its tax rate is 2%, the city's effective tax rate would be 2%. If, however, a city assesses at 50% of market value, and its

tax rate is 2%, its effective tax rate would be 4%.)

The 33 cities that predicted they would finish fiscal 1990 with surpluses or balanced budgets experienced an average increase in total property tax revenue of more than 10% over fiscal 1989. The cities expecting to come up short for the year showed an average increase of only 5.3%.

Some cities, including Mesa, Ariz., have no property tax.

In Mesa, where the population grew more than 70% between 1980 and 1988, officials are used to a heavy growth pattern. According to Planning Director Frank Mizner, "the city has been in a fairly continuous population-growth mode since 1960."

In recent years, however, Mesa's population expansion has begun to slacken, despite its relatively high 11% rise last year.

The slowdown is taking its toll on city finances.

### Financial expansion stunted

In the past, Mesa city government has relied heavily on development fees, utility fees, sales taxes, and state and federal shared revenue — or so-called growth revenue.

Now, Mr. Mizner admits, the city is facing a new challenge.

"Growth is slowing down and we're experiencing difficulty because we had been relying on growth revenue.

"Initiating a property tax is a legal option," conceded Mr. Mizner, "but the city hasn't had one since 1943, and, although the City Council is discussing it, it could have some serious political repercussions."

In contrast, many of California's 26 Up & Coming Cities are relying on property tax revenue — probably a lot more than Proposition 13 advocates would really like to know.

Proposition 13, which state voters passed in 1978, froze the property tax rate for local governments at 1% while limiting increases in assessed

values to 2% a year. With a change in ownership, however, a property could be reassessed at its current value.

Still, many California boom towns are depending more on property taxes than they would like.

### Fastest-growing revenue source

In Glendale, Calif., for example, property tax revenue makes up only about 15% of total general fund revenue. But that percentage, according to Brian Butler, finance director, "is the city's fastest-growing source of revenue."

As is true with many cities, Glendale officials "tend to budget according to where they left off last year," said Mr. Butler.

As assessed property values increase from year to year, property tax revenue not foreseen in the budget brings in "a significant portion of new revenue."

Lyman Christopher, budget director in Chula Vista, Calif., also reported that property taxes have become one of his city's fastest-growing revenue sources.

Both property tax and sales tax revenue have kept up with growth in the city, he said.

### In search of a stronger tax base

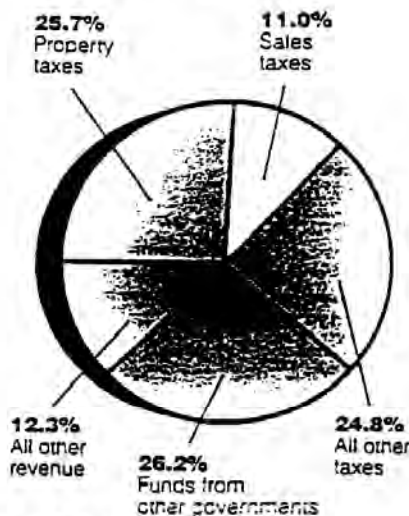
The problem in Chula Vista is that some of the other revenue sources are "becoming static, while expenditures continue to grow," Mr. Christopher added. As a result, "The city has changed its focus from total development to mixed-use development. Development of a residential-industrial-commercial mix provides a better tax base and is less expensive to the city" in terms of services provided.

There will be many challenges facing these cities as each responds to changes in the economy. Prudent planning and sound fiscal analysis will be key in continuing financial prosperity.

And, as economic development directors have been saying all along, expanding the property tax base is one of the surest ways to promote prosperity. ■

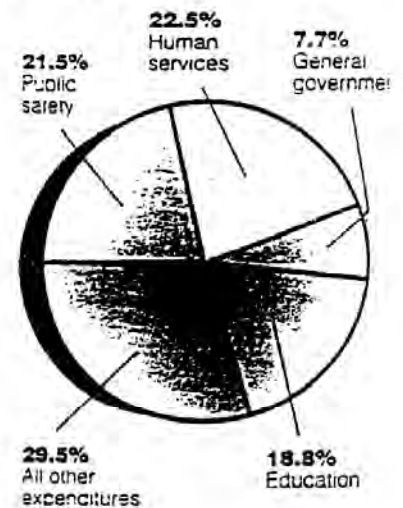
## Fiscal 1990 budgets of the 50 Up & Coming Cities

### General fund revenue \$37.48 billion



Source: City & State

### General fund expenditures \$37.30 billion



Graphic by Jonn Smith

## How C&S prepared this report

City & State's exclusive Up & Coming Cities report highlights the financial and economic conditions of the 50 U.S. cities experiencing the most dramatic growth in population, employment and assessed property value.

For each of the three categories, every city was assigned a rank (with a rank of 1 being the highest and 50 the lowest) for percentage growth and actual growth. The overall rank for each city was based on a complicated formula using all six scores.

This report is the result of extensive research into city growth

throughout the United States.

The identification of these cities as Up & Comers is important not only from a classification standpoint, but also from a political-power angle. As these cities continue to grow and develop in the 1990s, they will gain more power and influence with the federal government and with state governments.

The financial data in this exclusive report were compiled from questionnaires completed by city officials. This report presents budget estimates or actual figures for fiscal 1990, and actual figures for fiscal 1989.

The demographic data were ob-

tained from the U.S. Census Bureau, the Bureau of Labor Statistics and Woods & Poole Economics Inc. of Washington.

Credit ratings from the two major credit-rating agencies based in New York — Standard & Poor's Corp. and Moody's Investors Service Inc. — reflect the strength of each city's long-term debt; insured issues are excluded. Total debt volume excludes refundings.

Only cities with populations of more than 100,000 people were considered in the Up & Coming Cities project.

Amy Lamphere, City & State's research manager, supervised this special report, with help from John Glynn and Lisa Ekman, research assistants.



# THE UP & COMING CITIES

## ANNUAL FINANCIAL REPORT

City government is consolidated with county government    
  City provides funding for public schools.    
  City and county government are consolidated, and municipality provides public-school funding.

C&S Rank *	1988 population (Rank)	Population % increase 1986-88 (Rank)	Number of jobs, 1989 (Rank)	Jobs % increase 1987-89 (Rank)	1990 assessed property value (\$ millions) (Rank)	Assessed property value 1989-90 (Rank)	Effective property tax rate % increase 1990 (Rank)	1990 general fund revenue (\$ millions) (Rank)	Employees per 1,000 population (Rank)
1. San Diego	1,070,310 (5)	5.43% (22)	534,216 (6)	11.43% (10)	\$46,789.1 (5)	11.43% (27)	1.10% (13)	\$393.1 (7)	8.27
2. Seattle	502,200 (12)	3.29 (32)	326,040 (10)	12.06 (7)	28,300.0 (7)	21.98 (7)	1.10 (13)	317.8 (11)	21.52
3. Sacramento, Calif.	338,220 (18)	4.53 (25)	164,082 (17)	9.63 (20)	13,071.0 (14)	25.67 (4)	1.10 (13)	185.1 (16)	11.81
4. Riverside, Calif.	210,630 (24)	7.05 (13)	122,374 (24)	13.94 (2)	6,600.0 (27)	11.88 (25)	1.10 (13)	86.9 (30)	10.51
5. Irvine, Calif.	110,130 (45)	24.53 (1)	47,530 (47)	10.15 (14)	12,893.0 (15)	13.20 (18)	1.10 (13)	68.5 (33)	7.38
6. Oceanside, Calif.	112,630 (44)	13.61 (2)	43,218 (49)	11.43 (8)	4,729.7 (39)	16.65 (10)	1.10 (13)	52.5 (41)	9.36
Lexington, Ky.	225,700 (23)	6.01 (20)	129,571 (21)	9.72 (19)	13,353.4 (13)	17.51 (9)	0.81 (47)	113.2 (29)	12.33
Las Vegas, Nev.	210,620 (25)	9.60 (6)	122,021 (25)	12.42 (5)	2,718.0 (45)	9.07 (33)	1.02 (43)	116.7 (23)	9.19
9. Los Angeles	3,352,710 (2)	2.86 (36)	1,620,885 (2)	1.22 (49)	156,600.0 (1)	15.83 (11)	1.10 (13)	2,260.4 (2)	11.04
Fremont, Calif.	166,590 (30)	8.47 (10)	86,191 (30)	9.14 (24)	10,044.0 (18)	11.65 (25)	1.10 (13)	61.1 (32)	5.08
11. New York	7,352,700 (1)	1.21 (45)	3,100,737 (1)	1.66 (49)	128,700.0 (2)	24.83 (6)	0.79 (48)	25,936.7 (1)	20.81
12. San Jose, Calif.	738,420 (8)	1.95 (41)	379,612 (8)	5.68 (39)	40,070.6 (6)	26.58 (3)	1.19 (13)	304.3 (12)	6.34
13. Orlando, Fla.	155,950 (33)	6.69 (14)	94,207 (20)	7.72 (29)	6,383.5 (29)	20.00 (8)	1.10 (13)	121.0 (22)	19.24
14. Indianapolis	727,130 (9)	0.99 (47)	393,948 (7)	7.16 (29)	6,470.0 (28)	40.59 (1)	2.97 (1)	324.6 (10)	6.80
15. Houston	1,698,090 (3)	(2.18) (50)	933,175 (3)	7.06 (31)	60,300.0 (3)	15.54 (12)	2.09 (5)	752.7 (4)	10.91
16. San Bernardino, Calif.	148,420 (35)	5.88 (15)	67,072 (39)	13.57 (3)	3,167.7 (44)	7.80 (37)	1.10 (13)	62.2 (35)	7.96
Anaheim, Calif.	244,670 (21)	1.64 (44)	161,397 (19)	10.14 (16)	11,559.4 (17)	10.18 (29)	1.10 (13)	138.2 (20)	11.22
18. Honolulu	838,500 (7)	2.67 (38)	375,939 (9)	1.96 (45)	50,923.3 (4)	24.91 (5)	0.96 (45)	461.2 (5)	10.51
Huntington Beach, Calif.	185,880 (27)	1.78 (43)	127,765 (22)	10.14 (18)	9,751.0 (19)	13.65 (16)	1.10 (13)	87.4 (23)	5.16
20. Thousand Oaks, Calif.	101,530 (49)	5.45 (12)	56,824 (44)	10.57 (11)	7,623.5 (26)	13.81 (15)	1.10 (13)	29.7 (50)	3.89
21. Ontario, Calif.	123,380 (41)	7.93 (12)	60,248 (43)	13.57 (4)	4,887.6 (38)	2.11 (47)	1.10 (13)	60.1 (37)	6.89
22. Virginia Beach, Va.	365,300 (16)	9.57 (7)	163,040 (18)	5.57 (40)	15,267.9 (10)	5.63 (44)	1.03 (41)	406.3 (6)	11.53
Santa Rosa, Calif.	108,220 (46)	9.47 (9)	54,434 (45)	9.53 (21)	6,220.3 (30)	11.99 (23)	1.10 (13)	57.8 (38)	8.15
24. Modesto, Calif.	148,670 (34)	6.06 (18)	83,254 (42)	9.51 (22)	5,676.3 (35)	15.12 (14)	1.10 (13)	54.7 (40)	6.93
25. Oakland, Calif.	356,860 (17)	(0.03) (49)	183,749 (16)	9.14 (23)	11,872.4 (16)	9.47 (32)	1.10 (13)	221.7 (14)	11.21
Phoenix	923,750 (6)	3.32 (32)	561,628 (5)	7.06 (35)	5,700.8 (34)	0.34 (49)	0.94 (46)	365.5 (9)	10.96
27. Fresno, Calif.	307,090 (19)	6.03 (19)	122,955 (23)	6.35 (37)	9,596.5 (20)	7.76 (30)	1.10 (13)	116.2 (24)	9.54
Chula Vista, Calif.	126,240 (39)	6.23 (17)	50,544 (46)	11.43 (9)	4,325.4 (42)	12.09 (22)	1.10 (13)	41.9 (44)	5.94
29. Mesa, Ariz.	280,360 (22)	11.12 (4)	100,881 (27)	7.06 (34)	1,025.7 (49)	9.04 (34)	0.70 (49)	96.0 (27)	6.11
Laredo, Texas	125,090 (40)	6.57 (16)	42,194 (50)	16.71 (1)	1,922.0 (46)	4.17 (46)	1.88 (7)	31.9 (48)	9.33
31. El Paso, Texas	515,820 (11)	3.94 (30)	206,639 (14)	7.12 (30)	9,480.6 (21)	0.63 (48)	2.34 (4)	140.6 (19)	9.48
32. Charlotte, N.C.	367,060 (15)	4.13 (27)	215,601 (12)	5.55 (41)	14,600.0 (10)	7.35 (40)	1.34 (11)	183.3 (17)	12.59
Osmond, Calif.	130,080 (38)	2.44 (40)	67,991 (38)	10.57 (12)	4,495.3 (41)	13.50 (17)	1.10 (13)	54.9 (39)	7.73
34. Chesapeake, Va.	147,800 (36)	9.97 (5)	71,025 (34)	5.47 (42)	5,807.0 (33)	11.07 (28)	1.30 (12)	157.8 (18)	14.13
35. Jacksonville, Fla.	325,130 (10)	4.19 (25)	306,766 (11)	1.43 (47)	14,114.1 (11)	7.61 (39)	1.57 (9)	384.8 (8)	11.31
36. Orange, Calif.	105,710 (48)	3.32 (31)	68,176 (41)	10.14 (15)	6,085.6 (31)	12.99 (19)	1.10 (13)	46.6 (42)	7.31
Boise, Idaho	114,620 (43)	2.49 (39)	68,347 (37)	12.12 (6)	4,667.5 (40)	8.42 (36)	1.96 (6)	41.3 (45)	8.11
38. Scottsdale, Ariz.	121,740 (42)	9.54 (8)	69,610 (35)	7.06 (33)	1,440.6 (47)	12.81 (20)	0.70 (49)	66.2 (34)	8.63
39. Santa Ana, Calif.	239,540 (22)	1.17 (46)	135,817 (20)	10.14 (17)	9,393.8 (22)	9.03 (35)	1.10 (13)	132.1 (21)	6.50
40. Vallejo, Calif.	100,730 (50)	8.01 (11)	47,259 (48)	9.02 (26)	3,341.3 (43)	15.44 (13)	1.10 (13)	37.1 (47)	5.61
41. Philadelphia	1,647,000 (4)	0.25 (48)	694,392 (4)	2.13 (44)	8,626.2 (24)	12.53 (21)	2.51 (2)	1,908.9 (3)	17.86
42. Long Beach, Calif.	415,040 (17)	4.73 (24)	189,201 (15)	1.22 (49)	17,716.8 (8)	6.00 (43)	1.10 (13)	251.2 (13)	11.26
43. Fort Wayne, Ind.	179,810 (29)	3.99 (28)	94,762 (28)	7.06 (32)	1,201.4 (48)	32.82 (2)	2.47 (3)	30.5 (49)	6.19
44. Glendale, Ariz.	140,170 (37)	11.39 (3)	66,421 (40)	7.06 (36)	558.1 (50)	(2.34) (50)	0.99 (44)	43.6 (43)	8.33
45. Concord, Calif.	108,040 (47)	1.34 (42)	68,925 (36)	10.46 (13)	5,341.0 (37)	9.83 (30)	1.10 (13)	41 (46)	4.56
46. Glendale, Calif.	161,210 (32)	4.91 (23)	80,799 (31)	1.22 (50)	9,069.4 (23)	11.98 (24)	1.10 (13)	70.3 (32)	9.92
47. Raleigh, N.C.	106,720 (28)	2.68 (37)	118,201 (26)	9.09 (25)	8,106.6 (25)	5.30 (45)	1.66 (8)	113.4 (25)	12.56
48. Albuquerque, N.M.	378,400 (13)	3.01 (35)	207,190 (13)	3.35 (43)	13,179.6 (12)	6.61 (42)	1.03 (41)	200.4 (15)	11.78
49. Stockton, Calif.	190,600 (25)	3.95 (29)	78,509 (33)	5.85 (38)	6,022.0 (22)	9.51 (31)	1.10 (13)	72.3 (31)	6.91
50. Tacoma, Wash.	163,960 (31)	3.15 (34)	79,640 (32)	8.48 (27)	5,473.1 (26)	7.23 (41)	1.52 (10)	94.5 (28)	15.08

## CITY COUNCIL STAFF REPORT

Consent Item No. 10

July 21, 2021

File No. 1020-20

SUBJECT: Adoption of Specific Alignment Plan for Grand Avenue

DEPARTMENT: Engineering Services Department

RECOMMENDATION:

It is requested that the City Council approve Resolution No. 2021-108, adopting a Specific Alignment Plan for Grand Avenue from Escondido Boulevard to Juniper Street, (PL21-0055).

FISCAL ANALYSIS:

The estimated cost to implement the Grand Avenue Vision Plan ("Project") between Escondido Boulevard and Juniper Street is \$15 million. SANDAG selected the City's first phase for a \$1,443,161 Smart Growth Incentive Program Grant. \$1.2 million in TransNet funds were budgeted as a match for this Project.

ENVIRONMENTAL REVIEW:

A draft Mitigated Negative Declaration has been prepared for the Project pursuant to the California Environmental Quality Act, and was available for public review and comment through July 12, 2021. The environmental document identified several mitigation measures to address and mitigate potentially significant project impacts to Noise and Cultural Resources to less than significant levels.

PROJECT DESCRIPTION:

A Specific Alignment Plan and Mitigated Negative Declaration (MND) for the Project that narrows Grand Avenue to one (1) lane in each direction from Escondido Boulevard to Juniper Street, extends sidewalk and implements diagonal parking.

The first phase of the Project includes the widening of sidewalk on the north-side of Grand Avenue between Maple Street and Broadway Avenue. New light fixtures and festoon lighting are proposed between Maple Street and Kalmia Street along with removal of the medians. Diagonal parking will be added on one side of the street between Escondido Boulevard and Juniper Street. Temporary diagonal parking will be added on both sides of the street between Broadway Avenue and Kalmia Street until additional sidewalk widening is completed. Future phases of the project will include the proposed roundabouts, additional sidewalk widening, lighting and other desirable features including virtual kiosks, public art, and gateway features as permitted by the budgeted.

The MND can be viewed on Project website that includes the plans:  
<https://www.escondido.org/grand-avenue-vision-project.aspx>



BACKGROUND:

In 2017, downtown merchants, property owners, residents and other key stakeholders came together to develop a vision to revitalize Escondido's historic Grand Avenue. Concept plans were developed and a public meeting was held on October 12, 2017, to receive community input on the concepts. The City Council approved the Project on February 14, 2018, and authorized staff to submit grant applications to SANDAG. The first phase of the Project was selected for funding and a Grant Agreement with SANDAG to partially fund phase I, was approved by the City Council on February 13, 2019.

A Consultant contract for design services was authorized by the City Council in August 2019. Downtown business owners, property owners, and key stakeholders provided input on elevation sketches and a concept plan in July 2020. Survey respondents overwhelmingly supported the concepts offered, with 75% strongly agreeing or agreeing that the proposed improvements will add beauty and economic vitality to Grand Avenue. The most popular features identified by the public have been incorporated into the project including string (or festoon) lighting, wider sidewalks and diagonal parking, which were identified as favorite features of 72%, 51% and 46% of respondents, respectively.

Economic Development and Engineering staff have met with each business owner and property owner that front the sidewalk expansion area (north side of Grand Avenue between Maple and Broadway). Specific feedback from each was requested on the location of fencing to support outdoor dining. Responses from the businesses and property owners was very supportive of the project and many businesses desire to expand outdoor dining areas.

GENERAL PLAN ANALYSIS:

**Circulation Element** – The Circulation Element of the Escondido General Plan classifies Grand Avenue as a Collector Road (84'/64' right-of-way) with two (2) lanes in each direction. The proposed project would narrow Grand Avenue to one (1) lane in each direction and re-purpose excess right of way for parking and wider sidewalks. Anticipated traffic volumes can be accommodated within one (1) travel lane. The wider sidewalks and diagonal parking are designed to improve economic vitality of the downtown area.

SUMMARY:

The Project design is complete and ready to release for public bid. The City Council will be asked to award a construction contract in August 2021. Construction is anticipated to occur over a three (3) month period beginning in Fall 2021.

Specific Alignment Plan – Grand Avenue  
July 21, 2021  
Page 3

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

*Julie Procopio*, Director of Engineering Services  
07/15/218:53 a.m.

ATTACHMENTS:

1. Resolution No. 2021-108
2. Exhibit A to Resolution No. 2021-108 Findings
3. Exhibit B to Resolution No. 2021-108 Specific Alignment Plan
4. Exhibit C to Resolution No. 2021-108 Mitigation Monitoring and Reporting Program

RESOLUTION NO. 2021-108

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
APPROVING THE SPECIFIC ALIGNMENT  
PLAN AND ADOPTING A MITIGATED  
NEGATIVE DECLARATION FOR THE  
GRAND AVENUE VISION PLAN (PL21-0055)

WHEREAS, the City of Escondido (“City”) is the lead agency, pursuant to the California Environmental Quality Act (Public Resources Code § 21000 et seq.) (“CEQA”) and the CEQA Guidelines (14 California Code of Regulations § 15000 et seq.), for the proposed Grand Avenue Vision Plan (“Project”); and

WHEREAS, the Project involves a Specific Alignment Plan for the narrowing of Grand Avenue from Escondido Boulevard to Juniper Street, widening of sidewalks, replacement and improvement of lighting and installation of diagonal parking and other streetscape improvements; and

WHEREAS, the City Council engaged an environmental consultant, Helix Environmental Planning, to evaluate the environmental impact of the proposed Project; and

WHEREAS, a Final Initial Study / Mitigated Negative Declaration (“Final IS/MND”) has been prepared in compliance with all requirements contained in CEQA, the CEQA Guidelines, and Article 47 (Environmental Quality Regulations) of the Escondido Zoning Code. Mitigation measures were developed to reduce potential impacts to cultural/tribal cultural resources and noise to less-than-significant levels; and

WHEREAS, the City Council has reviewed and considered the information, findings, and conclusions contained in the Mitigated Negative Declaration and supporting documents.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California on the basis of substantial evidence and based upon the whole record, as follows:

1. The above recitations are true.

2. The Project will implement all mitigation measures identified in the Final IS/MND in order to reduce all potentially significant environmental impacts to a less-than-significant level, in accordance with the Mitigation Monitoring and Reporting Program (“MMRP”) prepared for the Project.

3. After consideration of all evidence presented, and studies and investigations made by the City Council and on its behalf, the City Council makes the substantive findings and determinations, attached hereto as Exhibit “A,” relating to the information that has been considered. In accordance with the Findings of Fact and Factors to be Considered, and the foregoing, the City Council reached a decision on the matter as hereinafter set forth.

4. The Specific Alignment Plan attached hereto as Exhibit “B” is subject to each and all of the mitigation measures set forth in Exhibit “C,” and MMRP.

5. The Specific Alignment Plan and Final IS/MND for the Project are on file in the Planning Division of the Community Development Department and are available for inspection by anyone interested herein, and are incorporated herein by this reference as if fully set forth herein. The Specific Alignment Plan is approved by the City Council as depicted in Exhibit “B.”

6. The Mitigated Negative Declaration was presented to the City Council on July 21, 2021 and considered by the City Council at its regularly scheduled meeting.

7. The Mitigated Negative Declaration was prepared for the Project in compliance with the requirements of CEQA and the CEQA Guidelines and are adequate for the City of Escondido as the lead agency under CEQA.

8. Pursuant to the above findings, the City Council determines that the Mitigated Negative Declaration, satisfies all the requirements of CEQA and is adequate to serve as the required environmental documentation for the Project and, therefore, hereby approves and adopts the Mitigated Negative Declaration for the proposed modifications to the Project.

# EXHIBIT "A"

## FINDINGS OF FACT

PL21-0055

### Environmental Determination(s)

1. Pursuant to the California Environmental Quality Act (Public Resources Code Section 21000 et. seq.) ("CEQA"), and its implementing regulations (Article 14 of the California Code of Regulations, Section 15000 et. seq. ("CEQA Guidelines"), the City of Escondido is the Lead Agency for the project ("Project"), as the public agency with the principal responsibility for approving the Project.
2. An Initial Study/Mitigated Negative Declaration ("IS/MND") for the Project was prepared, published, circulated, and reviewed in accordance with the requirements of CEQA, the CEQA Guidelines, and the local environmental procedures. The decision-making body of the Lead Agency shall adopt the proposed IS/MND only if:
  - It finds on the basis of the whole record before it that there is no substantial evidence the project will have a significant effect on the environment, and
  - The IS/MND reflects the Lead Agency's independent judgment and analysis.
3. The Final IS/MND and Mitigation Monitoring and Reporting Program ("MMRP") collectively constitute the environmental documentation under and pursuant to CEQA, the CEQA Guidelines, and local environmental procedures relating to the Project, and shall be referred to herein collectively as the "CEQA Documents."
4. The City Council has received the material record supporting all of the CEQA Documents for the Project. The City Council finds the following:
  - The Final IS/MND reflects the City's independent judgment and analysis.
  - There is no substantial evidence that the Project or any of its aspects could result in significant adverse impacts or that cannot be fully mitigated. All previously identified impacts have been mitigated to a less-than-significant level.
  - The City Council also finds that the mitigation measures listed in the MND will not cause any potentially significant effects.
  - The Final IS/MND has been completed in compliance with CEQA and it constitutes a complete, accurate, adequate, and good faith effort at full disclosure under CEQA.
5. Mitigation measures are recommended to be incorporated as part of the adoption of the Mitigated Negative Declaration. The recommended approval of the Project also includes the adoption of the MMRP, attached as Exhibit C to the Resolution.

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

**Specific Alignment Plan Determinations – Grand Avenue:**

1. Grand Avenue between Escondido Boulevard and Juniper Street is classified as a Collector Street on the Circulation Diagram contained in the Mobility and Infrastructure Element of the Escondido General Plan. It is currently built with two lanes in each direction, a center median and on-street parking on both sides. As a result of the proposed Project, it has been determined that special conditions exist which require a detailed implementation plan for the roadway.
2. It is desirable to provide wider sidewalks to accommodate downtown events and expand outdoor dining opportunities. The addition of convenient diagonal parking is also desirable to support the economic vitality of downtown businesses. The Project would support these changes by narrowing Grand Avenue to one lane in each direction. It would also include mini-roundabouts and bulb-outs where Grand Avenue intersects Maple, Broadway and Kalmia which would serve the dual purpose of slowing traffic through the project area, and providing pedestrian plazas that could accommodate outside seating, public art, and gateway features.
3. The impacts to other roadways in the Project vicinity resulting from the proposed modifications to Grand Avenue have been analyzed as part of the Traffic Impact Analysis prepared for the Project (Kimley Horn, June 2021). No significant impacts will result from the proposed modification. This segment of Grand Avenue would still maintain adequate capacity to accommodate the anticipated ADT at General Plan build-out (Year 2035) (Kimley Horn, June 2021).
4. Since the requested reclassification of Grand Avenue would be limited to a short, four-block segment, the SAP addresses the transition of the segment to the Collector Street segment at each end of the Project.

# GRAND AVENUE VISION PLAN: SPECIFIC ALIGNMENT PLAN

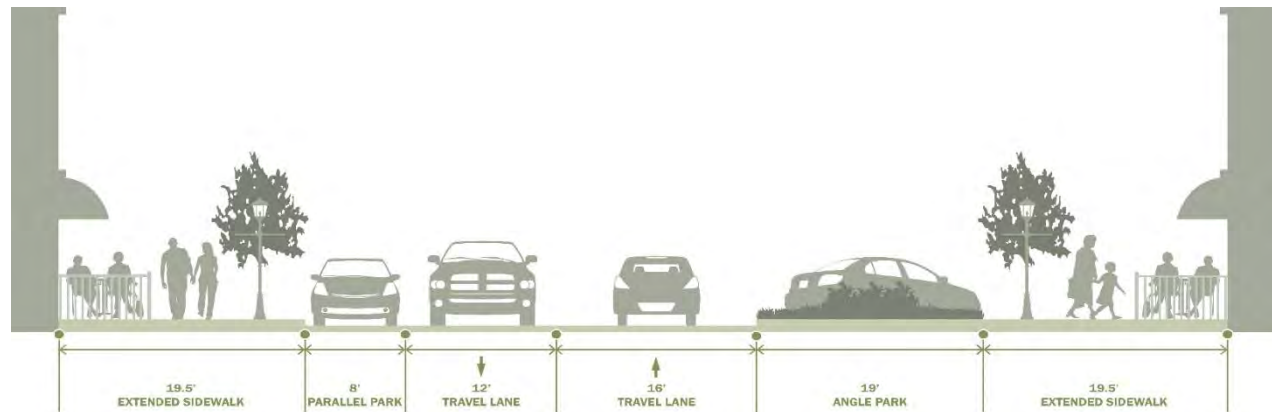
## PROJECT DESCRIPTION

The Specific Alignment Plan for the 0.4-mile segment of Grand Avenue between Escondido Boulevard and Juniper Street realizes the community's vision for an activated, pedestrian friendly, historic downtown. Wider sidewalks and convenient diagonal parking on one side of the street are incorporated through narrowing of vehicular travel to one lane in each direction. To shorten pedestrian crossing distances and calm traffic, the project includes mini-roundabouts at three locations (Maple Street, Broadway, and Kalmia Street), installs curb bulb-outs at key locations and removes center medians. Green Street elements such as green gutters, preservation of tree canopy and additional landscaping are included where feasible. Streetscape improvements, such as colored scored concrete, ornamental street lights, festoon lighting, sidewalk etchings, public art features, and gateway features are included in the plan.



PROJECT: RECORDING: GRAND AVENUE VISION | PHASE: SITE ANALYSIS: 28 MAY 2021 | DESCRIPTION: PERSPECTIVE SKETCH - GRAND AVENUE

The project supports realignment of North County Transit District (NCTD) Breeze bus routes 351 and 352 with bus stop amenities. Route 351 is rerouted along South Quince Street and West 2nd Avenue, and Route 352 is rerouted along West Valley Parkway and Juniper Street. Two new bus shelters and benches are to be installed at existing bus stops within the right of way along Second Avenue and Valley Parkway to support consolidation of these existing stops and to meet NCTD amenity standards for the combined ridership.



Typical Cross-Section



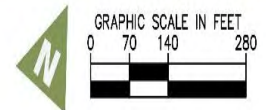
## VISION PLAN

The Vision Plan was formed through several visioning meetings with downtown stakeholders, a community survey and two public workshops. The City Council adopted the Vision Plan on February 14, 2018 and approved the Grant Agreement to complete environmental clearance and Phase I on February 13, 2019.



### LEGEND

-  Existing Sidewalk
-  Sidewalk Extension
-  On-Street Parking
-  Landscaping Space
-  Existing Buildings



## STREETSCAPE FEATURES

- Mini-Roundabouts
- Ornamental Street Lights
- Festoon Lighting
- Gateways
- Digital Kiosk/Wayfinding
- Public Art
- Lighting
- Fencing
- Concrete
- Sidewalk Etching



## DESIGN REVIEW

The Historic Preservation Commission, Downtown Business Association and Public Art Commission provided recommendations on aesthetic components of the design, including ornamental street lighting, fencing and sidewalk treatments. After considering all feedback, the final treatments approved by the Zoning Administrator are as follows:



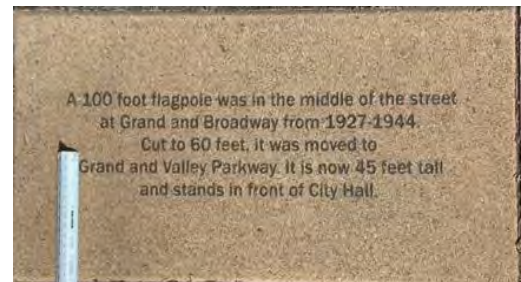
Concrete with two different scoring patterns and colors, include a natural grey and a tan color. The larger grey concrete scoring pattern is used within outdoor dining spaces to facilitate cleaning.

Based on the recommendation of the Historic Preservation Commission, unadorned fencing is used as appropriate for the historic downtown. This selection will also provide for easy replacement and matching for future business owners, as outdoor dining spaces evolve over time.



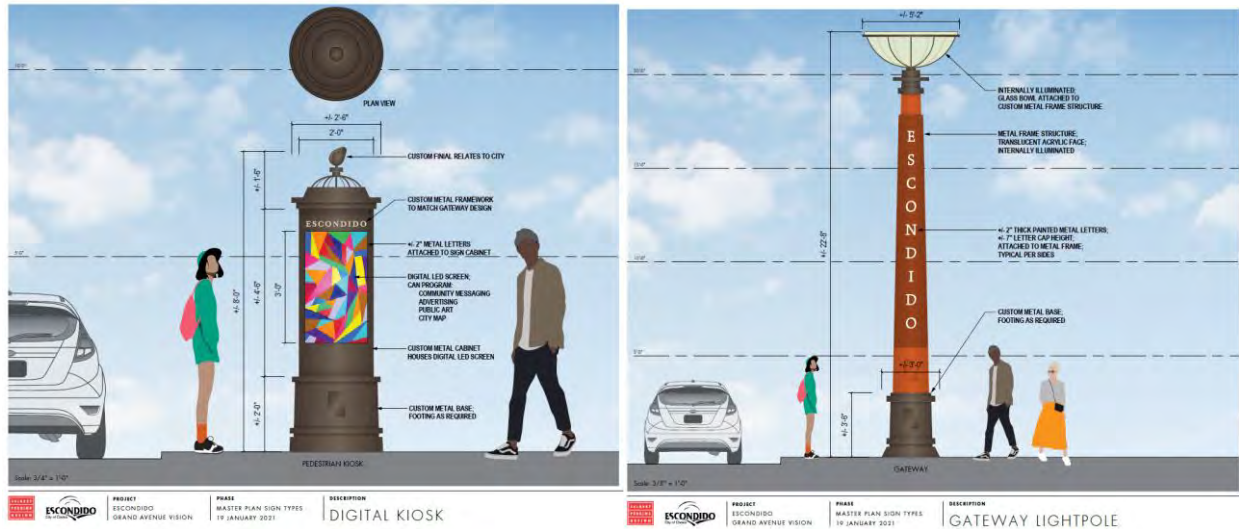
Acorn-style lighting in a color and style to match existing ornamental lights in Maple Plaza is used. Taller light standards (22-foot tall) will replace the existing pedestrian lights and will serve as mounting points for banner poles, hanging baskets and for the festoon lighting that will be installed across Grand Avenue.

Etchings will be incorporated into the sidewalk within the scoring pattern. The History Center has provided a list of interesting facts about Escondido's history that will serve as the basis for these etchings.



## ADDITIONAL STREETSCAPE COMPONENTS

The Vision Plan creates widened sidewalk areas that provide opportunities to install additional streetscape components, including digital kiosks for wayfinding, gateway signage and other public art opportunities. Art components will be selected by the appropriate body, such as the Public Art Commission or City Council, in advance of their installation.



## PROJECT PHASING

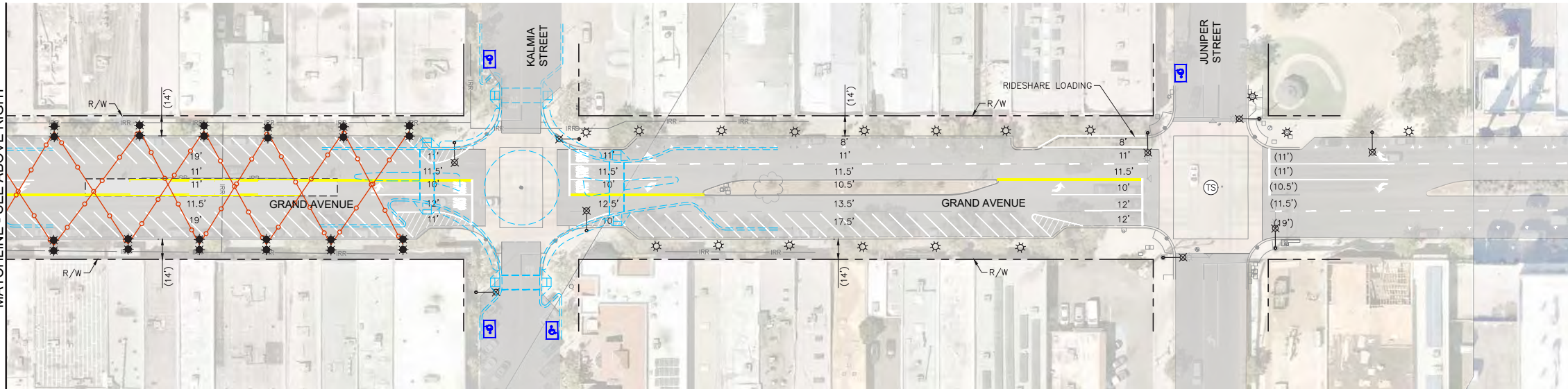
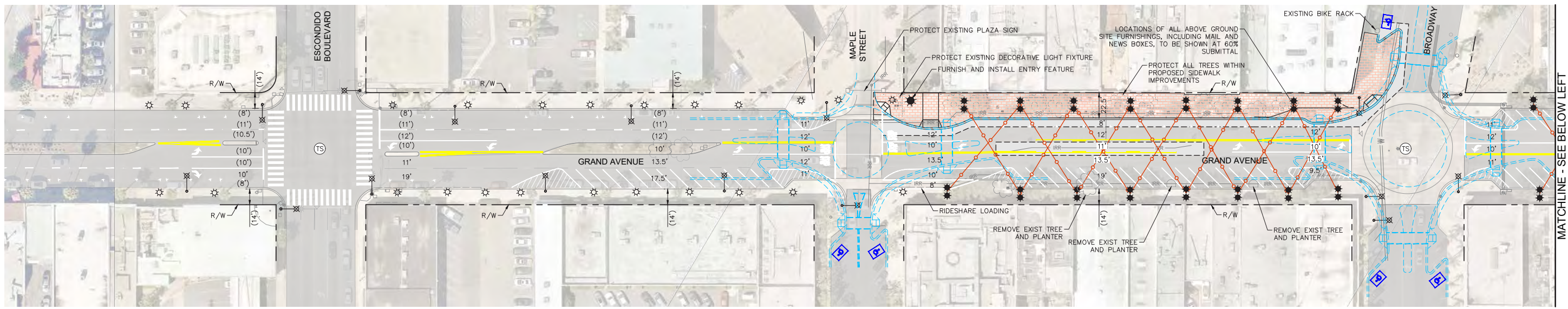
Phase I includes wider sidewalks on one side of the street between Maple Street and Broadway to improve walkability and expand outdoor dining areas. Ornamental street lights and festoon lighting are installed between Maple St. and Kalmia St. in the first phase with median removal along these two blocks. Re-stripping between Escondido Blvd. and Juniper St. is completed adding diagonal parking on one side of the street. Diagonal parking is added on both sides of the street on an interim basis between Broadway and Kalmia St., until sidewalk widening can be accomplished on this block.

Future phases include wider sidewalks on both sides of the street and completion of the three proposed mini-roundabouts. Ornamental and festoon lighting is to be added on the remaining blocks with median removal in these areas. The roundabout at Broadway is anticipated to be completed in the earlier phases of implementation, since this support elimination of the turn-lanes and median that is required to accommodate sidewalk expansion on both sides of the street. Additional pop-outs of sidewalk into parking areas could be considered to accommodate higher demands for outdoor dining or to further activate the street. Figure 1 shows completion of the first phase with the locations of future roundabouts shown in blue.

Completion of the first phase is budgeted and planned to be completed during late 2021. Future phases will be completed based on funding allocated to the project.



# Figure 1



**LEGEND**

- EXISTING TRAFFIC SIGNAL TO BE MODIFIED TO ACCOMMODATE NEW LANE DESIGNATION (TS)
- EXISTING PEDESTRIAN SCALE LIGHTING TO REMAIN ☼
- PROPOSED NEW ORNAMENTAL LIGHTS ☼
- PROPOSED ENTRY FEATURE ☼
- EXISTING STREET LIGHTS (INCLUDES LIGHTS AT TRAFFIC SIGNALS) ☼
- PROPOSED FESTOON LIGHTS —○—○—○—
- SIDEWALK REPLACEMENT/EXPANSION ▨
- ASPHALT CONCRETE ▨
- POTENTIAL ADA STALL LOCATION. ADDITION OF ADA STALL WILL REQUIRE ADDITIONAL SURVEY AND MAY REQUIRE CONSTRUCTION OF CURB RAMP. ♿



I:\PROJECTS\KHA\KHA-39\_GrandAve\Map\SMND\Fig3\_SitePlan.indd KHA-39 12/17/2020 -SAB

Source: Kimley-Horn (2020)

## **MITIGATION MONITORING REPORTING PROGRAM**

**PROJECT NAME:** Grand Avenue Vision Project  
**CITY FILE NO.** PL 21-0055  
**APPROVAL BODY:** Escondido City Council

**PROJECT DESCRIPTION:** The complete project corridor encompasses a 0.4-mile segment of Grand Avenue between Escondido Boulevard and Juniper Street and would include mini-roundabouts at three locations (Maple Street, Broadway, and Kalmia Street), streetscape improvements, public art features, narrowing of Grand Avenue to one lane in each direction and using the excess width to create wider sidewalks, and diagonal parking on one side of the street resulting in increased on-street parking. Other project features include:

- Installation of curb bulb-outs at key locations and a wider sidewalk. Phase I includes wider sidewalks on one side of the street between Maple Street and Broadway to improve walkability and comply with American Disability Act standards. Future phases will include wider sidewalk on both sides of the street between Juniper Street and Escondido Boulevard.
- Removal of medians and restripe Grand Avenue to add diagonal parking between Escondido Boulevard and Juniper Street.
- Traffic signal modifications at the intersections of Escondido Boulevard and Juniper Street
- Preservation of existing trees, where feasible, and installation of trees and other landscaping.
- Installation of wayfinding signage and entry features to support first and last-mile trips.
- Installation of ornamental lights.

The project also proposes to realign North County Transit District Breeze bus routes 351 and 352 that currently traverse the project corridor. Route 351 would be rerouted along South Quince Street and West 2<sup>nd</sup> Avenue, and Route 352 would be rerouted along East and West Valley Parkway and Juniper Street. Existing bus stops along Grand Avenue within the project corridor would be removed. With the realigned bus routes, the total distance of Route 351 would slightly increase by 0.01 mile and Route 352 would be the same distance. Two new bus shelters and benches would be installed at existing bus stops within the right of way along Second Avenue and Valley Parkway.

**PROJECT LOCATION:** The proposed project is located City of Escondido along a 0.4-mile segment of Grand Avenue between Escondido Boulevard and Juniper Street in the Downtown Historic District.

**PROJECT MANAGER:** Jonathan Schauble, Principal Engineer CIP  
**PHONE NUMBER:** (760) 839-4072  
**EMAIL:** jschauble@escondido.org

# Mitigation Monitoring and Reporting Program for the Grand Avenue Vision Project

## **Mitigated Negative Declaration/Initial Study Environmental Checklist**

### **Project No. PL 21-0055**

The City of Escondido adopts this Mitigation Monitoring and Reporting Program (MMRP) in accordance with Public Resources Code (PRC) Section 21081.6 and Section 15097 of the California Environmental Quality Act (CEQA) Guidelines. The purpose of the MMRP is to ensure that the Grand Avenue Vision Project (proposed project), which is the subject of the Mitigated Negative Declaration (MND) and Initial Study Environmental Checklist, complies with all applicable environmental mitigation requirements. The mitigation described in the MND and summarized below provides a broad purpose and overview of actions that will occur in order to reduce identified environmental impacts.

For each project that is subject to CEQA, PRC Section 21081.6 requires the Lead Agency to monitor performance of the mitigation measures included in any environmental document to ensure that the specified mitigation is implemented. The City of Escondido is the designated Lead Agency for the proposed project. The City is responsible for review of all monitoring reports, enforcement actions, and document disposition related to implementation of the MMRP.

After review and approval by the Lead Agency, minor changes to the MMRP are permitted but can only be made by the City of Escondido. No deviations from this MMRP shall be permitted unless it continues to satisfy the requirements of PRC Section 21081.6, as determined by the City of Escondido.

The organization of the MMRP follows the subsection formatting style presented within the MND and Initial Study Environmental Checklist. Only those subsections of the environmental issues presented in the Initial Study Environmental Checklist that have mitigation measures are provided below in the MMRP table. All other subsections do not contain mitigation measures. For each mitigation measure, the MMRP table identifies the following: 1) mitigation measure, 2) implementation action, 3) responsible agency/party, 4) monitoring schedule, and 5) verification date.

**MITIGATION MONITORING AND REPORTING PROGRAM**

Mitigation Measures	Implementation, Monitoring, and Reporting Action	Responsibility	Monitoring Schedule			Verification Date
			Before Construction	During Construction	After Construction	
<b>Cultural Resources</b>						
<p><b>CUL-1:</b> Prior to the issuance of a grading permit, the Applicant shall enter into a Tribal Cultural Resource Treatment and Monitoring Agreement (also known as a Pre-Excavation Agreement) with a tribe that is traditionally and culturally affiliated with the Project Location ("TCA Tribe"). The purposes of the agreement are (1) to provide the Applicant with clear expectations regarding tribal cultural resources, and (2) to formalize protocols and procedures between the Applicant/Owner and the TCA Tribe for the protection and treatment of, including but not limited to, Native American human remains, funerary objects, cultural and religious landscapes, ceremonial items, traditional gathering areas and cultural items, located and/or discovered through a monitoring program in conjunction with the construction of the Project, including additional archaeological surveys and/or studies, excavations, geotechnical investigations, grading, and all other ground-disturbing activities. The agreement shall incorporate, at a minimum, the performance criteria and standards, protocols, and procedures set forth in mitigation measures CR-2 through CR-10, and the following information:</p> <ul style="list-style-type: none"> <li>Parties entering into the agreement and contact information.</li> <li>Responsibilities of the Property Owner or their representative, archaeological monitors, and tribal monitors.</li> </ul>	<ul style="list-style-type: none"> <li>Applicant should enter into a Tribal Cultural Resource Treatment and Monitoring Agreement.</li> </ul>	Applicant; City of Escondido Community Development Department Planning Division	X			



Mitigation Measures	Implementation, Monitoring, and Reporting Action	Responsibility	Monitoring Schedule			Verification Date
			Before Construction	During Construction	After Construction	
<ul style="list-style-type: none"> <li>• Project grading and development scheduling, including determination of authority to adjust in the event of unexpected discovery, and terms of compensation for the monitors, including overtime and weekend rates, in addition to mileage reimbursement.</li> <li>• Requirements in the event of unanticipated discoveries, which shall address grading and grubbing requirements including controlled grading and controlled vegetation removal in areas of cultural sensitivity, analysis of identified cultural materials, and on-site storage of cultural materials.</li> <li>• Treatment of identified Native American cultural materials.</li> <li>• Treatment of Native American human remains and associated grave goods.</li> <li>• Confidentiality of cultural information including location and data.</li> <li>• Negotiation of disagreements should they arise.</li> <li>• Regulations that apply to cultural resources that have been identified or may be identified during project construction.</li> </ul>						
<p><b>CUL-2:</b> Prior to issuance of a grading permit, the Applicant shall provide written verification to the City that a qualified archaeologist and a Native American monitor associated with a TCA Tribe</p>	<ul style="list-style-type: none"> <li>• Require verification and approval of qualified archaeologist.</li> </ul>	Applicant; City of Escondido Community Development	X			

Mitigation Measures	Implementation, Monitoring, and Reporting Action	Responsibility	Monitoring Schedule			Verification Date
			Before Construction	During Construction	After Construction	
have been retained to implement the monitoring program. The archaeologist shall be responsible for coordinating with the Native American monitor. This verification shall be presented to the City in a letter from the Project archaeologist that confirms the selected Native American monitor is associated with a TCA Tribe. The City, prior to any pre-construction meeting, shall approve all persons involved in the monitoring program.		Department Planning Division				
<b>CUL-3:</b> The qualified archaeologist and a Native American monitor shall attend all applicable pre-construction meetings with the General Contractor and/or associated subcontractors to explain and coordinate the requirements of the monitoring program.	<ul style="list-style-type: none"> <li>Require monitoring program coordination.</li> </ul>	City of Escondido Community Development Department Planning Division; Qualified Archaeologist; Grading Contractor	X			
<b>CUL-4:</b> During the initial grubbing, site grading, excavation or disturbance of the ground surface (including both on- and off-site improvement areas), the qualified archaeologist and the Native American monitor shall be present full-time. If the full-time monitoring reveals that the top soil throughout the Project impact area (both on and off-site) has been previously removed during the development of the roads and buildings within the Project area, then a decrease of monitoring to part-time monitoring or the termination of monitoring can be implemented, as deemed appropriate by the qualified archaeologist in consultation with the Native American monitor. The frequency of subsequent monitoring shall depend on the rate of excavation, the materials excavated, and any discoveries of tribal cultural resources as defined in California Public Resources Code Section 21074. The qualified archaeologist, in consultation with the Native American monitor, shall be responsible for determining the duration and frequency of monitoring considering these factors.	<ul style="list-style-type: none"> <li>Require on-site archaeological monitor and Native American Monitor.</li> </ul>	City of Escondido Community Development Department Planning Division; Archaeological Monitor; Field Engineering Division		X		

Mitigation Measures	Implementation, Monitoring, and Reporting Action	Responsibility	Monitoring Schedule			Verification Date
			Before Construction	During Construction	After Construction	
Archaeological and Native American monitoring will be discontinued when the depth of grading and soil conditions no longer retain the potential to contain cultural deposits (i.e., soil conditions are comprised solely of fill or granitic bedrock).						
<b>CUL-5:</b> In the event that previously unidentified tribal cultural resources are discovered, all work must halt within a 100-foot radius of the discovery. The qualified archaeologist and the Native American monitor shall evaluate the significance of the find and shall have the authority to modify the no-work radius as appropriate, using professional judgment. The qualified archaeologist and Native American Monitor shall consider the criteria identified by California Public Resources Code sections 21083.2(g) and 21074, and CEQA Guidelines sections 15064 and 15064.5(c) in determining the significance of a discovered resource. If the professional archaeologist and Native American monitor determine that the find does not represent a culturally significant resource, work may resume immediately, and no agency notifications are required. Isolates and clearly non-significant deposits shall be documented in the field and collected, and monitored grading can immediately proceed.	<ul style="list-style-type: none"> <li>Require identification and preservation of any unidentified cultural resources.</li> </ul>	City of Escondido Community Development Department Planning Division; Project Archaeologist; County Coroner; Native American Monitor		X		
<b>CUL-6:</b> If the qualified archaeologist and Native American monitor determine that the find does represent a potentially significant tribal cultural resource, considering the criteria identified by California Public Resources Code sections 21083.2(g) and 21074, and CEQA Guidelines sections 15064 and 15064.5(c), the archaeologist shall immediately notify the City of said discovery. The qualified archaeologist, in consultation with the City, the consulting TCA Tribe(s), and the Native American monitor, shall determine the significance of the discovered resource. A recommendation for the tribal cultural resource's treatment and disposition shall be made by the	<ul style="list-style-type: none"> <li>Require identification and preservation of any significant tribal resource.</li> <li>Consultation with Native American Monitor.</li> </ul>	City of Escondido Community Development Department Planning Division; Project Archaeologist; Native American Monitor; TCA Tribe		X		

Mitigation Measures	Implementation, Monitoring, and Reporting Action	Responsibility	Monitoring Schedule			Verification Date
			Before Construction	During Construction	After Construction	
<p>qualified archaeologist in consultation with the TCA Tribe(s) and the Native American monitor and be submitted to the City for review and approval. If the find is determined to be a Tribal Cultural Resource under CEQA, as defined in California Public Resources Code Section 21074(a) through (c), appropriate treatment measures will be implemented. Work may not resume within the no-work radius until the City, through consultation as set forth herein, determines either that: 1) the discovery does not constitute a Tribal Cultural Resource under CEQA, as defined in California Public Resources Code Section 21074(a) through (c); or 2) the approved treatment and disposition measures have been completed.</p>						
<p><b>CUL-7:</b> All sacred sites, significant tribal cultural resources, and unique archaeological resources encountered within the Project area shall be avoided and preserved as the preferred mitigation. The avoidance and preservation of the significant tribal cultural resource or unique archaeological resource must first be considered and evaluated in consultation with the TCA Tribe(s) as required by CEQA and in compliance with all relevant mitigation measures for the Project. If any significant tribal cultural resource or unique archaeological resource has been discovered and such avoidance or preservation measure has been deemed to be infeasible by the City's Director of Community Development (after a recommendation is provided by the qualified archaeologist, in consultation with the TCA Tribe(s) and Native American monitor, making a determination of infeasibility that takes into account the factors listed in California Public Resources Code sections 21061.1, 21081(a)(3), and CEQA Guidelines section 15091, and in accordance with all relevant mitigation measures for the Project), then culturally appropriate</p>	<ul style="list-style-type: none"> <li>• Require research design and data recovery program.</li> <li>• Consultation with Native American Monitor.</li> </ul>	<p>City of Escondido Community Development Department Planning Division; Project Archaeologist; TCA Tribe</p>		X		

Mitigation Measures	Implementation, Monitoring, and Reporting Action	Responsibility	Monitoring Schedule			Verification Date
			Before Construction	During Construction	After Construction	
treatment of those resources, including but not limited to funding an ethnographic or ethnohistoric study of the resource(s), and/or developing a research design and data recovery program to mitigate impacts shall be prepared by the qualified archaeologist (using professional archaeological methods), in consultation with the TCA Tribe and the Native American monitor, and shall be subject to approval by the City. No artifact sampling for analysis is allowed, unless approved by the consulting TCA Tribe(s). Before construction activities are allowed to resume in the affected area, the research design and data recovery program activities must be concluded to the satisfaction of the City						
<b>CUL-8:</b> As specified by California Health and Safety Code section 7050.5, if human remains are found on the Project site during construction or during archaeological work, the person responsible for the excavation, or his or her authorized representative, shall immediately notify the San Diego County Coroner's office. Determination of whether the remains are human shall be conducted on site and in situ where they were discovered by a forensic anthropologist, unless the forensic anthropologist and the Native American monitor agree to remove the remains to a temporary off-site location for examination. No further excavation or disturbance of the site or any nearby area reasonably suspected to overlie adjacent remains shall occur until the Coroner has made the necessary findings as to origin and disposition. A temporary construction exclusion zone shall be established surrounding the area of the discovery so that the area would be protected, and consultation and treatment could occur as prescribed by law. If the Coroner determines the remains are Native American and not the result of a crime scene, the Coroner will notify the NAHC, which then will designate a Native American Most	<ul style="list-style-type: none"> <li>Require identification and preservation of any undiscovered cultural resources or human remains.</li> </ul>	City of Escondido Community Development Department Planning Division; Project Archaeologist; County Coroner		X		

Mitigation Measures	Implementation, Monitoring, and Reporting Action	Responsibility	Monitoring Schedule			Verification Date
			Before Construction	During Construction	After Construction	
Likely Descendant (MLD) for the project (California Public Resources Code § 5097.98) for proper treatment and disposition in accordance with California Public Resources Code section 5097.98. The designated MLD will have 48 hours from the time access to the property is granted to make recommendations concerning treatment of the remains. If the City does not agree with the recommendations of the MLD, the NAHC can mediate (California Public Resources Code § 5097.94). If no agreement is reached, the remains shall be kept in situ, or reburied in a secure location in close proximity to where they were found and where they will not be further disturbed (California Public Resources Code § 5097.98). Work may not resume within the no work radius until the lead agency, through consultation as appropriate, determines that the treatment measures have been completed to their satisfaction. The analysis of the remains shall only occur on site in the presence of the MLD, unless the forensic anthropologist and the MLD agree to remove the remains to an off-site location for examination.						
<b>CUL-9:</b> If the qualified archaeologist elects to collect any tribal cultural resources, the Native American monitor must be present during any cataloging of those resources. Moreover, if the qualified archaeologist does not collect the cultural resources that are unearthed during the ground-disturbing activities, the Native American monitor may, at their discretion, collect said resources for later reburial on the Project site or storage at a local curation facility. Any tribal cultural resources collected by the qualified archaeologist shall be repatriated to the TCA Tribe for reburial on the Project site. Should the TCA Tribe(s) decline the collection, the collection shall be curated at the San Diego Archaeological Center. All other resources determined by the	<ul style="list-style-type: none"> <li>Require that a Native American monitor is present during any testing or cataloging.</li> <li>Any tribal cultural resources collected by the qualified archaeologist shall be repatriated to the TCA Tribe.</li> <li>Any tribal cultural resources collected by the qualified archaeologist that are denied collection by the TCA Tribe shall be curated at the San Diego Archaeological Center.</li> </ul>	City of Escondido Community Development Department Planning Division; Project Archaeologist		X	X	

Mitigation Measures	Implementation, Monitoring, and Reporting Action	Responsibility	Monitoring Schedule			Verification Date
			Before Construction	During Construction	After Construction	
qualified archaeologist, in consultation with the Native American monitor, to not be tribal cultural resources, shall be curated at the San Diego Archaeological Center.	<ul style="list-style-type: none"> <li>Any resource determined not to be a tribal cultural resource shall be curated at the San Diego Archaeological Center.</li> </ul>					
<b>CUL-10:</b> Prior to the release of the grading bond, a monitoring report and/or evaluation report, if appropriate, that describes the results, analysis, and conclusions of the archaeological monitoring program and any data recovery program on the Project site, shall be submitted by the qualified archaeologist to the City. The Native American monitor shall be responsible for providing any notes or comments to the qualified archaeologist in a timely manner to be submitted with the report. The report will include California Department of Parks and Recreation Primary and Archaeological Site Forms for any newly discovered resources. A copy of the final report will be submitted to the South Coastal Information Center after approval by the City.	<ul style="list-style-type: none"> <li>Require documentation of analysis and data by the qualified archaeologist.</li> <li>Consultation with Native American Monitor.</li> </ul>	Qualified Archaeologist; Native American Monitor			X	
<b>Noise</b>						
<p><b>NOI-1:</b> Noise from project construction activities shall comply with the thresholds and hours specified by the City of Escondido. Construction shall only occur between the hours of 7:00 a.m. and 6:00 p.m. Monday through Friday and on Saturdays between the hours of 9:00 a.m. and 5:00 p.m. Construction noise shall not exceed 75 dBA <math>L_{EQ}</math> (one hour) unless a variance has been obtained in advance from the City.</p> <p>Appropriate measures to reduce construction noise shall be implemented may include, but not be limited to, the following:</p> <ul style="list-style-type: none"> <li>Construction equipment shall be properly outfitted and maintained with</li> </ul>	<ul style="list-style-type: none"> <li>Require incorporation of construction noise minimization measures.</li> </ul>	City of Escondido/ Engineering Division		X		

Mitigation Measures	Implementation, Monitoring, and Reporting Action	Responsibility	Monitoring Schedule			Verification Date
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<p>manufacturer-recommended noise-reduction devices.</p> <ul style="list-style-type: none"> <li>• Diesel equipment shall be operated with closed engine doors and equipped with factory-recommended mufflers.</li> <li>• Mobile or fixed "package" equipment (e.g., arc welders and air compressors) shall be equipped with shrouds and noise control features that are readily available for that type of equipment.</li> <li>• Electrically powered equipment shall be used instead of pneumatic or internal-combustion powered equipment, where feasible.</li> <li>• Unnecessary idling of internal combustion engines (e.g., in excess of 5 minutes) shall be prohibited.</li> <li>• The use of noise-producing signals, including horns, whistles, alarms, and bells, shall be for safety warning purposes only.</li> <li>• No project-related public address or music system shall be audible at any adjacent sensitive receptor.</li> <li>• Any truck or equipment equipped with back-up alarm moving within 300 feet of a noise-sensitive land use should have the normal back-up alarm disengaged and safety provided by lights and flagman or broad-spectrum noise backup alarm (as appropriate for conditions) used in</li> </ul>						



Mitigation Measures	Implementation, Monitoring, and Reporting Action	Responsibility	Monitoring Schedule			Verification Date
			Before Construction	During Construction	After Construction	
<p>compliance with the Occupational Safety and Health Administration safety guidelines.</p> <ul style="list-style-type: none"> <li>Work should be scheduled to avoid impacts to noise-sensitive receptors, such scheduling demolition activities outside of school hours. If noise generating work cannot be scheduled to avoid impacts, temporary sound barriers or sound blankets shall be installed between construction operations and adjacent noise-sensitive land uses. Where required, the project Contractor shall construct a temporary noise barrier at least 6 feet in height meeting the specifications listed below (or of a Sound Transmission Class [STC] 19 rating or better) to attenuate noise. Barriers shall exceed the height of the project equipment's noise-generating components.</li> <li>If a temporary barrier is used, all barriers shall be solid and constructed of wood, plastic, fiberglass, steel, masonry, or a combination of those materials, with no cracks or gaps through or below the wall. Any seams or cracks must be filled or caulked. If wood is used, it can be tongue and groove or close butted seams and must be at least ¾-inch thick or have a surface density of at least 3.5 pounds per square-foot. Sheet metal of 18-gauge (minimum) may be used if it meets the other criteria and is properly supported and stiffened so that it does not rattle or create noise itself from vibration or wind. Noise blankets, hoods, or covers also</li> </ul>						

Mitigation Measures	Implementation, Monitoring, and Reporting Action	Responsibility	Monitoring Schedule			Verification Date
			Before Construction	During Construction	After Construction	
<p>may be used, provided they are appropriately implemented to provide the required sound attenuation.</p> <ul style="list-style-type: none"><li>The on-site construction supervisor shall have the responsibility and authority to receive and resolve noise complaints. A clear appeal process shall be established prior to construction commencement to allow for resolution of noise problems that cannot be immediately solved by the site supervisor.</li></ul>						

## CITY COUNCIL STAFF REPORT

**Consent Item No. 11**

**July 21, 2021**

**File No. 0470-25**

SUBJECT: Procurement of Street Light Poles, Fixtures and String Lighting for the Grand Avenue Vision Project - Phase 1

DEPARTMENT: Engineering Services Department

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2021-104 authorizing the City Manager to issue a Purchase Order to procure twenty-four (24) street light poles, LED light fixtures, and associated string "Market Style" lighting for the first phase of the Grand Avenue Vision Project ("Project").

FISCAL ANALYSIS:

The Project is funded with a SANDAG Smart Growth Incentive Program Grant in the amount of \$1,443,161 and TransNet funding in the amount of \$1,100,000. The street light package is estimated to cost \$450,000 and is included in the Project budget.

PREVIOUS ACTION:

On February 13, 2019, the City Council approved the grant agreement and budgeted grant-matching funds to implement the first phase of the Project. The City Council authorized a Consulting Agreement for Design on August 21, 2019.

On February 10, 2021, staff provided a presentation on the status of the Project.

BACKGROUND:

In 2017, downtown merchants, property owners, residents and other key stakeholders came together to develop a vision to revitalize Escondido's historic Grand Avenue. Concept plans were developed and a public meeting was held on October 12, 2017 to receive community input on the concepts. The City Council approved the Grand Avenue Vision Plan on February 14, 2018, and authorized staff to submit grant applications to SANDAG. The cost to implement the full Vision Plan is estimated at \$15-million. This is a phased project that will occur over several years as funding becomes available.

SANDAG selected the first phase of the Project to receive funding. The project includes the following components:

Narrowing of Grand Avenue to one (1) lane in each direction between Escondido and Juniper, and restriping of parking lanes to include diagonal parking on at least one (1) side of the street.

Extension of the sidewalk on the north side of the street between Maple and Broadway to expand outdoor dining opportunities and increase walkable space.

Installation of new street lighting between Maple and Kalmia, and removal of the medians.

The Project design was presented to the Public Art Commission, Historic Preservation Commission and Downtown Business Association Board in February and March 2021. Input from these groups and a July 2020 community survey was incorporated into the final design documents. The light fixtures selected are an acorn style light to match those in Maple Plaza. The lights will be equipped with mounting brackets for banners and hanging baskets. In addition, the light standards will serve as a mounting point for the market style lighting that will crisscross Grand Avenue. The design of the lights is shown in Attachment "1" to the staff report.

Early procurement for the street lighting package is recommended because the lights are specially fabricated and require special design to support the market lighting. By completing design of the poles with the selected vendor in advance, the estimated 12-week time necessary to fabricate the poles can run concurrently with bidding, contract award and mobilization for the construction contract.

The Project design is complete and ready to release for public bid. The City Council will be asked to award a construction contract in August 2021. Construction is anticipated to occur over a three-month period beginning in Fall 2021.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

*Julie Procopio*, Director of Engineering Services  
07/15/21 8:53 a.m.

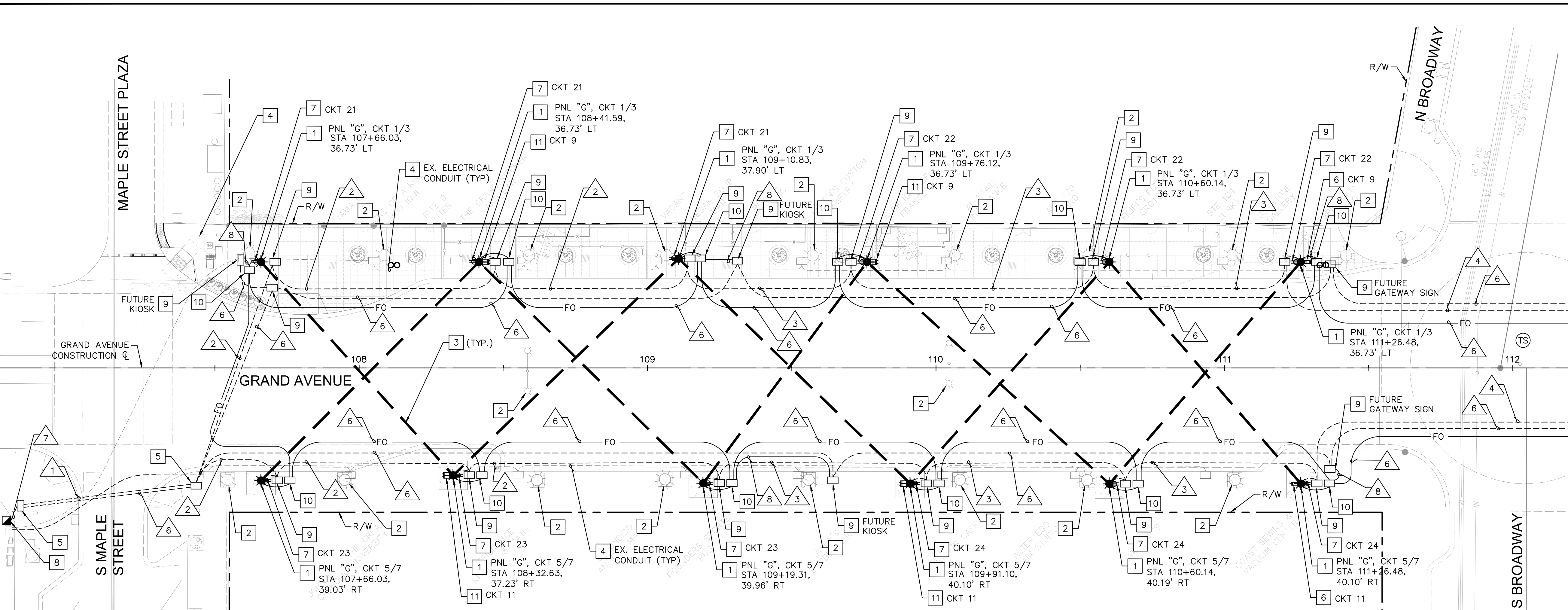
ATTACHMENTS:

1. Attachment "1" – Street Light Design
2. Resolution No. 2021-104





Plotted By: Madrak, Jackson Sheet Set: KHA Layout: 25 ELECTRICAL AND LIGHTING PLAN July 07, 2021 03:03:38pm \\SND\p01\CA\_SND\1\SND\_MUN\095293015 - Grand Avenue Vision Design\Plan Sheets - 2018\293015-EL.dwg

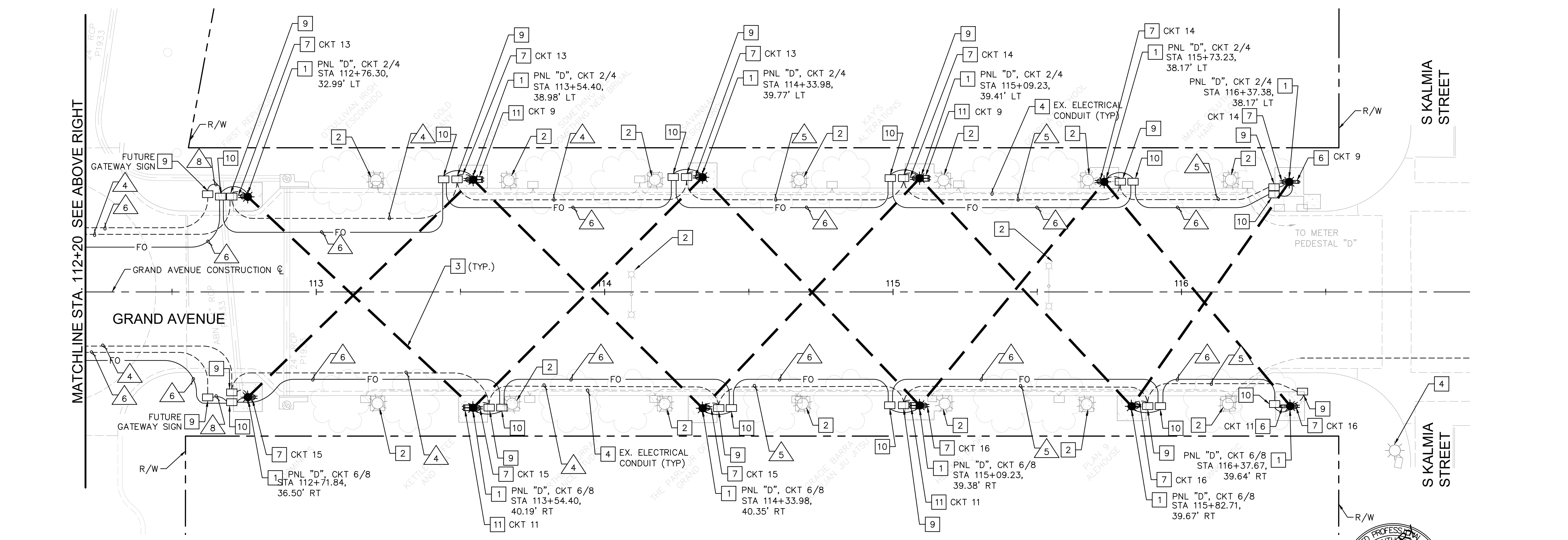


- LEGEND:**
- EXISTING PEDESTRIAN SCALE LIGHT
  - PROPOSED LED PEDESTRIAN SCALE LIGHT
  - PROPOSED LIGHTING FUSED CONNECTOR
  - PROPOSED PULL BOX
  - EXISTING PULL BOX
  - PROPOSED SERVICE ENCLOSURE
  - PROPOSED ELECTRICAL CONDUIT
  - EXISTING ELECTRICAL CONDUIT
  - PROPOSED COMMUNICATION CONDUIT
  - PROPOSED FESTOON LIGHTING
  - TRAFFIC SIGNAL

- ELECTRICAL NOTES**
- 1 INSTALL CITY FURNISHED LIGHT POLE WITH A 100W LED LUMINAIRE MOUNTED AT 20' PER DETAIL G ON SHEET 18.
  - 2 REMOVE AND SALVAGE EXISTING LIGHT POLE AND LUMINAIRE. REMOVE FOUNDATION TO 1' BELOW GRADE, ABANDON REMAINDER OF FOUNDATION IN PLACE. COORDINATE WITH CITY ON SALVAGE LOCATION.
  - 3 FURNISH AND INSTALL LED FESTOON LIGHTING STRING WITH SOCKET SPACING OF 3'. ATTACH FESTOON LIGHTING PER DETAIL F AND H ON SHEET 18.
  - 4 PROTECT IN PLACE.
  - 5 FURNISH AND INSTALL NO. 6 PULL BOX.
  - 6 FURNISH AND INSTALL (1) BUCHANAN D65 DUAL LINE FUSED CONNECTOR KIT AT TOP OF POLE PER DETAIL F ON SHEET 18.
  - 7 FURNISH AND INSTALL RECEPTACLE AT BOTTOM OF POLE PER DETAIL D.
  - 8 FURNISH AND INSTALL 120/240V 100A, 1PHASE, NEMA 3R RATED METER PEDESTAL WITH PHOTOCELL, TIMECLOCK, AND LIGHTING CONTROLS PER SDGE WORK ORDER AND COORDINATE CONNECTION. SEE DETAIL C ON SHEET 17 FOR MORE INFORMATION.
  - 9 FURNISH AND INSTALL NO. 5 PULL BOX. SEE DETAIL I ON SHEET 18 FOR PULL BOX TO POLE CONDUIT INFORMATION.
  - 10 FURNISH AND INSTALL NO. 5 COMMUNICATION PULL BOX. SEE DETAIL I ON SHEET 18 FOR PULL BOX TO POLE CONDUIT INFORMATION.
  - 11 FURNISH AND INSTALL (2) BUCHANAN D65 DUAL LINE FUSED CONNECTOR KIT AT TOP OF POLE PER DETAIL F ON SHEET 18.

CONDUIT SCHEDULE				
CONDUIT RUN	CONDUIT SIZE	CONDUCTORS		NOTES
		POWER	GROUND	
1	3"	8#4 (RECEP.), 8#8 (RECEP.)	1#4	-
	3"	12#8 (LIGHTING)	1#4	
2	3"	4#4 (RECEP.), 4#8 (RECEP.), 6#8 (LIGHTING)	1#4	-
	3"	4#4 (RECEP.), 2#8 (RECEP.), 6#8 (LIGHTING)	1#4	
4	3"	4#4 (RECEP.), 4#8 (RECEP.)	1#4	-
	3"	2#4 (RECEP.), 4#8 (LIGHTING)	1#4	
6	3"	EMPTY	EMPTY	FUTURE GATEWAY SIGN, KIOSK AND COMMUNICATION
7	3"	8#4 (RECEP.), 8#8 (RECEP.)	1#4	SERVICE PEDESTAL HOME RUN
	3"	EMPTY	EMPTY	
8	3"	EMPTY	EMPTY	FUTURE GATEWAY SIGN, KIOSK AND COMMUNICATION

\* FESTOON LIGHTING CIRCUITS DESIGNED FOR MAX OF 5W FIXTURES SPACED AT 12" ON CENTER. ACTUAL LIGHTING: PRIMUS DECOSTRING DSW-36-120V-S14-27/150 FESTOON LIGHTING OR APPROVED EQUAL



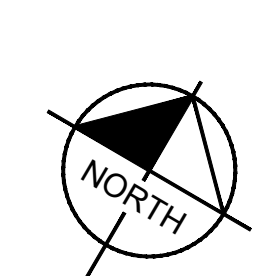
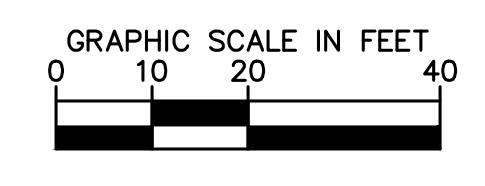
**RECORD DRAWING**

PRINT ENGINEER'S NAME: R.C.E. DATE: \_\_\_\_\_

**100% SUBMITTAL  
NOT FOR CONSTRUCTION**



KIMLEY-HORN  
MICHAEL A. COLOMBO  
401 B STREET, STE. 600  
SAN DIEGO, CA 92101  
602.371.4538



**ESCONDIDO**  
City of Choice

CITY PROJECT NO.  
ENG. 21-0011

CONTRACTOR		REFERENCES		Date	By	REVISIONS		App'd	Date	BENCH MARK		SCALE	Office	Designed By	Drawn By	Checked By	Submitted	Approved	ENGINEERING SERVICES	Drawing No.
Contractor		REFERENCES				REVISIONS				BENCH MARK		Horizontal	Office	MB	KM	BH			GRAND AVENUE VISION PROJECT	P21-0004
Inspector		REFERENCES				REVISIONS				BENCH MARK		Vertical	Filmed	Plans Prepared Under Supervision Of MARK ARAUJO Date 12/21/2020 R.C.E. No. 85614			By	By	ENGINEERING SERVICES	Sheet 19 of 27
Date Completed		REFERENCES				REVISIONS				BENCH MARK			Traffic				Associate Engineer	City Engineer/Director of Engineering Services	ENGINEERING SERVICES	



RESOLUTION NO. 2021-104

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO ISSUE A PURCHASE ORDER TO PROCURE STREET LIGHT POLES, LED FIXTURES, AND STRING LIGHTING FOR THE GRAND AVENUE VISION PROJECT – PHASE 1.

WHEREAS, on February 13, 2019, the City Council adopted Resolution No. 2019-33, authorizing the City Manager to execute a SANDAG Smart Growth Incentive Program (“SGIP”) Grant Agreement for the Grand Avenue Streetscape Improvement Project – Phase 1. A Budget Adjustment in the amount of \$2,543,161 was approved to accept \$1,443,161 grant funds with an additional \$1,100,000 in matching funds; and

WHEREAS, on August 21, 2019, the City Council authorized a Consulting Agreement for Design; and

WHEREAS, on February 10, 2021, the City Council heard a presentation on the status of the Grand Avenue Vision Plan – Phase 1 Project; and

WHEREAS, on July 21, 2021, the City Council will be asked to adopt Resolution No. 2021-108 certifying the Mitigated Negative Declaration and adopting the Specific Alignment Plan for the Project.

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

1. That the above recitations are true.
2. That the City Manager or his designee is authorized to issue a purchase order to procure street light poles, LED fixtures, and string lighting for the Grand Avenue Vision Project – Phase 1 to the lowest responsive and responsible bidder.

3. That the City Manager is authorized to make a determination regarding the lowest responsive and responsible bidder and make a final determination on any bid protest submitted.

4. That the City Manager is authorized to approve change orders for material procurement based on the final design in an amount not to exceed 20-percent of the total purchase order amount.



## CITY COUNCIL STAFF REPORT

**Consent Item No. 12**

**July 21, 2021**

**File No. 0600-95**

SUBJECT: Notice of Completion for the Storm Drain Pipe Lining and Rehabilitation Project – Phase 2

DEPARTMENT: Engineering Services

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2021-105 authorizing the City Engineer to file a Notice of Completion (“NOC”) for the Storm Drain Pipe Lining and Rehabilitation Project – Phase 2 (“Project”).

FISCAL ANALYSIS:

The Project is funded through Gas Tax funds. The final Project cost of \$471,772.00 is \$13,097.00 lower than the bid price.

PREVIOUS ACTION:

On September 16, 2020, the City Council adopted Resolution No. 2020-117, authorizing the Mayor and City Clerk to execute a Public Improvement Agreement with Sancon Technologies, Inc. (“Contractor”), the lowest responsible bidder, for the amount of \$484,869.00 for construction of the Project.

BACKGROUND:

The Project is the second phase of the City’s Storm Drain Pipe Lining and Rehabilitation Project. In this phase, twenty-one (21) of the City’s most critical Red Flag storm drain facilities were rehabilitated. The project rehabilitated storm drains by grouting voids, performing point repairs, protrusion repairs, and installing a cured in place pipe (CIPP) resin liner to restore the pipeline.

The project rehabilitated ½-mile of Corrugated Metal Pipe (CMP) Storm Drain. This project included work on seven (7) structures located within narrow storm drain easements requiring close coordination with property owners and the contractor. During the project inspection phase, it was found that new deterioration within a pipeline near Escondido Boulevard required one hundred and sixty-six lineal feet of additional lining. A second pipeline near Glasgow Lane, which upon inspection was determined to be intact with minimal corrosion, will be repaired in a future project phase. The Public Works Streets Department provided two (2) access points and additional grouting / structure rehabilitation that resulted in a cost savings of approximately \$25,000.

Notice of Completion for the Storm Drain Pipe Lining and Rehabilitation Project  
July 21, 2021  
Page 2

Before and after pictures highlighting the lining and rehabilitation improvements have been provided in Attachment "1".

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

*Julie Procopio*, Director of Engineering Services

07/15/21 8:53 a.m.

ATTACHMENTS:

1. Attachment "1" – Project Photos
2. Resolution No. 2021-105

Attachment "1"

Facility 17312 / 17312A – Meyers Avenue

Before

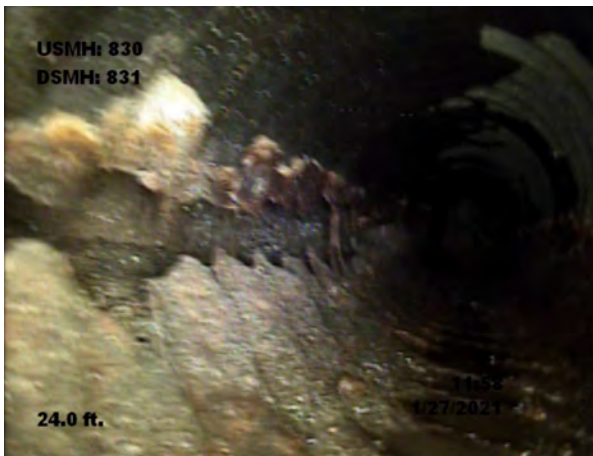


After

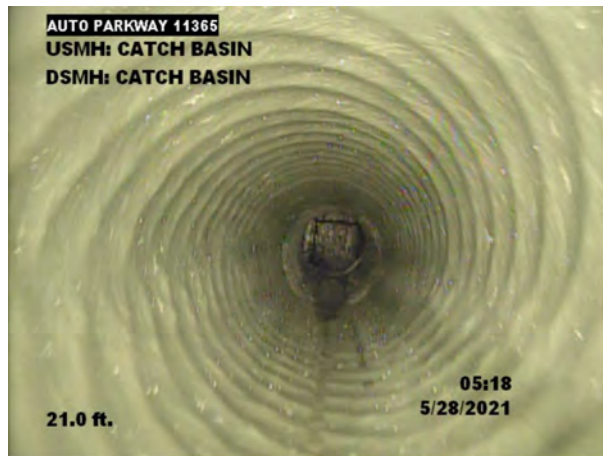


Facility 11365 – Auto Parkway

Before



After



Facility 18180A – Martin Drive

Before



After



Facility 16907 – Park Drive

Before



After



RESOLUTION NO. 2021-105

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE CITY ENGINEER TO FILE, ON BEHALF OF THE CITY, A NOTICE OF COMPLETION FOR THE STORM DRAIN PIPE LINING AND REHABILITATION PROJECT PHASE 2.

WHEREAS, on September 16, 2020, the City Council adopted Resolution No. 2020-117, authorizing execution of the Public Improvement Agreement for the construction of the Storm Drain Pipe Lining and Rehabilitation Project (“Project”) in the amount of \$484,869.00; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to close the contract based on the actual and final contract value of \$471,772.00; and

WHEREAS, the construction for the Project was completed by Sancon Technologies, Inc.; and

WHEREAS, the City of Escondido (“City”) staff and the City Engineer deems the filing of the Notice of Completion (“NOC”) to be valid and recommends approval; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve the filing of the NOC.

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

1. That the above recitations are true.
2. That the City Council accepts the recommendation of the City Engineer.

3. That the City Council hereby approves the request to file a NOC for the Storm Drain Pipe Lining and Rehabilitation Project Phase 2.

## CITY COUNCIL STAFF REPORT

**Consent Item No. 13**

**July 21, 2021**

**File No. 0600-75**

**SUBJECT:** Payment to SDG&E for Relocation of Electric Facilities for the Citracado Parkway Extension Project

**DEPARTMENT:** Engineering Services Department

**RECOMMENDATION:**

It is requested that the City Council adopt Resolution No. 2021-106, authorizing payment to SDG&E in the amount of \$2,234,897 to relocate existing transmission facilities for the Citracado Parkway Extension Project ("Project").

**FISCAL ANALYSIS:**

Funds in the amount of \$31.9 million remain in the Project budget, including a \$12.5 million Local Partnership Program grant, a competitive grant selected by Caltrans. The construction phase is anticipated to cost \$33 million. The adopted Capital Improvement Program ("CIP") projects additional programming of TransNet and Traffic Impact Fees totaling \$6.2 million.

**PREVIOUS ACTION:**

In June 2015, the City of Escondido ("City") entered into an Electric Transmission Facility Relocation Agreement ("Agreement") with San Diego Gas & Electric ("SDG&E") to initiate design for relocation of the existing 69kV overhead transmission power lines to accommodate the Project. The City paid SDG&E \$45,000 at that time.

On July 17, 2019 the City Council authorized payment to SDG&E in the amount of \$511,921 to complete the Project design and reserve poles for construction.

On November 18, 2020 the City Council authorized payment to SDG&E in the amount of \$174,300 as required by Agreement with SDG&E for design and pre-order cabling materials necessary to relocate transmission electric lines.

**BACKGROUND:**

Relocation of substantial SDG&E electric infrastructure is necessary as the existing overhead lines and poles lie within the future extended Citracado Parkway and are in conflict with the Project. The City is responsible for the costs of relocation of SDG&E facilities located within an easement that existed prior to the City acquiring the land for the roadway extension. The requested payment to SDG&E includes the cost of realignment of those electric facilities and the cost to administer construction.

The following is a breakdown of anticipated costs associated with SDG&E transmission work.

Payment to SDG&E for Citracado Parkway Extension Project  
July 21, 2021  
Page 2

Construction cost	\$525,428
Short Lead Material Costs (Estimate for both Trans and Dist)	\$40,000
Construction Support Cost	\$30,000
Post Construction Reconciliation	\$3,040
Rock Excavation	<b>\$942,840</b>
Indirects (45%)	\$693,589
<b>Construction Fee Request (with Rock Excavation)</b>	<b>\$2,234,897</b>
Total Fee Collected to date	\$756,212
<b>Total Project Cost</b>	<b>\$2,991,109</b>

The Agreement states that the City is responsible for the actual costs of relocation. If costs exceed this total, the City will be required to reimburse SDG&E for those expenses. A substantial contingency has been provided to deal with difficulty drilling into rocky soils. If actual costs are less than this total, SDG&E would return unused funds to the City. The City will have the opportunity review any proposed change orders associated with the work. Additional payments, on the order of \$150,000, are anticipated to be required to pay for distribution electric relocation as necessary for the transmission relocation. These payments are expected to be within the City Manager's level of authority (under \$200,000).

Project Schedule:

SDG&E has completed the design, procured steel poles, and received bids for the relocation of existing overhead electric transmission facilities that are in conflict with the Project. SDG&E is currently working to coordinate with area residents on the brief service interruptions necessary to construct the project with the expectation that relocation will begin in mid-September 2021 and be completed in November 2021. Once SDG&E completes their relocation, construction of the Citracado Parkway Extension Project may begin.

Staff has submitted a request to the California Transportation Commission ("CTC") to allocate funds for construction at their August 18<sup>th</sup> meeting. After allocation of funding by the CTC, Caltrans will issue an authorization to proceed with construction, and the Project will be advertised for bids. Construction is anticipated to begin in late 2021 or early 2022, and require approximately 18-months to complete.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

*Julie Procopio*, Director of Engineering Services  
07/15/21 8:53 a.m.

ATTACHMENTS:

1. Resolution No. 2021-106
2. Resolution No. 2021-106 - Exhibit "A" Electric Facilities Relocation Agreement with SDG&E



RESOLUTION NO. 2021-106

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AUTHORIZING THE CITY MANAGER TO  
APPROVE, ON BEHALF OF THE CITY, A  
PAYMENT TO SDG&E FOR THE  
CITRACADO EXTENSION PROJECT

WHEREAS, the City Council has allocated funding in the adopted Capital Improvement Program Budget for the Citracado Extension Project (“Project”); and

WHEREAS, the City entered into a Electric Transmission Facility Relocation Agreement with San Diego Gas and Electric (“SDG&E”), included as Exhibit “A”, for relocation of electric facilities in conflict with the Project; and

WHEREAS, a payment to SDG&E, in the amount of \$2,234,897, is required to pay for relocation of SDG&E’s facilities as necessary to accommodate the Project.

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

1. That the above recitations are true.
2. That the City Council authorizes the City Manager to approve, on behalf of the City, a payment to SDG&E in the amount of \$2,234,897.

## Electric Transmission Facility Relocation Agreement ("Agreement")

Date Prepared June 23, 2015

SDG&E Work Order No. 292857

Name and Address of Applicant:

Billing/Notice Address for Applicant  
(If Different)

Matthew Souttere, Project Engineer

City of Escondido

201 North Broadway

Escondido, California 92025

Telephone: (760) 839-4574

E-mail msouttere@escondido.org

Fed. Tax ID# 2

EIN 95-6000708

Project Address: Per the attached  
Engineering Fee Request

### 1.0 Scope of Work.

1.1 Scope. Applicant requests San Diego Gas & Electric Company ("SDG&E") to modify or relocate certain of its electric transmission facilities. Applicant acknowledges that such relocations can be complex, lengthy processes. Applicant has investigated other alternatives, but believes the Project to be the only practical alternative. Applicant requests SDG&E to perform the engineering services necessary for the Project, as defined in the accompanying Engineering Fee Request (See Section 2.2.1.). It is understood and agreed that the description of the Project is general in nature, that this Agreement is intended to cover all work necessitated by the Project, and that deviation from that description may be made by SDG&E in its discretion and business judgment to meet the practical requirements of the Project, including, but not limited, to matters of safety, avoidance of substructures, and compliance with federal, state or local government requirements, including Environmental Impact Reports when required.

1.2 Purpose. This Agreement sets forth the terms and conditions under which SDG&E will perform the engineering services for the Project. It is an offer, which must be accepted by Applicant within thirty (30) days ("Acceptance Time Period") of the date shown above. Acceptance shall be by Applicant signing and returning the Agreement to SDG&E along with payment of the Engineering Fee Estimate within the Acceptance Time Period. If the Agreement has not been accepted by the end of the Acceptance Time Period, the offer shall automatically terminate without any further action on SDG&E's part. If Applicant requests SDG&E to continue with the Project after the Acceptance Time Period has passed, SDG&E, at its sole option, may prepare a new Agreement with a new Conceptual Cost Estimate or may use this Agreement, in either case making appropriate adjustments to the expected Project completion date.

## 2.0 Costs.

2.1 Total Actual Cost. Customer shall pay SDG&E its Total Actual Cost (Section 2.3 below) for the engineering services necessary for the Project, in accordance with the payment provisions below. Initial payments by Applicant are based upon estimates, but shall be trued-up in accordance with Section 2.3.

2.2 Conceptual Cost Estimate. The Conceptual Cost Estimate for the Project is \$450,000 to \$600,000. This estimate is furnished only for the convenience of Applicant to give Applicant a general idea of the order of magnitude of the expected Total Actual Cost, including the applicable gross-up of various components necessary to reimburse SDG&E for tax it is required to pay on the payments made by Applicant ("CIAC Tax"). It is intended to reflect SDG&E's general past experience of the cost of similar work under favorable conditions. Because of unforeseen contingencies and other factors, the Total Actual Cost may be considerably higher or lower than the Conceptual Cost Estimate. Therefore, the Conceptual Cost Estimate is not a warranty by SDG&E of the Total Actual Cost. The Conceptual Cost Estimate includes the Engineering Fee Estimate, Materials Fee Estimate, and Construction Fee Estimate and must be paid to SDG&E in advance, in accordance with the schedule set out in the subsections below. All Estimates will include applicable CIAC Tax. Although the Conceptual Cost Estimate includes the Engineering Fee Estimate, the Materials Fee Estimate and the Construction Fee Estimate, no materials will be ordered or construction begun until a separate procurement and construction agreement is agreed upon and executed by SDG&E and Applicant ("Procurement/Construction Agreement").

2.2.1 Engineering Fee Estimate. SDG&E's Engineering Fee Estimate is set forth on the separate Fee Request, which is being provided to Applicant with this Agreement. The Engineering Fee covers SDG&E's costs incurred in route selection and design of the Project, (including support functions such as surveying, right-of-way processing, construction cost estimates, etc.). The Engineering Fee Request must be paid by Applicant to SDG&E within the Acceptance Time Period. If Applicant does not so pay it, the provisions of Section 1.2 shall apply.

2.2.2 Materials Fee Estimate. Certain long lead-time materials may be necessary for the Project. If so, SDG&E may notify Applicant of the estimated cost for these materials. Applicant shall pay the Materials Fee Estimate within thirty (30) days of receipt of SDG&E's Fee Request. SDG&E shall have no obligation to order such materials until it has received payment. As noted above, SDG&E shall not procure any materials or submit a Materials Fee Estimate to Applicant until and only if the Procurement/Construction Agreement is executed by the parties.

2.2.3 Construction Fee Estimate. SDG&E may include its estimated costs for its own necessary permits, approvals, recording fees and other miscellaneous charges as well as estimated construction costs in the Construction Fee Estimate. The Construction Fee Estimate shall be paid within thirty (30) days of receipt of SDG&E's Fee Request. SDG&E shall have no obligation to proceed with the Project until it has received payment. As noted above, SDG&E shall not submit a Construction Fee Estimate to Applicant until and only if the Procurement/Construction Agreement is executed by the parties.

2.2.4 Payment of Fee Requests. If Applicant does not pay the Materials or Construction Fee Estimates within thirty (30) days of execution of the Procurement/Construction Agreement, the delay will cause at least a corresponding delay in SDG&E's ordering of the materials and/or completion of the Project. Failure to pay either the Materials or Construction Fee Estimates when due may be considered by SDG&E to be a termination of the Procurement/Construction Agreement. The Fee Requests for the Engineering Fee Estimate, the Materials Fee Estimate, and the Construction Fee Estimate are a part of this Agreement and are incorporated by reference; samples of each are attached hereto.

2.2.5 Revisions to Estimates. SDG&E may, but shall not be required to, revise any of the components of the Engineering Fee Estimates, if it has reason to believe such estimates are no longer accurate. SDG&E may then send a revised Engineering Fee Request, and the additional amount shall be paid within thirty (30) days of receipt of the Fee Request. SDG&E shall have no obligation to proceed with the engineering services necessary for the Project until it has received payment, but it may choose to proceed before payment is received. If Applicant does not pay the additional Fee within thirty (30) days of receipt of the Fee Request, such failure may be considered by SDG&E to be a termination of the Agreement.

2.3 Total Actual Cost. After the design for the Project is complete, SDG&E will determine the Total Actual Cost for the engineering services portion of the Project, including labor, fees, and overheads. If the Total Actual Cost is less than the payments Applicant has previously made pursuant to Section 2.2 above, SDG&E shall refund the difference (without interest). If the Total Actual Cost is greater, SDG&E shall invoice Applicant for the difference. Payment shall be due and payable within thirty (30) days of receipt of the invoice. If not so paid, a late charge of 5% per annum of the balance due shall be imposed beginning with the 31st day and continuing until paid. SDG&E will attempt to determine the Total Actual Cost within ninety days of completion of the Project design, but shall have no obligation to do so or liability for failure to do so. Applicant's liability for payment of any additional Total Actual Cost shall continue for the time set forth in the applicable statute of limitations.

3.0 No Warranty. **SDG&E's Conceptual Cost Estimate shall not be deemed a warranty, express or implied, as to the Total Actual Cost. Field conditions, changes in the scope of the Project, delays, factors such as those set forth in Section 4, and other factors may cause the Total Actual Cost to substantially exceed the estimates.**

4.0 Schedule. SDG&E will attempt to accommodate Applicant's schedule, to the extent reasonably possible. SDG&E shall have no liability, however, due to its inability to meet Applicant's schedule or for delays in the Project's schedule. The ability to meet Applicant's schedule and SDG&E's Project schedule is contingent on many factors, including, but not limited to site availability, other workloads, material delivery, outage approval by the Independent System Operator ("ISO"), SDG&E's utility operating needs, timely receipt of payments and Route Approval from Applicant, factors affecting Applicant's schedule such as its obtaining of all required permits and easements, and approval of any required Environmental Impact Report, obtaining of any required CPUC approval for the Project, and other events or circumstances. SDG&E may notify Applicant of SDG&E's estimated schedule for completion of Project design at the time it provides the Engineering Fee Request, but it need not do so. SDG&E will attempt to notify Applicant if it becomes aware that the Project schedule has changed, but shall have no liability to Applicant for failure to so notify Applicant.

5.0 Compliance with California Environmental Quality Act. Applicant shall be responsible, at its sole cost and expense, for ensuring that the Project (including, without limitation, the new transmission facilities and any associated access roads and construction pads) fully complies with all applicable provisions of the California Environmental Quality Act ("CEQA"). Applicant shall evaluate the environmental impacts associated with the Project and shall determine appropriate mitigation measures for any such impacts. Applicant shall be responsible for implementing any and all mitigation measures and/or permit conditions associated with the Project under CEQA and/or as required by any permit or approvals granted for the Project.

6.0 Applicant's Other Responsibilities.

6.1 Route Approval. Applicant shall review SDG&E's preliminary design for the Project and give its Route Approval by executing and returning to SDG&E the Route Approval letter, in the form attached hereto. If approval is not given within thirty (30) days from the date of the letter, SDG&E may terminate the Agreement.

6.2 Permits, Licenses and Easements. Except as provided below in the next section, Applicant shall obtain, at its cost, all permits, licenses and easements required for the Project. All rights and easements shall be equal to or better than existing rights and easements. The Project shall allow ultimate development of the land rights and include full access to, from and along SDG&E's facilities. The terms of such permits, licenses and easements must be satisfactory to SDG&E in its sole discretion. SDG&E's land management department will provide Applicant with the form of any necessary easement or license, but it shall be Applicant's responsibility to contact third party property owners to obtain the execution of the permits, licenses and easements (and any necessary subordination of other encumbrances) and deliver them to SDG&E (for recording, if applicable). Applicant shall be responsible to obtain any Storm Water Pollution Prevention Permit ("SWPPP"). Applicant shall be responsible to make arrangements for the relocation of telecommunications and TV cables.

7.0 California Public Utility Commission Approval. SDG&E will be responsible for the filing of any necessary documents with the California Public Utilities Commission ("CPUC"), at Applicant's expense, and Applicant shall be responsible to cooperate fully with SDG&E. If an exemption is requested from the CPUC, then a waiting period of 45 days, from the day the request is filed with the CPUC, will be necessary before construction of the Project can commence, assuming no protests are filed. SDG&E shall have no liability to Applicant for the CPUC's failure to issue such approval or exemption, for any terms or conditions upon which it issues such approval, for delays in issuing such approval or exemption, or for any other matter associated with the requirement of CPUC action (or SDG&E's belief that CPUC action is necessary).

8.0 Notices. Notices to Applicant shall be mailed or hand delivered to Applicant at the address first shown above. Notices to SDG&E shall be mailed or hand delivered to SDG&E at the following address:

San Diego Gas & Electric Company  
8316 Century Park Court, CP-52B  
San Diego, CA 92123-1582  
Attention: Transmission Engineering and Design

If mailed, notices shall be deemed delivered 48 hours after mailing. Either party may give written notification to the other party, in the manner specified above, of any change of address for the sending of notices.

9.0 General Indemnity. Applicant shall indemnify, defend and hold SDG&E harmless from, and against any and all liability, claims, demands, damages and costs of every kind and nature, including reasonable attorneys fees (of in-house and outside counsel), for injury to or death of any and all persons, including, without limitation, employees, representatives of SDG&E, Applicant or any other person or persons, and for damage, destruction, or loss to or of any and all property, real or personal, including without limitation, property of SDG&E, Applicant or of any other person or persons, resulting from or in any manner arising out of or in connection with the performance of the work to complete the Project. Applicant shall also, upon request by SDG&E, and at no expense to SDG&E, defend SDG&E in any and all suits, concerning such injury to or death of any and all persons, and concerning such damage, destruction or loss, consequential or otherwise, to or of any and all property, real or personal, including, without limitation, suits by employees or representatives of SDG&E, Applicant or any other person or persons. Excluded from this paragraph are only those injuries to or deaths of persons and damage, destruction or loss to or of property arising from the sole negligence or willful misconduct of SDG&E or its employees or representatives.

10.0 Environmental Indemnity. Applicant shall indemnify, defend and hold SDG&E harmless from and against any and all liability (including attorneys' fees incurred in defending against such liability or in enforcing this provision) arising out of or in any way connected with the violation of or compliance with any local, state or federal environmental law or regulation as a result of pre-existing conditions at the Project site, release or spill of any pre-existing hazardous materials or waste, or out of the management and disposal of any pre-existing contaminated soils or groundwater, hazardous or non-hazardous, removed from the ground as a result of any work for the Project ("Pre-Existing Environmental Liability"), including but not limited to liability for the costs, expenses and legal liability for environmental investigations, monitoring, containment, abatement, removal, repair, cleanup, restoration, remedial work, penalties, and fines arising from the violation of any local, state or federal law or regulation, attorneys' fees, disbursements, and other response costs. As between Applicant and SDG&E, Applicant agrees to accept full responsibility for and bear all costs associated with Pre-Existing Environmental Liability. Applicant agrees that SDG&E may stop the Project, terminate the Project, redesign it to a different location or take other action reasonably necessary to complete the Project without incurring any Pre-Existing Environmental Liability.

11.0 Termination.

11.1 By Applicant. Applicant shall have the right to terminate the Agreement (for any reason or no reason) at any time, upon ten days prior written notice to SDG&E. Applicant shall reimburse SDG&E for its Total Actual Cost incurred through the date the termination is effective plus all other unavoidable items of Total Actual Cost.

11.2 By SDG&E. SDG&E shall have the right to terminate the Agreement immediately upon written notice to Applicant, if: (i) if Applicant does not pay any Fee Requests within the time frames set forth above in Section 2; (ii) if the CPUC, the California legislature, the Federal Energy Regulatory Commission, United States Congress, or any other governmental,

regulatory or judicial body having jurisdiction over Applicant, SDG&E or the Project, issues an order or decision or enacts a law that significantly increases the Total Actual Cost of the Project, or that significantly changes the structure or function of the Project in a materially adverse way; (iii) if Applicant suffers a material adverse financial change or SDG&E reasonably believes that Applicant will experience a material adverse financial change, and Applicant fails to provide SDG&E reasonable assurance, within 30 days of its request, that Applicant will be able to fulfill its financial or other obligations under the Agreement; (iv) if within one year of the date first written above or such other time period as may be set forth in writing by SDG&E, Applicant is unable to obtain any necessary permits, approvals or easements, SDG&E is unable to obtain any needed CPUC approval on terms and conditions acceptable to SDG&E or the CPUC has not acted upon the application filed by SDG&E; (v) or if Applicant makes assignment, without the prior written consent of SDG&E. Upon such termination, SDG&E shall have the right to recover the entire Total Actual Cost incurred through the date of termination plus all other items of unavoidable Total Actual Cost, and to exercise any other remedy at law or equity.

12.0 Excavations. Applicant agrees that any excavation made by Applicant that is to be entered by SDG&E employees, agents or subcontractors in performing the work covered by this Agreement shall conform to all requirements of State of California Construction Safety Orders, particularly the provisions of Article 6, Sections 1539 through 1547, which relate to the safe construction of trenches and excavations.

13.0 Reasonable Care. Applicant agrees to take all reasonable care in protecting SDG&E's facilities from damage, including the use of procedures which will not place undue strain on SDG&E's facilities during excavation and backfill or cause damage to SDG&E's facilities, including any pipe protective coatings.

14.0 Attorneys' Fees. In the event of any litigation between the parties hereto arising out of or relating to this Agreement or any breach hereof, the prevailing party shall be entitled to recover its reasonable attorneys' fees (whether or not of salaried employees) and costs incurred, in addition to such other relief as may be granted.

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

16.0 No Assignment by Applicant. Applicant shall not assign its rights or delegate its duties under this Agreement (either voluntarily, involuntarily or by operation of law), without the prior written consent of SDG&E, which shall not be unreasonably withheld.


17.0 Insurance. During the construction of the Project, Applicant shall provide and maintain at Applicant's expense, any or all of following types of insurance, as requested by SDG&E, in at least the following amounts: workers' compensation insurance as required by applicable law and employer's liability insurance coverage in an amount of not less than \$1,000,000 per accident and per employee for disease; commercial general liability insurance (insuring against liability arising from bodily injury, property damage, personal and advertising injury, independent contractor's liability, products and completed operations and contractual liability) in an amount of not less than \$1,000,000, per occurrence; and pollution liability insurance, insuring against liability for environmental activities contemplated under this Agreement and as may be required by federal, state, regional, municipal and local laws, in an amount not less than \$1,000,000 each claim. Applicant shall provide SDG&E with certificates of all requested insurance, executed by

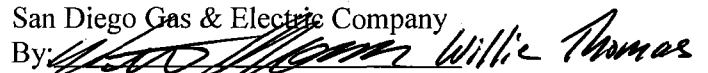
a duly authorized representative of each insurer, as evidence of all required insurance policies. No insurance policy may be canceled, materially revised or subject to non-renewal without at least thirty (30) days prior written notice being given to SDG&E. SDG&E shall be named as additional insured in each requested insurance policy (except for workers' compensation). The commercial general liability insurance shall include a severability of interest or cross-liability clause. The required policies shall provide that coverage is primary for all purposes and that Applicant shall seek no contribution from any insurance or self-insurance maintained by SDG&E. Each required policy shall contain a waiver of subrogation in favor of SDG&E and shall be written by a company or companies having an A.M. Best rating of "A-" or better, or equivalent. The insurance required shall not in any way affect the amount or scope of liability of Applicant under this Agreement, including but not limited to liability under Sections 9 or 10.

**18.0 Limitation of SDG&E's Liability. Projects can be very complex and lengthy and should be requested by Applicant only when no practical alternatives exist. SDG&E is performing the Project for the sole convenience of the Applicant. Because of this, and because of the complexity involved in relocations of electric transmission facilities, SDG&E shall have NO LIABILITY TO APPLICANT FOR ANY DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES ARISING OUT OF SDG&E'S PERFORMANCE OF, OR FAILURE TO PERFORM, THE PROJECT, AGREEMENT OR ANY OF ITS OBLIGATIONS HEREUNDER.**

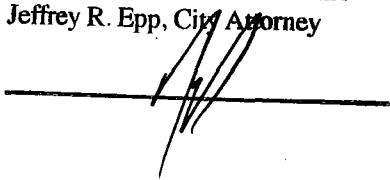


IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates set forth below their signature.

  
By: Edward N. Domingue, P.E.  
Title: Public Works Director / City Engineer  
Date: 7/16/15

San Diego Gas & Electric Company  
By:   
Title: Mgr Trans Engr  
Date Accepted: 9-1-15

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



## CITY COUNCIL STAFF REPORT

**Consent Item No. 14**

**July 21, 2021**

**File No. 0120-10**

SUBJECT: Declaration of Vacancy – Historic Preservation Commission

DEPARTMENT: City Clerk's Office

RECOMMENDATION:

It is requested that the City Council declare a vacancy on the Historic Preservation Commission, per Sec. 33-791 of the Escondido Municipal Code.

BACKGROUND:

Commissioner Carol Breitenfeld has served on the Historic Preservation Commission since 2008. Commissioner Breitenfeld has not attended a Historic Preservation Commission meeting since July 16, 2020. City staff has attempted to contact Commissioner Breitenfeld over the phone and in writing (Attachment "1") multiple times over the last year to see if she would like to continue to serve on the Historic Preservation Commission. City Staff has not received a response from Commissioner Breitenfeld.

Per Sec. 33-791 of the Escondido Municipal Code (Attachment "2"), "members of the historic preservation commission shall be appointed by the mayor from among the residents of the geographic area within the City's general plan. Members shall serve at the pleasure of the council, and may be removed from office at any time, without cause".

Therefore, it is requested that the City Council remove Commissioner Breitenfeld and declare a vacancy on the Historic Preservation Commission, per Sec. 33-791 of the Escondido Municipal Code. City Staff will then solicit applications to fill the vacancy, which is set to expire on March 31, 2024.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

*Zack Beck*, City Clerk

07/14/21 4:23 p.m.

ATTACHMENTS:

1. Attachment "1" – Email to Commissioner Breitenfeld
2. Attachment "2" – Escondido Municipal Code Section 33-791

## Attachment "1"

**From:** [Zachary Beck](#)  
**To:** "[breitps4610@att.net](mailto:breitps4610@att.net)"  
**Subject:** Historic Preservation Commission  
**Date:** Monday, May 17, 2021 11:52:00 AM  
**Attachments:** [image001.jpg](#)

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Ms. Breitenfeld,

I hope all is well and that you are having a nice day so far.

With that being said, I wanted to check in and see how everything is coming along with your role on the Historic Preservation Commission? I heard from City staff that you have not been able to attend a commission meeting over the last six months.

On that note, I wanted to see if you would still like to remain on the commission? Feel free let me know your thoughts and I will proceed accordingly.

Please let me know if you have any questions, or if there is anything else I can do to be of assistance to you regarding this item. I hope you have a great day.

Best Regards,  
Zack Beck



Zack Beck, CMC, CPMC  
City Clerk  
City Clerk's Office | City of Escondido  
Direct: 760-839-4560 | Main: 760-839-4617  
[www.escondido.org](http://www.escondido.org)

## Attachment "2"

### Sec. 33-791. Historic preservation commission.

(a) Established membership. An historic preservation commission (HPC), shall be established by and serve at the discretion of the city council. The HPC shall act in an advisory capacity to the city council and planning commission in all matters relating to the identification, protection, retention and preservation of historical sites and areas within the city. All members of the HPC shall have demonstrated special interest, competence, experience or knowledge in historical preservation. Prior to appointment by mayor, the prospective HPC members shall have demonstrated that they meet the requirements of a commissioner set forth under the certified local government guidelines.

(b) Unless otherwise provided by this code, appointments of members of all boards and commissions created by the city council and their terms of office shall be governed by the following provisions:

(1) The HPC shall be comprised of seven (7) individuals from the community who represent a variety of perspectives related to historical preservation and which shall include the following:

(A) Professionals in the fields of American studies, anthropology, cultural geography, architecture, archaeology or other historical preservation-related disciplines. A minimum of two (2) and preferably a majority shall serve on the HPC to the extent these professionals are available in the community,

(B) Historians (a minimum of one (1)),

(C) Members of the Escondido historic society (a minimum of one (1)),

(D) Also, considered desirable to serve on the HPC are: owners of historical structures listed on the Escondido historic sites survey; and a representative from any formally approved historical district;

(2) Members of the historic preservation commission shall be appointed by the mayor from among the residents of the geographic area within the city's general plan. Members shall serve at the pleasure of the council, and may be removed from office at any time, without cause;

(3) The terms of office for members of the historic preservation commission shall be for a four (4) year period commencing with the actual date of appointment and ending on January 31st of the fourth year thereafter; and

(4) Any vacancy which occurs prior to the expiration of a term shall be filled by appointment for the unexpired portion of such term.

(c) HPC duties. The HPC shall act in an advisory capacity to the city council and planning commission in all matters relating to the identification, protection, retention, and preservation of historical sites and areas within the city and shall have the following responsibilities:

(1) Prepare an annual report to the mayor and city council on the activities, cases, decisions and other work of the HPC;

(2) Investigate and report to the city council on the use of various federal, state, local or private funding sources and mechanisms available to promote historical resource preservation in the city;

(3) Assume whatever responsibilities and duties assigned to it by the state under the certified local government provisions of the National Historic Preservation Act of 1966 as amended. (Ord. No. 2000-23, § 4, 9-13-00; Ord. No. 2001-7, § 3, 3-21-01; Ord. No. 2005-05, § 10, 10-26-05; Ord. No. 2008-14, § 7, 5-14-08; Ord. No. 2008-16, § 4, 7-16-08; Ord. No. 2017-12, § 5, 12-6-17)

# CITY COUNCIL STAFF REPORT

**Current Business Item No. 15**

**July 21, 2021**

**File No. 0120-10**

SUBJECT: 2021 – 2022 Planning Commission Work Plan

DEPARTMENT: Community Development

RECOMMENDATION:

It is requested that the City Council receive a report and presentation on a work plan developed by the Planning Commission for 2021 and 2022 as an advisory body to the City Council, and direct Planning Division staff to work with the Planning Commission on the items identified in the work plan.

FISCAL ANALYSIS:

The City of Escondido (“City”) incurs costs associated with each of the projects identified in the Planning Commission Work Plan (“Work Plan”). Many of the projects require only staff time, the cost of which is covered by the Community Development Department budget. Others require the use of consultant services for which the City incurs hard costs. The City received SB 2 and LEAP grant funding for the following Work Plan projects: Housing Element Update; Sector Feasibility Study; East Valley Specific Plan and associated Environmental Impact Report; Pre-Approved ADU Plans; Downtown Specific Plan Open Space Standards Review; and Downtown Parking Study. TransNet funds have been budgeted for the Active Transportation Plan. The only Work Plan project for which funds have not been allocated is the Green Infrastructure Plan, however staff has identified a potential grant opportunity.

PREVIOUS ACTION:

The Planning Commission created the Work Plan over a series of meetings in the Spring of 2021. On May 25, 2021, the Planning Commission approved the Work Plan through adoption of Planning Commission Resolution No. 2021-04. Staff work on many of the projects on the Work Plan is already underway.

BACKGROUND:

The Planning Commission was created pursuant to Chapter 20 of the Escondido Municipal Code. The Planning Commission is an advisory body to the City Council on land use matters. It has final decision-making authority (except upon appeal) on some projects and recommends action to the City Council on others. As such, the Planning Commission assists the City Council in the formulation of policies and ordinances that implement the General Plan.

Planning Division staff works closely with the Planning Commission to thoroughly review and analyze projects before decisions are made and recommendations are made to the City Council. Projects

brought before the Planning Commission consist of either development and land use applications which are requested by project proponents (i.e. applicants), or policy work in the form of codes, ordinances, programs, plans, etc., which are deemed for various reasons to be in the best interest of the City. Staff time required to process development and land use applications is funded in part by application fees outlined in the City's fee schedule. The City Council acknowledged through the adoption of the fee schedule that fees assessed for certain application types may not yield full cost recovery. For policy work, funding must cover staff time and resources. Therefore, it is useful to know that those resources are being expended in a manner consistent with the City Council's vision for the City.

The Work Plan, included as Attachment "1" to this report, consists of projects that are considered policy work and does not include development and land use entitlement applications that are applicant-driven. Some Work Plan projects have been initiated by staff in order to implement the General Plan and other adopted City plans and programs, and to achieve consistency with state legislation. Others have been funded by grants which the City Council authorized staff to apply for. As such, work on a majority of the projects on the Work Plan has already been endorsed by the City Council, either directly or through reference by other policy documents. Staff believes that work on all Work Plan projects that either do not involve consultant services, or where funding for consultant services has already been allocated is appropriate because those projects have been endorsed by the City Council in one fashion or another. Staff acknowledges that Work Plan projects for which consultant services are necessary but not yet funded cannot be undertaken until funding has been allocated.

Staff is seeking direction on the Work Plan from the City Council. Aside from Work Plan projects that are either grant-funded or that have statutory deadlines and requirements, staff is soliciting input on any changes to the Work Plan with regard to projects listed on it and prioritization of those projects. Specific direction is sought regarding the Green Infrastructure Plan because that item is currently unfunded. A source of grant funding was recently identified (California Resiliency Challenge; RFP included as Attachment "2"), however the City Council has not authorized staff to submit an application for said grant at this time. A representative of a subcommittee of the Planning Commission will be providing a presentation on green infrastructure planning to aid the City Council in providing policy direction.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

*Adam Finestone*, Interim Director of Community Development  
07/14/21 4:27 p.m.

ATTACHMENTS:

1. Attachment "1" 2021 – 2022 Planning Commission Work Plan
2. Attachment "2" California Resiliency Challenge RFP

# ATTACHMENT 1

## Planning Commission Work Plan (May 25, 2021)

### Section 1. Ongoing or Recurring Work Plan Elements

1. Education. Provide support for Commissioners through on-going training and learning opportunities to enable more informed decision-making.
  - Registration for in-state travel to professional trade conferences (i.e. League of California Cities and/or APA)\*;
  - Registration for professional trade webinars (ULI, APA, AEP, etc.) and/or relevant web castings\*; and/or
  - Provide staff-facilitated presentations.

*\* Training and learning opportunities involving “for-fee” registrations will be made available to Commission members on a rolling basis, starting with the newest members first. The number of registrations will be established by the Department budget, which is subject to change from time to time.*

2. Director’s report. Provide a report from the City Planner or Director of Community Development at the end of each Commission meeting to identify upcoming agenda items.

### Section 2. Program Specific Work Plan Elements

	Project Name	Brief Description	Deliverable	Council Authorized (Y/N)	State Mandate (Y/N)	CAP Related Implementation (Y/N)	Status and Program Timeline	Budget Required	Funded (Y/N)	Planning Commission Role
1	Business Recovery Ordinance	Evaluate the City’s regulatory business relief measures and determine if any measures should be effective on a more permanent basis	Zoning Code Amendment(s) <u>or</u> Specific Plan Amendment(s)	Yes	No	No	<ul style="list-style-type: none"> <li>• In development</li> <li>• Timeline: 3 to 4 months</li> <li>• <b>Est. Summer 2021</b></li> </ul>	None	N/A	<ul style="list-style-type: none"> <li>• Public Hearing(s)</li> </ul>
2	Downtown Specific Plan Ground Floor Retail Amendment	Evaluate the ground floor retail requirements in the downtown specific plan and develop recommendations to remove the use requirement if it is not desired for a key pedestrian activity area	Specific Plan Amendment	Yes	No	No	<ul style="list-style-type: none"> <li>• In development</li> <li>• Timeline: 6 to 8 months</li> <li>• <b>Est. Summer 2021</b></li> </ul>	None	N/A	<ul style="list-style-type: none"> <li>• Public Hearing(s)</li> </ul>
3	Annual Omnibus Code Clean-Up	Amendments to various sections of the Municipal and Zoning Codes to address recent changes in State law, to provide clarity in our regulations, and to correct errors	Zoning Code Amendment(s)	Yes	Yes	No	<ul style="list-style-type: none"> <li>• In development</li> <li>• Timelines: 4 to 6 months</li> <li>• <b>Est. Summer 2021</b></li> </ul>	None	N/A	<ul style="list-style-type: none"> <li>• Public Hearing(s)</li> </ul>
4	Comprehensive Density Bonus Ordinance Update	Amendment to Article 67 of the Zoning Code to incorporate recent changes in State and to resolve other conflicts	Zoning Code Amendment	No	Yes	No	<ul style="list-style-type: none"> <li>• In development</li> <li>• Timeline: 4 to 6 months</li> <li>• <b>Est. Summer 2021</b></li> </ul>	None	N/A	<ul style="list-style-type: none"> <li>• Public Hearing(s)</li> </ul>

**ATTACHMENT 1**

5	Hotel Conversion Ordinance	Amendment to various section of the Municipal and Zoning Codes to address site and building design related issues associated with hotel conversions	Municipal Code and Zoning Code Amendments	No	No	No	<ul style="list-style-type: none"> <li>In development</li> <li>Timeline: 6 to 8 months</li> <li><b>Est. Summer/Fall 2021</b></li> </ul>	None	N/A	<ul style="list-style-type: none"> <li>Public Hearing(s)</li> </ul>
6	Housing Element Update	Update of the City's goals, policies, and programs to promote the maintenance, improvement, and development of housing opportunities	General Plan Amendment	Yes	Yes	No	<ul style="list-style-type: none"> <li>In development</li> <li>Timeline: 14 to 18 months</li> <li><b>Est. Fall 2021</b></li> </ul>	\$118,000 plus EIR costs	Yes	<ul style="list-style-type: none"> <li>Informational study sessions</li> <li>Public Hearing(s)</li> </ul>
7	Sector Feasibility Study	Development Cost/Revenue analysis to inform the Housing Element update and the East Valley Specific Plan	Informational report	Yes	No	No	<ul style="list-style-type: none"> <li>In development</li> <li>Timeline: 14 to 18 months</li> <li><b>Est. Fall 2021</b></li> </ul>	\$45,000	Yes	<ul style="list-style-type: none"> <li>Informational study sessions</li> </ul>
8	East Valley Specific Plan	New rezoning program to accommodate future housing needs and the appropriate densities	Specific Plan adoption	Yes	Yes	No	<ul style="list-style-type: none"> <li>In development</li> <li>Timeline: 14 to 18 months</li> <li><b>Est. Fall 2021</b></li> </ul>	\$147,000 plus EIR costs	Yes	<ul style="list-style-type: none"> <li>Informational study sessions</li> <li>Public Hearing(s)</li> </ul>
9	Building and Permit Processing Guide	Collateral material and marketing material overview of City development services and how to process land use development projects	Informational report	No	No	No	<ul style="list-style-type: none"> <li>In development</li> <li>Timeline: 6 to 8 months</li> <li><b>Est. Fall/Winter 2021</b></li> </ul>	None	N/A	<ul style="list-style-type: none"> <li>Discussion</li> <li>Receive and file</li> </ul>
10	EV Parking Ordinance	Adopt standards for EV charging stations in new multi-family and commercial developments and in single-family model homes	Municipal Code and Zoning Code Amendments	N/A	No	Yes	<ul style="list-style-type: none"> <li>Not initiated</li> <li>Timeline: 3 to 4 months</li> <li><b>Est. Winter 2021/22</b></li> </ul>	None	N/A	<ul style="list-style-type: none"> <li>Public Hearing(s)</li> </ul>
11	TDM Ordinance	Amendments to the Zoning Code to require transportation demand management practices in new non-residential developments.	Zoning Code Amendment	N/A	No	Yes	<ul style="list-style-type: none"> <li>Not initiated</li> <li>Timeline: 6 to 8 months</li> <li><b>Est. Winter 2021/22</b></li> </ul>	None	N/A	<ul style="list-style-type: none"> <li>Public Hearing(s)</li> </ul>
12	Alternatively-Fueled Water Heater Ordinance	Amendment to the local Building Code (Chapter 6 of the Municipal Code) to require the installation of electric water heaters in new residential developments and significant remodels	Municipal Code and Zoning Code Amendments	N/A	No	Yes	<ul style="list-style-type: none"> <li>Not initiated</li> <li>Timeline: 3 to 4 months</li> <li><b>Est. Winter 2021/22</b></li> </ul>	None	N/A	<ul style="list-style-type: none"> <li>Public Hearing(s)</li> </ul>
13	Electric Cooking Appliance Ordinance	Amendment to the local Building Code (Chapter 6 of the Municipal Code)to require electric cooking	Municipal Code and Zoning Code Amendments	N/A	No	Yes	<ul style="list-style-type: none"> <li>Not initiated</li> <li>Timeline: 3 to 4 months</li> <li><b>Est. Winter</b></li> </ul>	None	N/A	<ul style="list-style-type: none"> <li>Public Hearing(s)</li> </ul>



**ATTACHMENT 1**

		appliances in all new multi-family development and significant remodels						<b>2021/22</b>			
14	Net Zero Energy Reach Ordinance	Amendment to the local Building Code (Chapter 6 of the Municipal Code) to require all new non-residential development to achieve net zero energy	Municipal Code and Zoning Code Amendments	N/A	No	Yes		<ul style="list-style-type: none"> <li>• Not initiated</li> <li>• Timeline: 3 to 4 months</li> <li>• <b>Est. Winter 2021/22</b></li> </ul>	None	N/A	<ul style="list-style-type: none"> <li>• Public Hearing(s)</li> </ul>
15	Communications and Outreach Strategy	Discuss issues and opportunities community awareness and engagement strategies and identify more effective and efficient ways to get information out to the public	Discussion item	No	No	No		<ul style="list-style-type: none"> <li>• <b>Est. Winter 2022</b></li> </ul>	None	N/A	<ul style="list-style-type: none"> <li>• Discussion</li> <li>• Receive and file</li> </ul>
16	Annual Progress Report for 2021	Annual report of General Plan and CAP implementation	Informational report	N/A	Yes	Yes		<ul style="list-style-type: none"> <li>• Not initiated</li> <li>• Timeline: 2 to 3 months</li> <li>• <b>Est. Spring 2022</b></li> </ul>	None	N/A	<ul style="list-style-type: none"> <li>• Discussion</li> <li>• Receive and file</li> </ul>
17	Comprehensive Nonconforming Ordinance Update	Amendment to Article 61 of the Zoning Code to update the standards and requirements for nonconforming uses and structures	Zoning Code Amendment	No	No	No		<ul style="list-style-type: none"> <li>• Not initiated</li> <li>• Timeline: 8 to 12 months</li> <li>• <b>Est. Summer/Fall 2022</b></li> </ul>	None	N/A	<ul style="list-style-type: none"> <li>• Public Hearing(s)</li> </ul>
18	Pre-Approved ADU Plans	Develop sets of pre-approved floor plans to help incentivize new accessory dwelling unit production	Special study	Yes	No	No		<ul style="list-style-type: none"> <li>• Not initiated</li> <li>• Timeline: 12 to 18 months</li> <li>• <b>Est. Summer/Fall 2022</b></li> </ul>	\$70,000 to \$100,000	Yes	<ul style="list-style-type: none"> <li>• Discussion</li> <li>• Receive and file</li> </ul>
19	Comprehensive Sign Ordinance Update	Amendment to Article 66 of the Zoning Code to resolve conflicts with first amendment rights and standards for signage	Zoning Code Amendment	No	Yes	No		<ul style="list-style-type: none"> <li>• Not initiated</li> <li>• Timeline: 18 months</li> <li>• <b>Est. Fall 2022</b></li> </ul>	None	N/A	<ul style="list-style-type: none"> <li>• Public Hearing(s)</li> </ul>
20	Landscape Ordinance Update	Amendment to Article 62 of the Zoning Code to reduce water consumption, to install greywater and rain barrel systems in new single-family homes and to create new landscaping standards as required by the CAP, such as cool roofs on multi-family projects	Municipal Code and Zoning Code Amendments	N/A	No	Yes		<ul style="list-style-type: none"> <li>• Not initiated</li> <li>• Timeline: 8 to 12 months</li> <li>• <b>Est. Fall 2022</b></li> </ul>	None	N/A	<ul style="list-style-type: none"> <li>• Public Hearing(s)</li> </ul>
21	Green	Prepare a plan to integrate a	Special Study and	No	No	No		<ul style="list-style-type: none"> <li>• Not initiated</li> </ul>	\$100,000	No	<ul style="list-style-type: none"> <li>• Informal study</li> </ul>

**ATTACHMENT 1**

	Infrastructure Plan	whole systems approach to green infrastructure	Municipal Code and Zoning Code Amendments				<ul style="list-style-type: none"> <li>• Timeline: 16 to 18 months</li> <li>• <b>To be determined based on Council authorization and funding allocation</b></li> </ul>			<p>sessions</p> <ul style="list-style-type: none"> <li>• Public Hearing(s)</li> </ul>
22	Open Space Standards Review and Ordinance Update	Evaluate the open space standards in the downtown specific plan and develop recommendations to right-size the requirements and incorporate new strategies to incorporate green space in new projects	Special study and Specific Plan Amendment	Yes	No	No	<ul style="list-style-type: none"> <li>• Not initiated</li> <li>• Timeline: 12 to 16 months</li> <li>• <b>Est. Fall/Winter 2022</b></li> </ul>	\$40,000 to \$60,000	Yes	<ul style="list-style-type: none"> <li>• Public Hearing(s)</li> </ul>
23	Downtown Parking Study and Ordinance Update	Develop a parking management plan and update off-street parking standards in the downtown area	Special study and Specific Plan Amendment	Yes	No	Yes	<ul style="list-style-type: none"> <li>• Not initiated</li> <li>• Timeline: 16 to 24 months</li> <li>• <b>Est. Winter/Spring 2023</b></li> </ul>	\$75,000 to \$125,000	Yes	<ul style="list-style-type: none"> <li>• Public Hearing(s)</li> </ul>
24	Active Transportation Plan (“ATP”)	Prepare a multi-modal infrastructure analysis and plan for implementation	Special study	No	No	No	<ul style="list-style-type: none"> <li>• Not initiated</li> <li>• Timeline: 24 months</li> <li>• <b>To be determined based on Council authorization and funding allocation</b></li> </ul>	\$250,000 to \$300,000	No	<ul style="list-style-type: none"> <li>• Informal study session(s) <i>The ATP is not within the purview of the Commission</i></li> </ul>



# California Resilience Challenge

**Request for Proposals, 2021 Grant Program**

**July 12, 2021 - Application Deadline 5pm, September 13, 2021**



**CALIFORNIA  
RESILIENCE  
CHALLENGE**

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### Staff

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- Adrian Covert, Senior Vice President, Public Policy, Bay Area Council
- Anna Sciaruto, Senior Policy Associate, Bay Area Council

## Table of Contents

1. Background.....	5
2. About the California Resilience Challenge.....	6
3. Request for Proposals.....	6
4. Eligibility.....	7
5. Support and Other Funding.....	8
6. Evaluation Criteria.....	8
7. Grant Process.....	11
8. Grant Terms.....	12
9. Grant Disbursement and Accounting.....	13
10. Proposal Contents.....	14
11. Submittal Instructions.....	16
12. Contacts and Additional Information.....	16
13. Tools and Resources.....	16

# 1. Background

Climate change is forcing communities across California to become more resilient to drought, flood, wildfire, extreme heat, and rising seas. Climate resilience aims to anticipate and prepare for impacts to reduce the damage from extreme weather events, as well as chronic, long-term shifts, including those resulting from or aggravated by climate change. Taking steps today to adapt to climate change in a climate friendly way will yield significant future benefits for public health, safety, infrastructure, the economy, and the environment. However, California lacks dedicated funding for comprehensive, statewide climate adaptation planning. California's extraordinary geographic, economic, environmental and cultural diversity calls for an equally diverse array of climate adaptation projects that can serve as a model for countries around the world.

Senate Bill (SB) 379, enacted in 2015, requires cities and counties to incorporate climate adaptation and resiliency strategies into their general plans. Specifically, SB 379 requires general plans to include the following features:

- A vulnerability assessment identifying risks climate change poses to the local government and the geographic areas at risk from climate change impacts.
- A set of adaptation and resilience goals, policies and objectives.
- A set of feasible implementation measures designed to carry out the goals, policies and objectives, including feasible methods to avoid or minimize climate change impacts associated with new land uses and the location of new essential public facilities outside of at-risk areas.

SB 246 (2015, Wieckowski) directs the Governor's Office of Planning and Research (OPR) to establish an Integrated Climate Adaptation and Resiliency Program to coordinate regional and local adaptation efforts with state climate adaptation strategies. SB 1000 (2016, Leyva) further tasks municipalities, when updating their general plans, to include an environmental justice element identifying objectives and policies to reduce the unique health risks in disadvantaged communities, including pollution reduction, air quality improvement, and the promotion of public facilities.

SB 1072 (Leyva, 2018) established a state program at the Strategic Growth Council to assist under-resourced communities in building their resources, capacity, implementation experience, and technical expertise to implement multi-benefit climate mitigation and adaptation projects. SB 1072 focuses on building local capacity through collaboration between multi-sector partners to more effectively and equitably develop competitive funding proposals in partnership with impacted communities.

SB-1320 (2020, Stern) requires the Governor's OPR, in consultation and coordination with other agencies, to complete a California Climate Change Assessment every five years. The Assessment must provide an "integrated suite of products" that report the impacts and risks of climate change, based on the best available science, and identify potential solutions to inform legislative policy. These "products" must include, among other items: regionally specific reports that can inform regional and local vulnerability assessments, adaptation planning, and community resilience efforts; and examples of best practices for planning for future climate conditions and approaches to building adaptation and resilience.

On October 7, 2020, the Governor issued Executive Order N-82-20, which directs state agencies to deploy a number of strategies to store carbon in the state's natural and working lands and

remove it from the atmosphere. Specifically, state agencies are directed to pursue innovative actions, strategies and partnerships to maximize the full climate benefits of our natural and working land through healthy soils management, including planting cover crops, hedgerows and compost applications; wetlands restoration to protect coastal areas; active forest management to reduce catastrophic risk and restore forest health; and boosting green infrastructure in urban areas like trees and parks.

The Governor's Office of Emergency Services may offer financial resources to prevent or lessen impacts from climate change.

To complement these and other climate change resilience planning efforts, the California Resilience Challenge is providing funding by means of its 2021 Grant Program for eligible resiliency planning projects aimed at improving local resilience to climate impacts, including drought, flooding (including sea level rise), extreme heat and increasing frequency of hot days, and wildfire challenges, and water and air quality impacts of the foregoing. Selected plans will be innovative and replicable for other locations, will help protect critical infrastructure, and will require broad community support; significantly, the focus of the 2021 Grant Program will be on projects that serve under-resourced communities. A key goal of the California Resilience Challenge is to support a diversity of projects in terms of scale, type, and readiness with a focus on supporting planning projects that could fast track implementation.

## **2. About the California Resilience Challenge**

1. The California Resilience Challenge is a statewide effort, led by businesses, utilities, and a diverse range of partners, to build local and regional climate resilience and to support a shared vision for a resilient California in the face of increasing climate threats. The Challenge is providing grants for diverse, replicable and innovative climate change adaptation planning projects across California. These projects will reflect California's diverse geography and showcase leadership in climate change adaptation.
2. The California Resilience Challenge is an initiative of the Bay Area Council Foundation, a nonprofit corporation, qualified as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code. The Challenge is administered by the Bay Area Council, a business-sponsored public policy advocacy organization for the nine-county Bay Area that was founded in 1945. Learn more at [bayareacouncil.org](http://bayareacouncil.org).
3. The California Resilience Challenge has assembled a Grant Fund in excess of \$1.5 million. The sources of the Grant Fund include businesses, utilities, nongovernmental organizations, and foundations. Donors to the Grant Fund are identified at [ResilientCal.org/leadership](http://ResilientCal.org/leadership).

## **3. Request for Proposals**

California Resilience Challenge (CRC) is pleased to invite eligible local California public entities (including California Native American Tribes), non-governmental organizations, and community-based organizations to respond to this Request for Proposals (RFP) for grants in support of climate resilience planning projects, with a preference for projects that will lead to implementation of resiliency infrastructure. (See definitions in Section 6.) Selected proposals will be for specific



planning projects that will commence on or before July 31, 2022 and are to be completed by July 31, 2024. It is CRC's expectation that individual grants will be awarded for between \$100,000 and \$200,000, but CRC reserves the right to make smaller or larger grants, and the right to award less than the maximum amount of its Grant Fund.

## 4. Eligibility

California-based non-government organizations, including community-based organizations, representing under-resourced communities are encouraged to apply, as are local California public entities that represent under-resourced communities. CRC intends "under-resourced communities" to include and prioritize the following communities that are susceptible to the impacts of climate change and face large barriers to accessing public funds, while also adjusting for significant cost-of-living variations throughout the state.

- "Disadvantaged communities" as defined by CalEnviroScreen (Health and Safety Code Section 39711);
- "Low-income communities", defined as census tracts with median household incomes at or below 80% of the statewide median income or with median household incomes at or below the threshold designated as low income by the Department of Housing and Community Development's list of state income limits (Health and Safety Code 39713);
- "Disadvantaged communities", defined as a community with a median household income less than 80% of the statewide average; and "severely disadvantaged communities", defined as a community with a median household income less than 60% of the statewide average" (Public Resources Code 75005);
- Frontline communities and underrepresented communities, which are those that experience continuing injustice—including people of color, immigrants, people with lower incomes, those in rural areas, and indigenous people; and
- "Climate vulnerable communities," as defined in the Governor's OPR resource, Defining Vulnerable Communities in the Context of Climate Adaptation.

Eligible applicants consist of the following:

- California-based non-government organizations (NGOs) that have as a principal mission, serving or advocating for under-resourced communities. Such NGOs may include community-based organizations, and may be supported by fiscal sponsors. Such NGOs need not be 501(c)(3) organizations, but must be legal entities authorized and empowered to enter into contracts and hold funds. NGOs are encouraged to partner with a local California public entity.
- Local California public entities applying for projects targeted at benefitting under-resourced communities in their constituencies must partner with community-based organizations. Such public entities may include:
  - California incorporated cities, whether or not charter cities
  - California counties
  - Local agencies and districts at the county level

- Joint Powers Authorities
- Special Districts such as, but not limited to, Geologic Hazard and Abatement Districts, Community Facilities Districts, Utility Districts and others
- California Native American Tribes
- Metropolitan Planning Organizations
- Councils of Governments

State-level and regional public entities, including the State of California and its departments, commissions and agencies, and interstate compact entities are not eligible for this program focused on local efforts.

## **5. Support and Other Funding**

CRC may make grants that would provide the required match funding to release other funding or grant opportunities. CRC wishes to fund viable projects. If additional funding is needed in addition to the CRC funding for the project to be executed, details must be provided including the likely timescale for securing the additional funding. Proposals should include letters of support from the applicant's lead (and supporting) department(s), and from project partners and local community organizations.

## **6. Evaluation Criteria**

### **Eligible Projects**

Eligible projects will consist of planning projects that are targeted at improving local or regional resilience to one or more of the following four climate challenges (listed in no particular order), and water and air quality impacts of the foregoing:

- Drought
- Flooding, including from sea level rise
- Extreme heat and increasing frequency of hot days
- Wildfire

### **Project Evaluation Criteria**

Competitive grants will address as many of the following criteria as possible, although it is understood that it is unlikely that a project would be able to address all:

- Community Support

- Does the project have strong community support from elected officials, neighborhood associations, business and civil leadership organizations, environmental advocacy and environmental justice groups, etc.?
- Benefit Under-resourced Communities
  - Will the project directly and meaningfully benefit disadvantaged, low income or other disproportionately climate-vulnerable communities, involve or build on community priorities based on a substantial public engagement process involving members of these communities, and will it help build or support climate leadership and sustainability efforts in those communities?
- Impact & Sustainability
  - Will the project help protect critical infrastructure?
  - Can the project be scaled to provide increased resilience in the future?
  - Can the project be replicated in other geographies?
  - Does the project avoid greenhouse gas (GHG) emissions or integrate elements that will help reduce emissions or sequester carbon?
  - Does the project use the best available science and locally specific data and/or tribal ecological knowledge?
  - Will the project meaningfully lead to implementation actions and the operationalization of climate resilience considerations in decision-making, risk, and finance in operations?
- Collaboration
  - Is the resilience planning effort integrated with or can fast track project implementation/ delivery?
  - Can the project leverage other sources of private, local, state or federal funding?
  - Does the project involve collaboration with neighboring jurisdictions?
  - Does the project involve collaboration with the private sector?
- Co-Benefits
  - Does the project provide resilience against multiple climate stressors (e.g., drought, heat, flood, and wildfire?)
  - Does the project achieve multiple benefits across sectors (e.g., public health and safety is enhanced while also improving environmental conditions)?

CRC encourages those public entities that have not yet progressed resilience planning in their jurisdiction to apply, as well as those who are further ahead. Projects that reach both vulnerable and disadvantaged communities and meet multiple criteria will be evaluated favorably.

### **Eligible Project Examples**

The examples below are provided to illustrate the range of projects eligible for funding. They are not meant to be exhaustive and are listed in no particular order. Note that while there is a

preference for CRC to fund planning projects designed for implementation of resilience infrastructure, the CRC is looking to fund a range of project types which may be earlier in the adaptation planning cycle.

- Infrastructure adaptation and resilience plans, including “green” or nature-based infrastructure planning.
- Additional modeling or feasibility studies to help fill knowledge gaps about vulnerabilities and/or costs and benefits; for example, a study to understand the impact of sea level rise on rising groundwater, or the combined impact of increased precipitation and sea level rise.
- Hazard mitigation plan updates coupled with deeper planning around some specific adaptation solutions.
- Climate vulnerability assessments.
- Integration of climate resilience planning considerations and strategies into existing plans, such as Local Coastal Programs and General Plans, including efforts to meet requirements of SB 379 and integration and alignment of multiple planning documents to comprehensively address climate resilience.
- Projects that enable, deepen or extend inclusive and equitable community participation in existing or new projects.
- Projects that address water and air quality impacts resulting from drought, flooding (including sea level rise), extreme heat and increasing frequency of hot days, and wildfires, resulting from climate change.
- Projects that address economic resiliency and consider livelihoods threatened by climate change resulting from drought, flooding (including sea level rise), extreme heat and increasing frequency of hot days, and wildfires.
- Projects that meaningfully engage under-resourced communities directly in the planning, implementation, and evaluation phases of the project. Examples include public entity partnerships with community organizations that serve under-resourced communities, community organizations that do not directly serve under-resourced communities but partner with organizations that do, or community organizations who serve under-resourced communities by engaging their clients or members. Types of meaningful engagement include conducting community needs assessments with under-resourced communities, developing community-based plans, establishing advisory committees, conducting focus groups, and creating coalitions.

### **Eligible Activities and Expenses**

Activities eligible for funding are those related to climate resilience planning. The focus of CRC is on use of its grants to leverage planning efforts across the state.

Examples of eligible activities include:

- Feasibility studies
- Public consultation, planning, and economic analysis
- Funding/financing analysis
- Conceptual drawings and design
- Data and geospatial analysis

- Projects that create a plan for, or concurrently involve and leverage, climate adaptation activities that pull together collaborative, cross-sector action that builds capacity in communities through activities such as:
  - Convening stakeholders to discuss community needs regarding potential climate change mitigation and adaptation projects eligible for statewide competitive grant programs with specific allocations for under-resourced communities.
  - Developing community and project plans, including climate action plans, demonstrating local needs and identifying multiple-benefit projects for implementation.
  - Supporting the development of partnerships between stakeholders and potential public and private funding sources.
  - Providing policy, program, and technical advice to stakeholders to develop and align multi-benefit projects with potential funding sources.

Examples of eligible expenses include:

- Staff time
- Consultant time
- Community/stakeholder meetings and advisory groups (e.g., stipends, catering)
- Project-specific staffing
- Travel costs

#### **Ineligible Activities**

- The following activities are not eligible for CRC grants:
- Projects not related to climate resilience planning.
- Projects that do not improve local resilience against at least one of the four climate challenges: drought, flooding (including sea level rise), extreme heat and wildfire.
- Projects that may inadvertently cause maladaptation or increase GHG emissions
- Engineering plans and design specification work.
- Construction projects or capital costs, such as the building of a facility.

## **7. Grant Process**

The following is an overview of the grant proposal evaluation process, including financial, contracting, subcontracting and legal requirements pertaining to the CRC 2021 Grant Program. Applicants are encouraged to review the contents of this section when developing their proposals. Upon award of grant funds, grantees will receive more specific guidance, and will acknowledge and agree to comply with the terms of this RFP.

### **Application Review Process**

All proposals submitted for the CRC 2021 Grant Program will be reviewed by the CRC Advisory Committee and administrative staff, who will review applications for eligibility, content, submission of proper documentation, meeting technical requirements, overall relationship to statewide planning efforts, and compliance with state planning requirements. Applications will be evaluated based on how well they describe the project, justify the need for the project and for the CRC funding, reflect the program evaluation criteria, and articulate a concrete scope of work and project timeline. Advisory Committee recommendations will be presented to the CRC Board for their consideration. The CRC Board will make a final determination on all grants in the Fall of 2021.

### **RFP Timeline**

- July 12, 2021: RFP opens
- September 13, 2021: RFP closes
- September and October 2021: Proposals reviewed and evaluated
- December 2021: Grant awards announced

## **8. Grant Terms**

### **Project Start Date**

The project must commence on or before July 31, 2022.

### **Project Timeline**

Applicants must provide a timeline that outlines key tasks by month at a minimum (see Proposal Submittal Section).

### **Completion Date**

All grant funds from CRC must be used to pay or defray project expenditures on or before July 31, 2024, and the project must be planned to be complete on or before July 31, 2024.

### **Case Study**

CRC is looking to identify and share the lessons learned from this grant opportunity to inform other existing or new state grant programs. To this end, all grant recipients will prepare a short case study describing the project process, and completed project outcomes including maps, photos, drawings, etc. (as appropriate for the project type). A template will be provided (Word and PowerPoint).

Case studies should emphasize processes, or results that can be adapted or replicated for use in various parts of the state, as well as documentation of the involvement of disadvantaged communities throughout the entire planning process, and any other lessons learned. These studies will be used to develop guidance for future resiliency and adaptation projects in the state.

Case study reports and presentation materials must be completed and delivered no later than three months after the completion of expenditure of CRC funds. Final case studies will be submitted to the Governor's OPR for possible inclusion in the Adaptation Clearinghouse.

### **Work Product**

All reports funded through the CRC Grant Program shall credit CRC financial participation on the cover or title page. An electronic copy of all final reports shall be forwarded to CRC.

Any reports or presentation materials funded through the CRC Grant Program are in the public domain and may not be copyrighted, sold, or used exclusively by any business, organization, or agency. Applicants must not transmit any material to CRC that the applicant considers to be confidential or proprietary. Any material the applicant transmits to CRC will be considered non-confidential and non-proprietary. This policy serves to avoid potential misunderstandings or disputes regarding ownership of ideas. To the extent that the applicant owns or controls any patent rights, copyright rights, trade secret rights, or any other intellectual property or proprietary rights that may be required for access to work product submitted under the CRC Grant Program, the applicant grants a license to such rights to any person accessing and using such work product. CRC reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use the reports for public purposes.

### **Third-Party Contracts**

The agreements between a grantee and a sub-recipient, consultant, or sub-consultant are referred to as "third-party contracts." Grantees will be expected to use and comply with their individual procurement procedures in awarding third-party contracts. Work for which a CRC grant is provided can only be contracted if it has been stated in the applicant's Scope of Work and Project Timeline.

Grantees are fully responsible for all work performed by their sub-recipients, consultants or sub-consultants, and CRC shall not be liable to any of such entities for the performance by grantees. Grantees are responsible to ensure that all third-party contractors adhere to the provisions of this RFP.

## **9. Grant Disbursement and Accounting**

CRC intends to disburse funds from a grant under the 2021 Grant Program in installments. The amount and timing of each installment, and the process for invoicing and disbursement, shall be determined by CRC in its sole discretion. The final disbursement shall be conditioned on a certificate by an authorized representative of the grantee certifying compliance with the terms of this RFP and verifying that the CRC funds have been or will be used for project expenditures reasonably incurred and required for project purposes. Each grantee shall also make financial reports, within 90 days after the end of each of its fiscal years, during the progress of the project and upon project completion, and provide reasonable evidence of project progress and project sources and uses of funds.

Each grantee shall maintain true and complete records of performance of work on the project and of the sources and uses of funds for such project, and shall maintain such records for a period of not less than 3 years after the later of completion of the project or the last disbursement by CRC.

CRC and its representatives may access such records on reasonable notice and during regular business hours for the purpose of confirming the grantee's compliance with the terms of this RFP.

## 10. Proposal Contents

This section provides applicants with information regarding submittal of proposals for grants of funds from the CRC 2021 Grant Program.

### Application Information

Applicants should present their proposal in Microsoft Word format using 12-point Times New Roman font or Microsoft Excel format. Proposals should include the following information:

<b>Project Summary</b>	Provide a one-sentence description of the project that includes the name of the primary applicant, the type of work envisioned by the project, and the climate threat(s) targeted by the project. For example, "Neighbors for Climate Resilience proposes an Urban Tree Canopy Analysis to help the community of Resilientville adapt to extreme heat events."
<b>Project Description</b>	Provide a brief (approximately 500-word) description of the project, the agencies involved, the project start/end dates, the general project planning area, and why the project is necessary. The proposal should identify a lead entity with primary responsibility for the project.  If the project is part of a larger effort, please describe how the CRC-funded project would fit in, and provide the total budget of the overall project. Provide a vicinity map that shows where the project will be implemented and/or where the under-resourced community is located.
<b>Organization Information</b>	If the application is by or for a non-governmental organization, provide a description of the organization, its mission, governance and management, and partners or funding, and include links to its public website pages, if available.  If the application is by or fiscally sponsored by a 501(c)(3) organization, provide IRS Letter and Organizational Budget. If the application is supported by a fiscal sponsor, provide a letter or Memorandum of Understanding.
<b>Grant Amount Requested</b>	State maximum amount of grant that the applicant is seeking. CRC expects grants to be issued in quantities between <b>\$100,000</b> and <b>\$200,000</b> , but reserves the right to make smaller or greater grants.



<b>Description of Resilience Challenges Project Addresses</b>	<p>Demonstrate that the planning efforts for which funding is sought are targeted at improving local or regional resilience to one or more of the following four climate challenges, and water and air quality impacts of the foregoing:</p> <ul style="list-style-type: none"> <li>•Drought</li> <li>•Flooding, including from sea level rise</li> <li>•Extreme heat</li> <li>•Wildfire</li> </ul> <p>If applicable, describe whether the project provides resilience against other non-climate-related natural disasters (e.g., earthquakes). If known, please describe the projected impacts by timeframe proposed for the project (e.g., increase in extreme heat days expected by 2050)</p>
<b>Other Project Eligibility Criteria</b>	Applicants should also describe how the project responds to the criteria listed in section 6.
<b>State Law Requirements</b>	Is the proposed project mandated by state law? If so, explain how grant funds will extend or improve outcomes.
<b>Scope of Work</b>	Provide a detailed Scope of Work by task. This preferably should be detailed enough that it can be used to hire an external consultant or guide internal staff without further reworking (for the sake of efficiency).
<b>Project Timeline</b>	Provide a detailed proposed project timeline (preferably by month). Identify anticipated start and end dates, planning milestones, and dates when released funds would be required.
<b>Local Support and Approvals</b>	<p>List entity departments and partners that support the project (and attach copies of available letters of support).</p> <p>Identify Planning Commission, City Council, Board of Supervisors, or other responsible body support that will be needed to proceed with projects that may be developed through the grant (letters of support not required).</p>
<b>Other Sources of Funds</b>	<p>Provide details if a potential CRC grant would provide the required match funding to release other funding or grant opportunities.</p> <p>Provide details of any additional funding that must be secured (in addition to the CRC funding) for the project to be executed.</p> <p>Describe project activities that will be funded in whole or in part by other funding sources.</p> <p>If there are in-kind contributions, state the basis for valuing such contributions.</p>
<b>Uses of Funds</b>	Provide a budget summary, including the following major line items: Staff hours (salaries and benefits); professional service firms (lump sum per task); travel; and other costs. Distinguish between direct and overhead costs.

<b>Deliverables</b>	Describe the final products that will be produced at the successful completion of the project. A financing plan for a resiliency infrastructure project (such as government incentives, developer financing, third-party financing, public support, bond proceeds, issuance of new bonds) is a desired deliverable for infrastructure- focused planning projects (including those that are nature-based).
<b>Access to Site</b>	If access to private property is necessary for project planning efforts, describe plan for permission to conduct planning activities.

## 11. Submittal Instructions

All grant proposals are required to be submitted via e-mail. An applicant may only submit one application package per e-mail. The required information outlined above must be attached to the e-mail, in Word or Excel documents.

Please submit your application package to [resilience@bayareacouncil.org](mailto:resilience@bayareacouncil.org) with "Resilience Proposal" in the subject line. Applications must be submitted via e-mail no later than September 13, 2021 by 5:00 pm. Hard copies will not be accepted, and late applications will not be reviewed.

## 12. Contacts and Additional Information

### General Questions:

Adrian Covert, Senior Vice President of Public Policy, Bay Area Council:  
[resilience@bayareacouncil.org](mailto:resilience@bayareacouncil.org)

### Webinar:

A webinar to discuss expectations for RFP and Q&A will be held on July 19, 2021 at 11am. RSVP at <https://bit.ly/2SGiPxK>

## 13. Tools and Resources

The following climate adaptation tools and resources are intended to provide applicants with additional information that CRC considers relevant to resilience planning and its grant program. While the below resources are recommended, applicants are not required to consult or follow these tools and resources in developing their proposals.

### Defining Vulnerable Communities in the Context of Climate Adaptation

<https://opr.ca.gov/planning/icarp/vulnerable-communities.html>

The Governor's OPR, with input from the Integrated Climate Adaptation and Resiliency Program (ICARP) Technical Advisory Council, developed this resource guide as a starting point for practitioners to use when first considering how to define vulnerable communities in an adaptation context.

### CalAdapt

<http://cal-adapt.org/>

Cal-Adapt provides a view of how climate change might affect California. Find tools, data, and resources to conduct research, develop adaptation plans and build applications.

### **California General Plan Guidelines**

[http://opr.ca.gov/docs/OPR\\_COMPLETE\\_7.31.17.pdf](http://opr.ca.gov/docs/OPR_COMPLETE_7.31.17.pdf)

The 2017 General Plan Guidelines developed by OPR provide guidance to help local governments incorporate climate resiliency goals and strategies into their general plans pursuant to SB 379. Guidance specific to updated the Environmental Justice section of the General Plan is also available in Chapter 4.

### **California Adaptation Planning Guide**

<http://resilientca.org/apg>

The 2020 California Adaptation Planning Guide developed by the Governor's Office of Emergency Services provides guidance to support regional and local communities in proactively addressing the unavoidable consequences of climate change. It provides a step-by-step process for local and regional adaptation planning, and is available in both a downloadable PDF and an interactive, online format on the State Adaptation Clearinghouse.

### **California's State Adaptation Strategy**

<https://resources.ca.gov/Initiatives/Building-Climate-Resilience>

California's State Adaptation Strategy organizes state government climate change adaptation activities, across a variety of state agencies. The Strategy was last updated in 2018, though is currently being updated with release scheduled for fall 2021.

### **State Adaptation Clearinghouse**

<http://resilientCA.org>

The State Adaptation Clearinghouse, managed by OPR as part of ICARP, serves as a centralized source of information that provides the resources necessary to guide decision makers at the state, regional, and local levels when planning for and implementing climate adaptation projects to promote climate resiliency.

### **California's Fourth Climate Assessment**

<http://www.climateassessment.ca.gov/>

California's Climate Change Assessments contribute to the scientific foundation for understanding climate-related vulnerability at the local scale and informing resilience actions, while also directly informing State policies, plans, programs, and guidance, to promote effective and integrated action to safeguard California from climate change.

### **Ocean Protection Council Sea-Level Rise Guidance**

[http://www.opc.ca.gov/webmaster/ftp/pdf/agenda\\_items/20180314/Item3\\_Exhibit-A OPC\\_SLR\\_Guidance-rd3.pdf](http://www.opc.ca.gov/webmaster/ftp/pdf/agenda_items/20180314/Item3_Exhibit-A OPC_SLR_Guidance-rd3.pdf)

The State of California Sea-Level Rise Guidance reflects advances in sea-level rise science and addresses the needs of state agencies and local governments as they incorporate sea-level rise into their planning, permitting, and investment decisions.

### **California Coastal Commission Sea Level Rise Policy Guidance**

<https://www.coastal.ca.gov/climate/slrguidance.html>

The California Coastal Commission's Sea Level Rise Guidance provides recommendations for how to plan for and address sea level rise impacts, including a set of projections recommended for use in planning, permitting, investment, and other decisions.



July 21, 2021

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## **Item No. 16: SIGN REGULATIONS -**

- **No materials available at this time. Request the City Council discuss sign regulations in the City of Escondido.**



## FUTURE CITY COUNCIL AGENDA ITEMS

Updated July 15, 2021

*AGENDA ITEMS AND CITY COUNCIL MEETING DATES ARE SUBJECT TO CHANGE.  
CHECK WITH THE CITY CLERK'S OFFICE AT (760) 839-4617*

July 28, 2021 NO MEETING (Summer Break)

August 4, 2021 NO MEETING (Summer Break)

# Weekly Activity Report



July 15, 2021

## Washington Park Skate Spot Update

In February 2021, the City released a Request for Proposals for the construction of the Washington Park Skate Spot. The project bid award was made by the City Council on April 21 and construction started on June 7, 2021. When completed, the 7000-sf skate spot will offer multiple features including a quarter pipe, pump bump, grind edge, banked hip with rail, and a 5-sided pyramid. The project is expected to take approximately three months, stay tuned for updates. More information about this project can be found [here](#).



## Drought-Related Water Conservation

Last week, the State of CA expanded the emergency drought declaration and called for Californians to voluntarily reduce water use by 15%. Though facing hot and dry conditions, the San Diego region is thankfully drought-safe this summer due to planning and investments in new water supplies and storage.

The City of Escondido thanks and encourages our customers to continue to use water wisely. Use everyday conservation tactics like taking shorter showers and reducing sprinkler run times; as well as long-term conservation measures such as replacing lawns with drought-resistant plants. For conservation tips, device rebates, and other water-efficiency ideas, visit [watersmartsd.org/](http://watersmartsd.org/) or [escondido.org/water-conservation-1](http://escondido.org/water-conservation-1).



## Family Roller Skating

Parks and Recreation month celebrations continue this Saturday, July 17. We are hosting a Family Roller Skating Party from 1:30-3:30 p.m. at the Kit Carson Park Sports Center, so bring your skates and your best moves. Entry is free - join us for a lesson, music, and giveaways. Learn more [here](#).



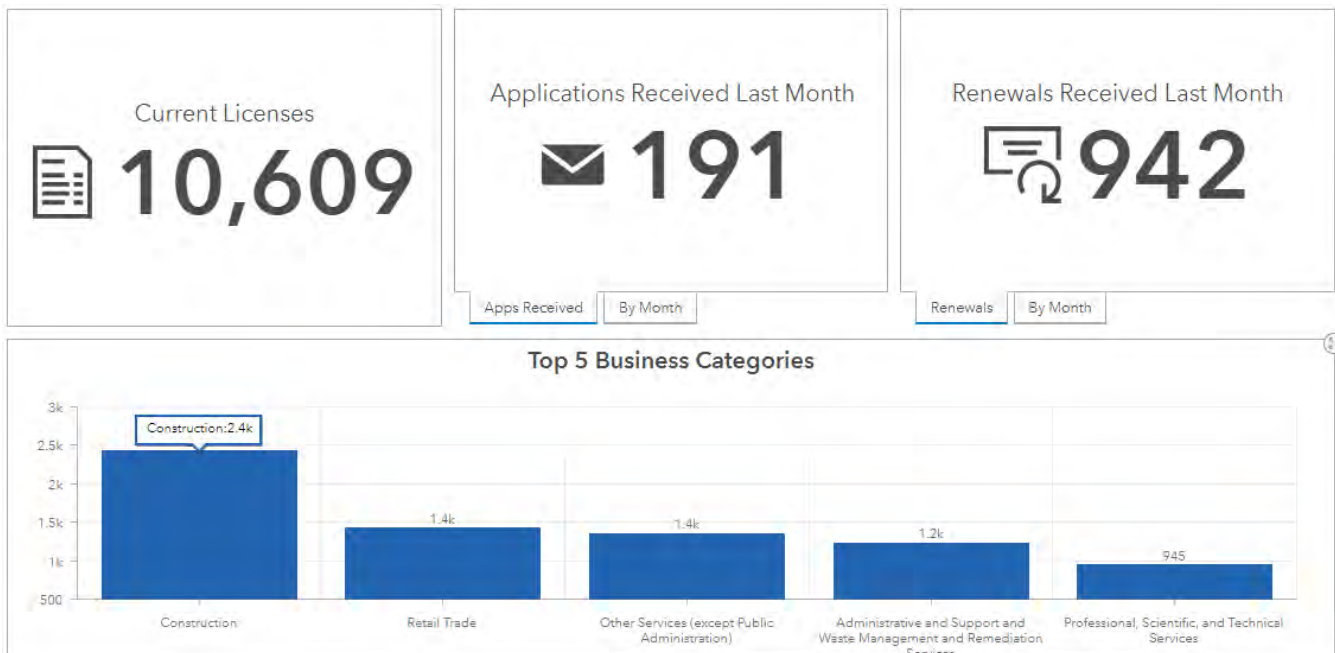
## City of Escondido Water Quality Report

The [City of Escondido 2020 Water Quality Report](#) is out now. Water Quality Reports are a snapshot of drinking water quality in Escondido during a given calendar year. These reports include details about where Escondido's water originates, what elements the raw water contains, how it is tested and disinfected by the Water Division, and how the treated water compares to standards set by regulatory agencies.

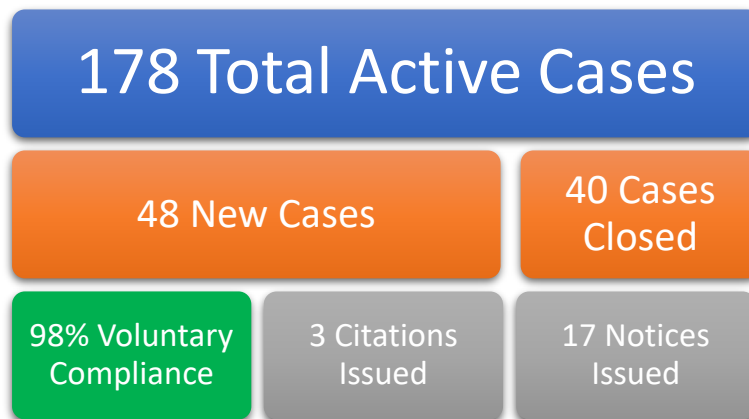


## BY THE NUMBERS

### Business License:



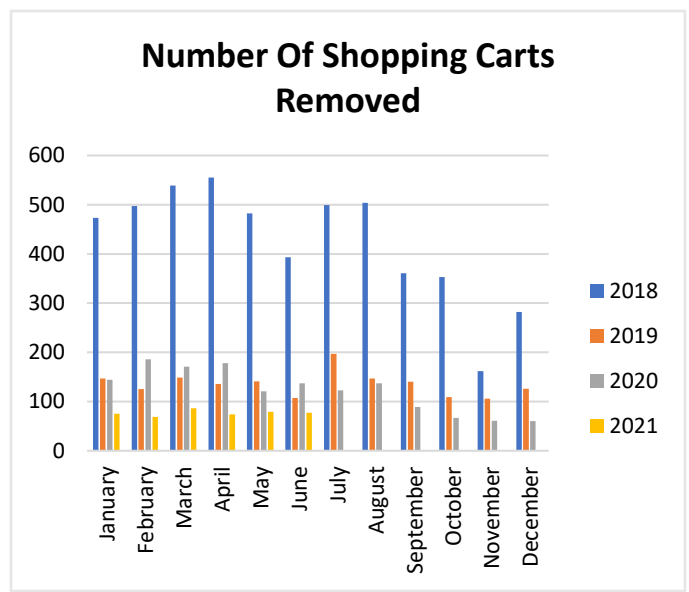
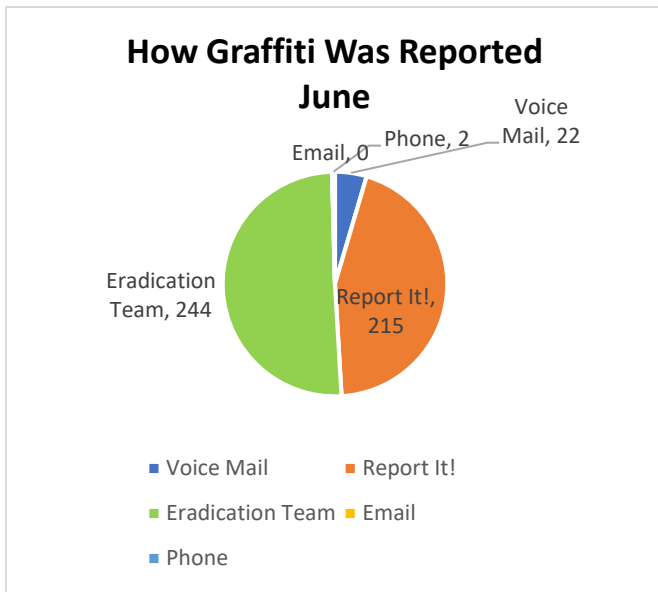
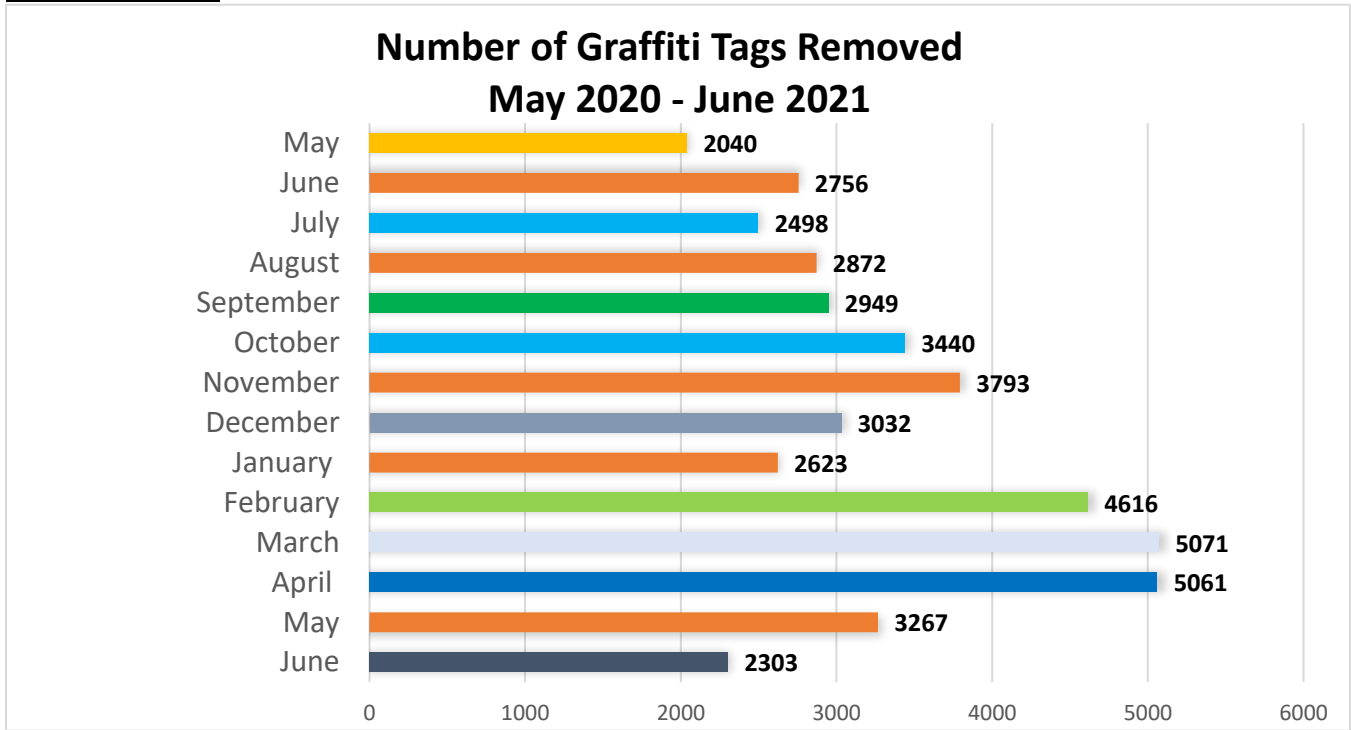
### Code Enforcement:



Total Code Cases (Year to Date)	1040
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**Public Works:**



**Graffiti Restitution:**

Collected Past Week	Collected Year to Date
\$80	\$9,251.5

## POLICE DEPARTMENT UPDATES:

On July 6, multiple witnesses provided statements about a domestic violence incident that occurred on East Via Rancho Parkway. A female victim was punched and slapped by her boyfriend, causing injury.

According to the [World Health Organization](#), 1 in 4 young women (aged 15-24 years) who have been in a relationship will have experienced violence by an intimate partner by the time they reach their mid-twenties. *If you or someone you know needs help, the National Domestic Violence Hotline is here for you. Call 1-800-799-SAFE (7233) or Text "START" to 88788.* Other resources include the [California Partnership to End Domestic Violence](#) and [The Victim of Crime Resource Center](#).

On July 7, a witness called police to report that individuals were stealing a catalytic converter. Officers located the suspect vehicle and found eight catalytic converters, burglary tools and other evidence. The suspects may be facing charges of Grand Theft, Conspiracy, and Possession of Burglary Tools.



### Community Resources:

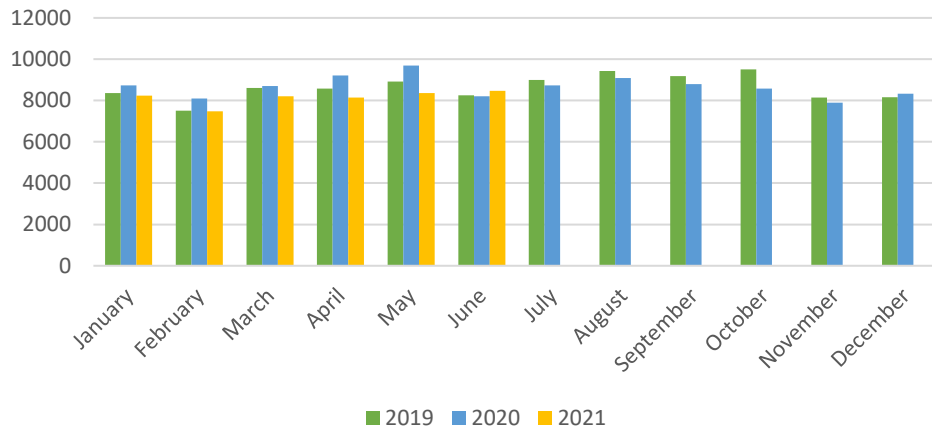
- Anonymous Tip Line: 760-743-8477 (TIPS)
- Crime Data/Mapping: <https://www.crimemapping.com/>
- Helicopter Announcement Transcription:
  - Call 858-866-4356 or text "Hello" to 858-866-4356
- Megan's Law Information: <https://www.meganslaw.ca.gov/>
- Mental Health & Crisis Intervention:
  - Access and Crisis Line: 888-724-7240
  - It's Up to Us Campaign: [www.Up2sd.org](http://www.Up2sd.org)
  - Get Connected. Get Help: Dial 211
- Non-Emergency Line: 760-839-4722

### New 4-legged Member of EPD

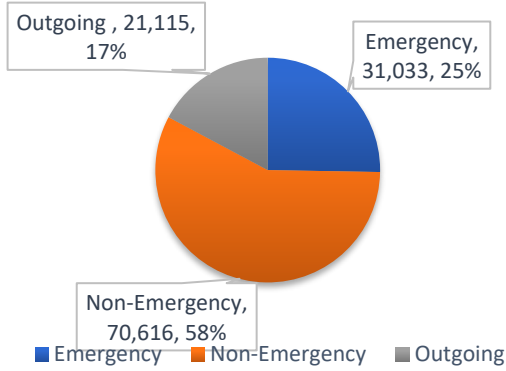
Dakar is a 14-month-old Belgian Malinois, born in the city of Martin in central Slovakia. He will be serving the EPD with his handler, Officer Adrian Garcia. Over the next six weeks, Dakar and Officer Garcia will attend the Police Canine Academy.



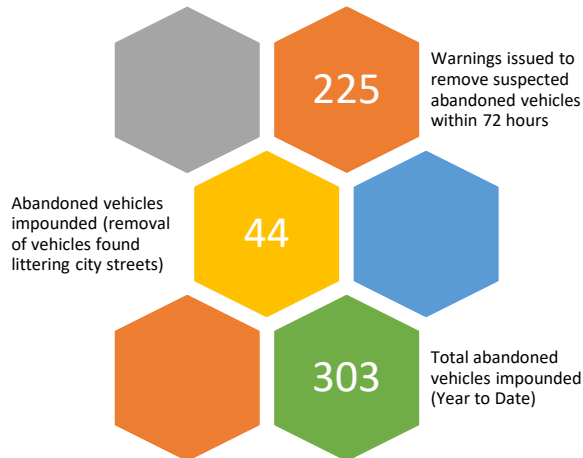
### Monthly Police Calls for Service by Year



### 2021 YTD Police/Fire Communication Center Call Volume



### June Abandoned Vehicle Data



## FIRE DEPARTMENT UPDATES:

On July 6, Escondido Police and Fire, CalFIRE and Valley Center Fire responded to reports of a vegetation fire in the area of Lake Wohlford Road and Valley Parkway. Fire crews arrived to a 1-acre vegetation fire moving at a slow rate of spread, in steep terrain with no immediate structures threatened. The Valley Center grade was closed during the fire mitigation efforts. The cause of the fire is under investigation.



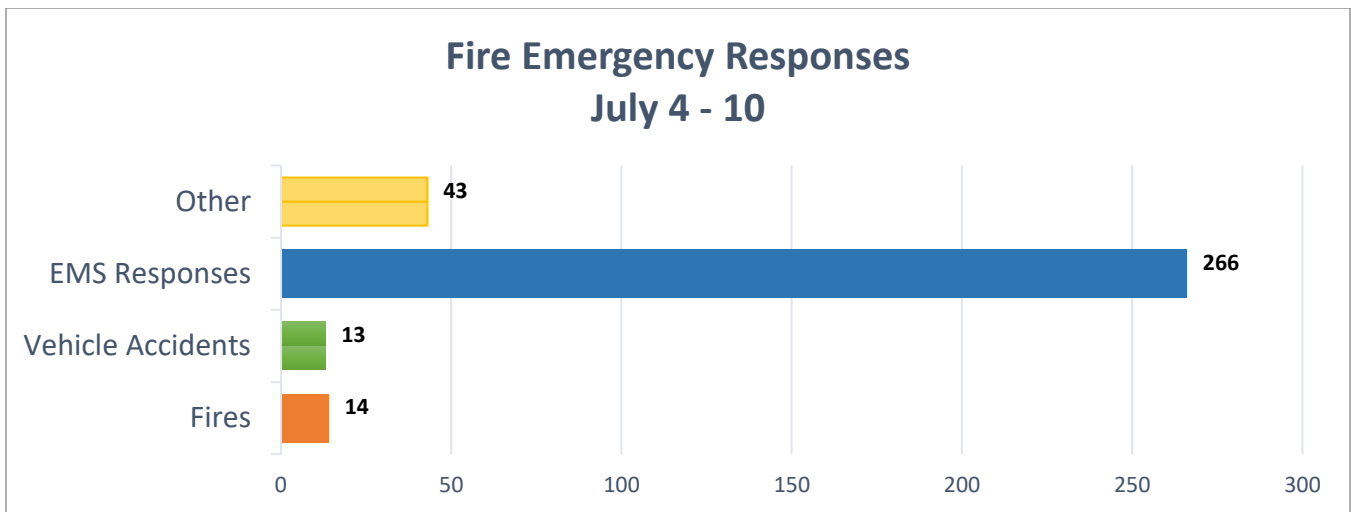
On July 8, fire crews responded to a two-story townhouse at 170 West Vermont Ave. Initially, smoke appeared to be coming from both floors and the roof, but it was determined that a smoldering fire was originating inside the walls of the building. Aggressive action by firefighters contained the fire. The residents of the primary and neighboring townhouse units were displaced due to damage and the San Diego Red Cross responded to assist with temporary housing. The cause of the fire is under investigation.

On July 8, in an effort to perform preventative maintenance to the Fire Station 1 Training Facility, on duty crews in collaboration with Public Works conducted a confined space entry to the 25,000-gallon tank used for the training tower pump system. This collaborative effort not only provided valuable real-life training but will help to increase the life of the training equipment by removing years of built up dirt and debris.



A few weeks ago, Escondido Firefighters volunteered their off-duty time to collect donations for the San Diego County Burn Institute at two intersections in Escondido. The generous donations from our community totaled \$10,500. A signature Burn Institute program that is supported by donations is [Camp Beyond the Scars](#), an annual camp for young burn survivors. This year, part of the camp will be virtual, so each camper receives a box full of supplies and treats. To make this year a little extra special, Escondido fire and police delivered Joshua and Peter's boxes in person with lights and sirens. The Burn Institute always welcomes donations to support burn victims in San Diego and Imperial Valley counties: <https://burninstitute.org/donate>





## COMMUNITY DEVELOPMENT & ENGINEERING

### Permits and Inspections:

#### Building Division

1. Counter staff conducted in-person meetings with 132 applicants, processed 94 applications, and issued 87 permits.
2. The total permit valuation for the week was \$3,506,974.
3. Building inspectors completed 283 building inspections.

#### Field Engineering Division

1. Field Engineering inspectors processed 36 permits.

### Development and Capital Projects Update:

Curious what's happening with development projects around the City? Below is a list of active projects currently in various stages of the development process. Items with **bold** text have been updated since last week's report. To learn about previous applications for residential and commercial development permits, please visit the [Development Project Information Archive](#) page or contact the [Planning Division](#).

#### Commercial / Office / Industrial:

1. Interfaith Recuperative Care Facility/Hotel – (Developer: Interfaith) 555 N. Centre City Parkway – Conversion of the existing lodging facility (America's Best Value Inn) and construction improvements to establish a residential care facility designed to provide a variety of transient stays for at-risk individuals, homeless, etc. The Conditional Use Permit was approved by the Zoning Administrator on May 25, 2021. Grading, landscaping, street improvement, and building plans are currently under review.
2. Medical Office Building West - Palomar Health Hospital Campus (MOB-West, Developer Palomar Pomerado Health) – A three-story medical office/outpatient facility of approximately 72,000 square feet. Approval for design review was issued by the Planning



Division on January 17, 2013. The applicant recently requested some changes to the zoning permits and a substantial conformance determination was approved March 5, 2021. Grading and building permits are currently under review.

3. ERTC/Palomar Health Parking Structure (Developer: McCarthur Construction). An application request was received on October 21, 2020 to build 1,906 parking spaces at the new hospital campus. The proposed parking garage is six stories. Approval for design review was issued by the Planning Division on April 4, 2021. Grading and building permits are currently under review.
4. Carvana – (Developer: Jo Ryan, Carvana) 559 N. Hale Avenue – A vending machine car dealership, consisting of 5,800 square feet within an eight-tier glass and steel tower structure up to 75 feet in height. The project was approved by the City Council on August 23, 2020. Construction is underway and can be seen on the east side of Interstate 15.
5. Meyers Avenue Industrial (Developer: OnPoint Development) – 68,900 square foot industrial building on an existing 4.95-acre vacant lot located at 2351 Meyers Avenue. The application was originally submitted in November 2020, and is currently in the entitlement process.
6. **Mercedes Benz Expansion** – (Developer: Jody Stout, Integrity Design and Construction) 1101 W. 9th Avenue – A Master and Precise Plan modification to demo the existing dealership showroom and construct a new showroom, office, parts storage and service building. The project is still in the entitlement phase; however, the applicant is completing final revisions to the project materials in response to City comments. It is anticipated that this project will be reviewed and considered by the Planning Commission at its July 27, 2021 meeting.
7. **Raising Cane's Restaurant** – (Developer: Ada Fermin, PM Design Group) 1280 W. Valley Parkway – A 3,744 square foot drive-through restaurant located on the east side of the southbound off-ramp on W. Valley Parkway. The project was approved by the Planning Commission on July 14, 2020 and is now under construction. Construction of a modified right-turn pocket from East Valley Parkway is anticipated to begin next week.
8. 7-Eleven Gas and Convenience Store – (Developer: Golcheh Group) 900 W. Mission Ave. – A 4,000 square foot convenience store with eight fuel dispenser pumps on the northeastern corner of Mission/Rock Springs. The project was approved by the City Council on January 13, 2021. Building plans were submitted for review on July 1, 2021, however grading, landscaping and public improvement plans remain outstanding. .
9. Solaris Business Park Annexation – (Developer Whalen and Associates) 657 N. Country Club Lane – A four-lot, light-industrial and medical office complex on approximately 45 acres of land, just northwest of the Palomar Medical Center. The annexation will be processed as a new specific plan. The application is still in the entitlement phase. It is anticipated that an Environmental Impact Report will be prepared for this project.

## Residential:

10. Oak Creek (Builder: KB Homes) – A 65 single-family home development on approximately 44 acres at Felicita Road and Hamilton Lane. City Council approved the project on March 4, 2015 and a map extension was approved by the Planning Commission on April 18, 2018. Building permits were issued for 45 homes the week of June 21, 2021, and construction is underway.
11. Conway Drive Subdivision (Developer: Conway Stanley Properties, LLC) – This project is a 41-lot subdivision on the west side of Conway Drive, both north and south of Stanley Place. The project would include 40 single-family homes and seven affordable condominium units. The application was submitted on June 3, 2021, and staff sent initial comments to the applicant on July 2, 2021.
12. Palomar Heights (Developer: Ninia Hammond, Integral Communities) – An approved land use development application consisting of the demolition and redevelopment of the old Palomar Hospital site with 510 multi-family units with 10,000 square feet of commercial. This project was approved by City Council on February 10, 2021. The next step for the project's implementation involves the submission and approval of grading, landscaping, street improvement, and building plans. The City approved a design review submittal on June 11, 2021 addressing some of the project's conditions requiring architectural building design changes. The City is currently reviewing demolition plans to remove the existing structures from the premises. Grading and improvement plans, and final map were submitted for first round of review the week of July 5, 2021.
13. Del Prado (Developer: California West Communities) 2329 South Centre Parkway – A 113-unit townhome-style Planned Development located at the southwestern corner of Brotherton Road and the Centre City Parkway frontage road. The City Council approved this project on May 11, 2016. Building plans were submitted on May 20, 2021. The Final Map was approved by the City Council on May 26, 2021 and has recorded with the County Clerk. Rough grading of the site has been completed and building plans are currently under review.
14. Warmington (Developer: Warmington Residential California, Inc.) – A 62 air-space condominium development, consisting of 10, three-story buildings located in the Southern Entry District of the South Centre City Specific Plan at 2200 S. Escondido Boulevard. The project was approved by the Planning Commission on March 23, 2021. The Planning Commission is the final decision-maker for the project. Grading and building plans are under review by the City.
15. Habitat for Humanity 10-Unit Condominium Development (Developer: San Diego Habitat for Humanity) – A 10-unit development at 245 E. El Norte Parkway. All units will be for sale to low-income households. This project was approved by City Council on February 10, 2021. Grading and building plans are currently under review.
16. North Avenue Estates (Developer: Casey Johnson) – A 34 single-family home development at North Avenue/Conway Drive. The project was approved by the City Council on January 10, 2018. Grading is currently underway on the site.

17. **Apollo Residential Care (NOAA Group)** – An assisted living and memory care facility, with 78 units accommodating 99 beds at 3141 East Valley Parkway. The project was approved on January 14, 2020. The applicant has requested to add approximately 3,000 square feet of common space (no new units or beds), which is anticipated to be presented to the Planning Commission for consideration in July or August.
18. Henry Ranch (Builder: Joe Martin, Trumark Homes) – A 97 single-family home development on 74.35 acres at the eastern terminus of Lincoln Avenue. The City Council approved this project on December 13, 2006 and the project is now under construction. The developer, Trumark, has nearly completed onsite water, storm drain and sewer utilities and is working on pedestrian ramps and sidewalks. Model homes are now open to the public, and the contractor is now focusing on new home construction.
19. The IVY (Applicant: Howard Blackson, AVRP Studios) – The project, located on the corner of Second Avenue and North Ivy Street, was originally approved in 2019 with 127 units and a small commercial space, including 24 units allocated from the City's Density Transfer Program and density bonus units for the provision of several affordable housing units. The current application consists of a request for a modification to the approved project and would include 126 affordable residential units and potentially a child care facility in-lieu of the commercial space. The current request was submitted in January 2021 and is currently in the entitlement process.
20. The Villages at Escondido Country Club (Builder: Lennar Homes) 380 residences located on the former golf course off of Country Club Lane, north of El Norte Parkway. The project was approved by City Council on November 15, 2017 and the project is now under construction.

Villages I – Work has started on the fitness center in the commercial village.

Village II - Rough grading is nearing completion.

Village III - Rough grading is nearing completion. The contractor is installing a new sewer manhole and main line at the intersection of La Brea and Country Club along with private water and sewer lines. In track curb and gutter have started to be placed.

21. Quince Street Senior Housing (Developer: Matt Jumper, 220 Quince, L.P.) 145 apartment units at 220 N. Quince Street – The five-story affordable senior housing apartment project was submitted on November 21, 2017. The City Council approved the project on October 23, 2019. The next step for the project's implementation involves the submission of and approval grading, landscaping, street improvement, and building plans. Building plans were submitted on May 10, 2021. Plan check review was completed the week of June 21. City staff will coordinate a building plan check resubmittal with the applicant.
22. Jack's Creek TR 951 and SUB 17-0026 – (Developer New Pointe Development). An approved 12-lot, single-family residential subdivision on 3.31 acres. The site is located at the westerly terminus of Jack's Creek Road, north of El Norte Parkway, addressed as 640 Oakwood Creek Glen, formally 2888 E. Washington Avenue. The project was approved by the Planning Commission on November 13, 2007 and an extension of time



was approved on September 12, 2017. The developer recently started construction on the final six homes.

23. Casa Mercado Apartments (Developer: Paul Mayer, Pemcor) – A four-story, 120-unit apartment complex on 2.31 acres on Second Avenue and Pine Street. The City Council approved the project at its May 12, 2021 meeting. The next step for the project's implementation involves the submission and approval of grading, landscaping, street improvement, and building plans.
24. North Iris Residential Development (Developer: Hallmark Communities) – An application for a Master and Precise Development Plan and Tentative Map for 102 condominiums at the southeast corner of North Iris Lane and Robin Hill Lane. The project is still in the entitlement phase. The initial application was submitted on March 11, 2021. The City completed its review and issued a comment letter on April 9, 2021 regarding the completeness of the application (i.e. notice of incomplete application). A Notice of Preparation of an EIR was issued this week.
25. Canterbury Gardens Apartment Project (Developer: Kensington Canterbury Gardens, LLC) - A Plot Plan application was submitted on January 26, 2021 for the development of an apartment project at 2402 South Escondido Boulevard (the site of the Canterbury Gardens retail store). The project proposes to demolish the existing structures on the site and construct 44 townhome-style, market-rate rental units. Units will range in size from 1,028 to 1,254 square feet, will be three stories in height, and will have two to three bedrooms. The project is still in the entitlement phase.
26. Villa Portofino – (Developer: Chris Post, ATC Design Group) 15 apartment units in a three-story building with parking garage at 2690 S. Escondido Blvd. The project is still in the entitlement phase.
27. Hacienda De Vega Redevelopment – (Developer: Tony Cassolato) An approved proposed residential condominium development consisting of 42 three-story attached townhomes on 1.75 acres. The project was approved by the City Council on October 21, 2020. The next step for the project's implementation involves the submission and approval of grading, landscaping, street improvement, and building plans.
28. 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. The project is still in the entitlement phase and was deemed an incomplete application. A project webpage containing draft documents and plans can be accessed at the following link:  
<https://www.escondido.org/daley-ranch-resort-specific-plan.aspx>
29. Fig Apartments (Developer Claude Marengo) – A 15-unit, three-story, multi-family residential apartment complex on 0.59 acres. The project is still in the entitlement phase.
30. Reed Road Assisted Living Facility (2525 Reed LLC) – A new residential care facility is proposed on a 4.2-acre site on 2525 Reed Road. The project is still in the entitlement phase.

31. East Valley Parkway Apartments (Developer: John Wurster) – A 50-unit mixed use affordable apartment complex consisting of four stories situated on a 21,000 square foot vacant parcel on the corner of E. Valley Parkway and Ivy Street. The project was approved by the Planning Division on June 21, 2021, and building, grading, landscaping, and public improvement plans were submitted on July 1<sup>st</sup>, 2021.
32. Nutmeg Condo General Plan Amendment (Developer: Jim Simmons, CCI) – A 137-unit townhome condo project, located on both sides of Nutmeg between I-15 and Centre City Parkway. The first phase of the project was approved by the City Council on November 20, 2019. The second phase was approved by the City Council on November 18, 2020. The next step for the project’s implementation involves the submission and approval of grading, landscaping, street improvement, and building plans.
33. Harvest Hills, (Developer: Concordia Homes) - 550 residential subdivision, east of Rancho San Pasqual. A project webpage including draft documents and plans can be accessed at the following link:  
<https://www.escondido.org/safari-highlands-ranch-specific-plan.aspx>

City Projects or Other Capital Improvement Projects:

34. **Membrane Filtration and Reverse Osmosis (“MFRO”) Facility** – The MFRO will treat a portion of the City’s existing recycled water supply from the Hale Avenue Resource Recovery Facility and blend it with recycled water that has not been treated by the MFRO process to produce water with a salt concentration appropriate for agricultural irrigation. The blended water will then be pumped to agricultural users. The MFRO Facility will provide high-quality water that is low in total dissolved solids and chlorides to high-water-demand agricultural growers who serve a vital role in the City’s economy. The location at 901 W. Washington Avenue was approved on April 3, 2019. The contractor, Filanc Brown & Caldwell Joint Venture, submitted building permits on March 9, 2021 and has received comments/corrections. Grading plans were approved on June 2, 2021 and the demolition of small structures on site is underway. Building plans have been resubmitted and are currently being processed.
35. Lake Wohlford Replacement Dam – The project involves a new dam downstream (west) of the existing dam and partial deconstruction of the existing dam. The replacement dam would feature an outlet tower that is integrated into the dam’s upstream face; the top of the existing outlet tower would be demolished, and the bottom of the existing outlet tower and the outlet pipe would be filled with sand and abandoned in place. The project would entail improvement and extension of an existing unpaved access road located west of the Lake Wohlford Marina, extending it to the right (north) abutment of the replacement dam. The project’s EIR was certified on August 23, 2020. The next step for the project’s implementation involves the submission and approval of permits and agreements by the wildlife agencies. In order to obtain environmental permits for construction, the City has prepared upstream restoration and mitigation plans, short-term and long-term habitat management plans, a watershed evaluation, perform field protocol surveys, and update the Jurisdictional Wetland Delineation survey.

36. **Grand Avenue Vision Project** – The Grand Avenue Vision Project is a streetscape improvement project for Escondido’s historic downtown aimed at improving walkability and creating a pedestrian-friendly environment. The project will narrow Grand Avenue to one lane in each direction, provide wider sidewalks and additional parking opportunities via diagonal parking, and remove center medians. The project will also include the installation of curb bulb-outs at intersections and installation of three roundabouts (at Maple Street, Broadway, and Kalmia Street). Wayfinding signs and ornamental lighting are proposed, and there will be opportunities for public art. This will be a phased project that will occur over several years as funding becomes available. A Mitigated Negative Declaration has been prepared and is scheduled for consideration by City Council on July 21, 2021. The first phase is anticipated to begin construction in the fall of 2021.
37. **School and Traffic Safety Projects** - Each year the Traffic Commission prioritizes and funds traffic safety projects focused on improving pedestrian and vehicle safety. Projects are nominated by each School District, COMPACT, residents and staff. This year four priority projects were completed, including crosswalk improvements at Oak Hill and Citrus, crosswalk improvements on Lincoln Avenue near Pioneer Elementary, pedestrian countdown timers at five intersections and an Audible Pedestrian Signal at El Norte and Centre City Parkway that serves the sight impaired.
38. **Spruce Street/Transit Center Pedestrian Bridge Project** – This storm drain channel project continues to near the end of the construction phase with the final plantings being installed north of Valley Parkway. Vegetation management will be conducted by the contractor for the area between Grand and Valley Parkway in the coming weeks as required by the environmental permits. Public Works continues to maintain the sections south of Grand as part of the City’s storm drain system.
39. **Creek Trail Crossing** - The final design for the Creek Trail Crossings project that improves all seven Creek Trail intersections between Juniper and Citrus was approved. Improvements include a signal at Midway and rapid flashing beacons with bulb-outs, where the roadway width permits, at other locations. The project also fills in sidewalk gaps along Citrus and Midway. It is anticipated that construction will begin by late summer.
40. **Citracado Parkway Extension** - The project will extend Citracado Parkway between Andreasen and Harmony Grove Village Road, including a bridge over the Escondido Creek in the western portion of the City. In February, the Public Utilities Commission approved the relocation of electric transmission facilities necessary for the project. SDG&E has ordered the steel poles necessary for the relocation and expects to begin electric facility relocation in August. Bid and award of the actual road project is anticipated this summer with construction beginning in fall 2021 and completing in early 2023.

41. Escondido Entry Monument Signs – Installation of the three new “Welcome to Escondido” entry signs is complete. They are located at Grand Avenue near the Gateway Center, Via Rancho Parkway at Sunset Drive, and El Norte Parkway near Woodland Parkway.

42. Juniper Elementary Safe Routes to School Project - The purpose for this project is to provide missing portions of sidewalk, curb and gutter, and Class II bicycle lanes along Juniper Street creating a continuous, separated pedestrian pathway near Juniper Elementary and provide Safe Routes to School information at Juniper, Oak Hill, and Central Elementary Schools. This project also involves modification of traffic signals at Juniper Street & Felicita Avenue and Escondido Boulevard & Felicita Avenue. The start of construction is estimated to be summer 2022.



43. Escondido Creek Trail – In 2020 the City was awarded \$8.5 million from the California Department of Parks & Recreation through the Proposition 68 Parks and Water Bond Act of 2018 to improve approximately 4.5 miles of the existing Escondido Creek Trail (between Harmony Grove Road and Midway Drive) and add approximately 0.4 miles of new bicycle path (between Harmony Grove Road and the Citracado Parkway extension) to the linear park. This project will create a double-sided trail on approximately 1.7 miles; on one side will be the existing Class I bicycle path, on the other will be a new DG trail. After stakeholder meetings and community workshops, 60% construction drawings are complete. Design review of the construction drawings will be conducted by the Planning Commission, tentatively scheduled for late summer 2021. It is anticipated that construction would start in early 2022.

44. **Washington Park Skate Spot** – 501 N. Rose. The City recently awarded this project bid to Geocon Skateparks. When completed, the 7000-sf skate spot will offer multiple features including a quarter pipe, pump bump, grind edge, banked hip with rail, and a 5-sided pyramid. The bid award was made by the City Council on April 21, 2021. Construction started on June 7, 2021 and is expected to take approximately three months. The contractor will be placing shotcrete for the park features next week.





45. Storm Drain Pipe Lining and Rehabilitation Project Phase II – The Contractor is continuing to clean and make repairs to the storm drain flow line. The work consists of storm drain cleaning, inspection, CCTV, repairing and grouting voids, point repairs, grouting existing flow line, cured in place pipe lining, storm drain structure floor repairs, post CCTV and inspection, and overall rehabilitation of existing corrugated metal pipe storm drain systems. Contract work for this project has been completed. Notice of Completion will be presented to the City Council within the next few weeks.
46. SDG&E 16” Gas Main Replacement – In January 2019, the CPUC’s Safety Enforcement Division approved SDG&E’s test or replace plan for Line 1600, a 16-inch natural gas transmission pipeline which was not strength tested in 1949 when it was constructed. This next phase of PSEP projects will include 19 separate projects that will take place in the cities of San Diego, Escondido and Poway, as well as the County of San Diego. Approximately 5.4 miles of replacement and 2.7 miles of strength testing are expected to occur in Escondido from 2020-2024. The portion of the project along Bear Valley Parkway (Phase II) has been installed and is on-line, with only street paving remaining to do as of July 7, 2021. Phase III, which will be the final phase in Escondido, is currently being reviewed by Engineering Department staff, and includes portions of Lincoln Avenue (between El Norte Parkway and Midway Drive), El Norte Parkway (Lincoln Avenue to La Honda Drive), and La Honda Drive (El Norte Parkway through Daley Ranch).
47. 2021 Street Rehabilitation and Maintenance Projects - Phase I (Concrete and Tree Removal and Replacement): This year’s work will be in the North West Zone, which is bordered by Broadway to the east, State Route 78 to the south and City limits to the north and west. The scope of work will include the removal and replacement of over 30,000 square feet of concrete sidewalks, driveways and cross gutters. 52 pedestrian ramps will be upgraded to current standards and approximately 90 new trees will be planted. Work has started in the Escondido Hills area with tree removal, removing and replacing damaged concrete sidewalks, driveways, curb and gutters. Phase II of the Street Maintenance Project will focus on street repair and rehabilitation and is anticipated to start late summer.
48. Multi Neighborhood Street Light L.E.D. Retrofit Project Phase II - This project generally consists of the removal of approximately 725 non-LED street light fixtures and safety light fixtures, and the replacement with specified L.E.D. street light fixtures and L.E.D. safety light fixtures at various locations within the City of Escondido. The contractor is continuing to retro fit the new LED lights and has moved to the South East Zone, west of Midway Drive. The project was recently completed and a Notice of Completion will be presented to the City Council within the next couple of weeks.

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If you would like to receive this report by email on Thursdays, email: [mthorne@escondido.org](mailto:mthorne@escondido.org).