



NOTICE

ESCONDIDO CITY COUNCIL

**THE MEETING SCHEDULED FOR WEDNESDAY,
OCTOBER 28, 2020 AT 5:00 P.M. (CLOSED
SESSION) HAS BEEN MOVED TO 5:30 P.M.**

THE REGULAR MEETING WILL BEGIN AT 6:00 P.M.



OCTOBER 28, 2020
VIDEO CONFERENCE
5:30 P.M. Closed Session; 6:00 P.M. Regular Session
201 N. Broadway, Escondido, CA 92025

MAYOR	Paul McNamara
DEPUTY MAYOR	Consuelo Martinez
COUNCIL MEMBERS	Olga Diaz Michael Morasco
CITY MANAGER	Jeffrey Epp
CITY CLERK	Zack Beck
CITY ATTORNEY	Michael McGuinness
DIRECTOR OF COMMUNITY DEVELOPMENT	Mike Strong
DIRECTOR OF ENGINEERING SERVICES	Julie Procopio

COVID-19 PUBLIC SERVICE ANNOUNCEMENT

Pursuant to Governor Newsom's Executive Orders, including N-25-20 and N-29-20: Certain Brown Act requirements for the holding of a public meeting have been temporarily suspended and members of the Escondido City Council and staff will participate in this meeting via teleconference. In the interest of reducing the spread of COVID-19, members of the public are encouraged to submit their agenda and non-agenda comments online at the following link: <https://www.escondido.org/agenda-position.aspx>. Council Chambers will be closed.

Public Comment: To submit comments in writing, please do so at the following link: <https://www.escondido.org/agenda-position.aspx>. If you would like to have the comment read out loud at the meeting (not to exceed three minutes), please write "Read Out Loud" in the subject line.

Depending on the volume and/or similarity of public comments, and pursuant to the City Council Rules of Procedure, the Mayor or Presiding Councilmember may limit the number of comments to be read and/or limit the amount of time each comment may be read. It is in the interests of members of the public who desire that their statement be read out loud to be mindful of this potential limitation when drafting their comment. The entirety of all comments received from the public will be made a part of the record of the meeting.

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

October 28, 2020
5:30 p.m. Meeting
Mitchell Room
Escondido City Council

CALL TO ORDER

ROLL CALL: Diaz, 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 LEGAL COUNSEL-- EXISTING LITIGATION (Government Code 54956.9(d)(1))

a). **Case name:** Clement L. Harris v. City of Escondido

Case No.: WCAB No: ADJ12970005

b). **Case name:** Raquel Figueroa v. City of Escondido

Case No.: 37-2019-00009752-CU-PO-NC

ADJOURNMENT



Council Meeting Agenda

**October 28, 2020
6:00 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: Diaz, Martinez, Morasco, McNamara

PROCLAMATIONS: Escondido Women's Club
Assistance League-Inland North County

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:

- 346601 – 346807 dated October 14, 2020

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

3. **APPROVAL OF MINUTES: None Scheduled**

4. **SIXTH AMENDMENT TO THE CONSULTING AGREEMENT FOR THE CITRACADO PARKWAY IMPROVEMENT PROJECT -**

Request the City Council approve authorizing a Sixth Amendment to the Consultant Agreement with Brian F. Smith and Associates, Inc. for Archeological Services for the Citracado Parkway Extension Project. On August 1, 2012, the City Council approved Phases I and II of archeological work necessary for the Citracado Pkwy project totaling \$971,000. Two subsequent amendments totaling \$619,438 were approved by the City Council to process the large volume of artifacts discovered, prepare a National Historic Preservation Act Section 106 study and screen culturally sensitive soils within the project footprint. This contract amendment, in the amount of \$399,000, completes pre-grading services including screening of all soils, cataloging of encountered cultural materials and Native American monitoring.

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

RESOLUTION NO. 2020-149

5. **BID AWARD AND PUBLIC IMPROVEMENT AGREEMENT FOR CONSTRUCTION OF HALE AVENUE RESOURCE RECOVERY FACILITY STORM WATER TREATMENT SYSTEM RETROFIT PROJECT -**

Request the City Council approve executing a Public Improvement Agreement with the lowest responsive and responsible bidder for construction of the Hale Avenue Resource Recovery Facility Storm Water Treatment System Retrofit Project. The contract is being awarded to Shaw Equipment Rentals, Inc. for a sum not to exceed \$207,357.

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

RESOLUTION NO. 2020-150

6. **TREASURER'S INVESTMENT REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2020 -**

Request the City Council receive and file the July through September 2020 Treasurer's Report.

Staff Recommendation: **Receive and File (City Treasurer's Office: Douglas W. Shultz)**

PUBLIC HEARINGS

7. **DEVELOPMENT IMPACT FEE INFLATIONARY INCREASE AND BUDGET ADJUSTMENT -**

Request the City Council approve adopting Resolution No. 2020-125 involving a two percent inflationary increase for Development Impact Fees collected for Public Facilities, Park Development, Traffic Impact, and Drainage Facilities anticipated to serve new development and to approve a budget adjustment of \$100,000 to fund consultant services to prepare a Comprehensive Development Impact Fee analysis.

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

RESOLUTION NO. 2020-125

8. **AMENDMENT TO CHAPTER 16 OF THE ESCONDIDO MUNICIPAL CODE TO ESTABLISH A TOBACCO RETAIL LICENSE AND REGULATIONS REGARDING LICENSING AND ADOPTION OF TOBACCO RETAIL LICENSE FEES (PLANNING CASE NO. PL20-0600) -**

Request the City Council approve introducing Ordinance No. 2020-29 and establish a tobacco retail license and regulations regarding licensing; adopt Resolution No. 2020-148 to amend the Business License fee schedule to include fee rates and charges to administer the tobacco retail license program. The request also includes the adoption of the environmental determination prepared for the project.

Staff Recommendation: **Approval (Community Development Department: Mike Strong)**

a) RESOLUTION NO. 2020-148 b) ORDINANCE NO. 2020-29

CURRENT BUSINESS

9. **ECONOMIC UPDATE -**

Request the City Council receive an update on the current economic environment and revenue generating ideas.

Staff Recommendation: **None (City Treasurer's Office: Douglas W. Shultz)**

10. **PROPOSED RATE INCREASE FROM ESCONDIDO DISPOSAL, INC. FOR ANNUAL CPI INCREASE TO SOLID WASTE AND RECYCLING RATES, AND FEES FOR RESIDENTIAL AND COMMERCIAL COLLECTIONS -**

Request the City Council approve the requested annual residential and commercial solid waste and recycling rates/fees adjustments pursuant to the terms provided in the City's adopted Solid Waste Disposal and Recycling Franchise Agreement with Escondido Disposal, Inc.

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

RESOLUTION NO. 2020-130

FUTURE AGENDA

11. **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.

- [WEEKLY ACTIVITY REPORT -](#)

ORAL COMMUNICATIONS

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ADJOURNMENT

UPCOMING MEETING SCHEDULE				
Date	Day	Time	Meeting Type	Location
November 4	-	-	No Meeting	-
November 11	-	-	No Meeting (Veteran's Day)	-
November 18	Wednesday	5:00 & 6:00 p.m.	Regular Meeting	Council Chambers
November 25	-	-	No Meeting (Thanksgiving Day)	-

TO ADDRESS THE COUNCIL

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

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

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

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

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

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

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

LIVE BROADCAST

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

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

**The City Council is scheduled to meet the first four Wednesdays
of the month at 5:00 in Closed Session and 6:00 in Open Session.
(Verify schedule with City Clerk's Office)**

**Members of the Council also sit as the Successor Agency to the 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.



Consent Item No. 1

October 28, 2020

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

October 28, 2020

File No. 0400-40

SUBJECT: Approval of Warrants

DEPARTMENT: Finance Department

RECOMMENDATION:

Request approval for City Council and Housing Successor Agency warrant numbers 346601 – 346807 dated October 14, 2020.

FISCAL ANALYSIS:

The total amount of the warrants for the period of October 8 – October 14, 2020, is \$ 948,380.51.

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

October 28, 2020

File No. 0600-10, A-3058

SUBJECT: Sixth Amendment to the Consulting Agreement for the Citracado Parkway Improvement Project

DEPARTMENT: Engineering Services Department

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2020-149, authorizing the Mayor, on behalf of the City, to execute a Sixth Amendment to the Consulting Agreement with Brian F. Smith and Associates, Inc. ("BFSA") for archeological services in the amount of \$399,898.75 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. Construction cost estimates updated in May 2019 show the anticipated cost of construction is \$26.3 million. The Capital Improvement Program ("CIP") projected additional programming of TransNet and Traffic Impact Fees totaling \$1.8 million in FY 21/22.

PREVIOUS ACTION:

On August 1, 2012, the City Council approved Phases I and II of archeological work necessary for the Citracado Pkwy project totaling \$971,000. On September 9, 2014, the City Council approved the Second Amendment in the amount of \$227,438, as necessary to process the large volume of artifacts discovered and to prepare a National Historic Preservation Act Section 106 study. Staff approved Amendments three and four, in the amounts of \$18,700 and \$12,525 respectively, for continued support during the City's extended four-year resource agency permit application period including preparation of documents requested by Army Corps of Engineers ("Corps") to address concerns of affected Native American tribes. In June 2019, the Corps issued a permit for the subject project, including a Memorandum of Agreement ("MOA") with the State Historic Preservation Officer and affected Native American Tribes, which added the requirement to screen all culturally sensitive soils within the project footprint. On December 18, 2019, the City Council approved a Fifth Amendment, in the amount of \$392,600, to begin excavating and screening sensitive soils in accordance with the issued MOA, using a mechanized process.

BACKGROUND:

City Council approval of the Sixth Amendment to the BFSA Consulting Agreement is requested in order to complete pre-grading archeological services specified in the MOA. This contract amendment, in the amount of \$399,898.75, allows completion of pre-grading services including screening of all accessible soils and cataloging of encountered cultural materials. The contract amendment reflects a higher than estimated volume of soil screening based on the actual depth of sensitive soils, including increased labor, equipment rental time, cataloging of cultural artifacts, and additional monitoring by affected Native American tribes. In addition, as allowed by the MOA, the tribes requested that the most sensitive soils be screened using smaller equipment extending the screening timeline. The contract change order also includes installation of two concrete pads to protect a shallow existing 14-inch Rincon Del Diablo Water District main that runs through the center of the culturally sensitive area.

Project Status:

All resource agency permits necessary for the project have been secured. The Army Corps of Engineers has issued a permit and a MOA with the State Historic Preservation Officer and affected Native American Tribes. After completion of this phase of archeological work, all accessible culturally sensitive soils will have been screened. Screening of soil directly above the shallow watermain and around an SDG&E power pole will be completed during construction and after the conflicting utilities have been relocated.

The relocation of SDG&E transmission facilities necessary for the project has resulted in the need for a Section 851 advice letter filing with the California Public Utilities Commission ("PUC"). After preparation of an EIR Addendum and 60% design for the relocation by SDG&E, the advice letter was filed on October 2, 2020. It is anticipated that PUC review will require six-months. After PUC review, SDG&E will begin relocation of the conflicting transmission facilities. In order to minimize delays, next month the City Council will be asked to approve the purchase of the steel poles necessary for SDG&E's relocation, so that fabrication may begin in advance of PUC approval of the project. Once SDG&E completes their relocation, construction of the extension of Citracado Parkway may begin.

Revisions to project plans and specifications are currently being made to incorporate comments by utility agencies, including SDG&E, Cox, AT&T and Rincon Water District. Construction is anticipated to begin in mid-2021, and require approximately 18-months to complete.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Julie Procopio, Engineering Services Director
10/21/20 2:50 p.m.

ATTACHMENTS:

1. Resolution No. 2020-149
2. Resolution No. 2020-149 - Exhibit 1 Sixth Amendment to Consulting Agreement with BFSA

RESOLUTION NO. 2020-149

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING THE MAYOR TO EXECUTE, ON
BEHALF OF THE CITY, A SIXTH AMENDMENT
TO THE CONSULTING AGREEMENT WITH
BRIAN F. SMITH AND ASSOCIATES, INC. 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, additional archeological services are requested of Brian F. Smith and Associates, Inc. ("BFSA") for preconstruction work to comply with Project permitting requirements in the amount of \$399,898.75; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve the Sixth Amendment to the Consulting Agreement with BFSA for archeological services in the amount of \$399,898.75 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 Mayor is authorized to execute, on behalf of the City, a Sixth Amendment to the Consulting Agreement with BFSA, which is attached and incorporated to this Resolution as Exhibit "1," and subject to final approval as to form by the City Attorney.

3. The City Manager is authorized to make any additional amendments to the Consulting Agreement, in an amount not to exceed \$200,000.



CITY OF ESCONDIDO
SIXTH AMENDMENT TO CONSULTING AGREEMENT

This "Amendment" is made this _____ day of _____, 20__.

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

And: Brian F. Smith and Associates, Inc.
 14010 Poway Road, Suite A
 Poway, CA, 92064
 Attn: Brian F. Smith
 (858) 679-8218
 ("CONSULTANT")

Witness that whereas:

- A. CITY and CONSULTANT entered into an agreement on August 22, 2012 ("Agreement"), wherein CITY retained CONSULTANT to provide services for cultural resources data recovery for the Citracado Parkway Extension Project, Andreasen Drive to West Valley Parkway; and
- B. CITY and CONSULTANT desire to amend the Agreement to include additional work, which is defined in "Attachment A" to this Amendment, which is incorporated by reference;

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

- 1. The CONSULTANT will furnish the services described in "Attachment A" to this Amendment.
- 2. CITY will compensate the CONSULTANT in an additional amount not to exceed \$399,898.75, pursuant to the conditions contained in "Attachment A" to this Amendment.

3. All additional terms under the Agreement between CITY and CONSULTANT still apply to the additional work to be performed by CONSULTANT under this Amendment. If any of the terms of this Amendment conflict with the Agreement, this Amendment must prevail.

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

CITY OF ESCONDIDO

Date: _____

Paul, McNamara, Mayor

Date: _____

Brian F. Smith and Associates, Inc.

Brian F. Smith
President

(The above signature should be notarized)

APPROVED AS TO FORM:

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

By: _____

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

**Brian F. Smith and Associates, Inc.
Cultural Resources Mitigation Monitoring Program**

A. General.

Brian F. Smith and Associates, Inc. ("Consultant") shall provide services for the City of Escondido ("City") for the pre-construction phase of the Cultural Resources Mitigation Monitoring Program (the "Mitigation Program") required as part of the approved Environmental Impact Report for the Citracado Parkway Extension Project and as part of the Memorandum of Agreement ("MOA") attached to the United States Army Corps of Engineers ("USACE") Clean Water Act Section 4040 Permit for this project.

B. Services

This amendment will request additional budget as follows, to be consistent with the requirements outlined in the MOA:

- Mechanical Screening Rental: \$127,098.75
- Wet-screening Process: \$130,000.00
- Native American Field Monitors: \$39,000.00
- Equipment / Operator Rental: \$60,000.00
- Sorting of Screened matrix to Recover All Cultural Materials and Remains: \$30,000.00
- Reimbursable Costs: \$13,800.00

Total: \$399,898.75

C. Rates.

The City will pay Consultant for the Mitigation Program in an amount not to exceed \$399,898.75, in accordance with the proposal.

D. Payment.

Consultant will invoice City on a monthly basis for work completed. Invoices will be paid within 30 days of receipt.

CITY COUNCIL STAFF REPORT

Consent Item No. 5

October 28, 2020

File No. 0600-10, A3339

SUBJECT: Bid Award and Public Improvement Agreement for Construction of Hale Avenue Resource Recovery Facility Storm Water Treatment System Retrofit Project

DEPARTMENT: Utilities Department, Wastewater Division, Environmental Programs

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2020-150, authorizing the Mayor and City Clerk to execute a Public Improvement Agreement with the lowest responsive and responsible bidder for construction of the Hale Avenue Resource Recovery Facility ("HARRF") Storm Water Treatment System Retrofit Project. The contract is being awarded to Shaw Equipment Rentals, Inc. for a sum not to exceed \$207,357.00.

FISCAL ANALYSIS:

This project will be funded by the Wastewater Enterprise Fund through Capital Improvement Project #800289 – Wastewater Treatment Plant Major Maintenance Projects.

BACKGROUND:

Structural improvements are required to the storm drainage system at the HARRF Operations building. The City must install a permanent storm water capture and treatment system, in accordance with Land Development requirements of the San Diego Municipal Separate Storm Sewer System (MS4) permit. In 2018, Environmental Programs staff initiated the design of a retrofit treatment system within the space and use constraints unique to the HARRF.

The project will install a pre-fabricated proprietary treatment system, a Bio Clean Modular Wetlands System, which will intercept runoff from the building and remove pollutants prior to discharge to Escondido Creek. The system will be located underneath the parking lot and within an existing landscape planter adjacent to the HARRF Operations building, and will not remove any parking spaces. The Utilities Construction and Engineering Division will oversee construction activities with minimal impact to HARRF operations.

Competitive bids were opened by the City Clerk's representative on August 6, 2020, with the following results:

- | | |
|---|-------------------------------|
| 1) Tri-Group Construction and Development, Inc. | \$194,245.00 (non-responsive) |
| 2) Shaw Equipment Rentals, Inc. | \$207,357.00 |
| 3) Blue Pacific Engineering & Construction | \$213,768.00 |
| 4) Atom Engineering Construction, Inc. | \$227,398.00 |

Staff thoroughly reviewed the apparent low bid submitted by Tri-Group Construction, and initially determined that Tri-Group was the lowest responsive and responsible bidder. However, Tri-Group

Bid Award and Public Improvement Agreement for Construction of HARRF Storm Water Treatment System Retrofit Project

October 28, 2020

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failed to be responsive in communicating with staff following notice of the bid award and receipt of the Public Improvement Agreement. Tri-Group also failed to execute on the contract in a reasonable time frame as stipulated in the Bid Proposal, Instructions to Bidders, and the Public Contract Code. Staff then thoroughly reviewed the second lowest bid submitted by Shaw Equipment Rentals, Inc. and determined that they are the lowest responsible and responsive bidder. Therefore, the contract is being awarded to the second lowest bidder, Shaw Equipment Rentals, Inc., for a sum not to exceed \$207,357.00.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Christopher McKinney, Deputy City Manager/Director of Utilities

10/21/20 2:44 p.m.

ATTACHMENTS:

1. Resolution No. 2020-150
2. Resolution No. 2020-150 – Exhibit “1” – Public Improvement Agreement for the HARRF Storm Water Treatment System Retrofit Project

RESOLUTION NO. 2020-150

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AWARDING A BID TO SHAW EQUIPMENT RENTALS, INC.; AND AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE, ON BEHALF OF THE CITY, A PUBLIC IMPROVEMENT AGREEMENT FOR THE HALE AVENUE RESOURCE RECOVERY FACILITY ("HARRF") STORM WATER TREATMENT SYSTEM RETROFIT PROJECT

WHEREAS, the City Council has allocated funding in the adopted FY2020-21 Wastewater Enterprise Fund Capital Improvement Project budget for the HARRF Storm Water Treatment System Retrofit Project ("Project"); and

WHEREAS, the Project is a requirement of the San Diego Regional Water Quality Control Board Permit for Municipal Separate Storm Sewer Systems ("MS4s") Draining the Watersheds within the San Diego Region, Order No. R9-2013-001 as amended; and

WHEREAS, a notice inviting bids for the Project was duly published; and

WHEREAS, pursuant to said notice, four (4) sealed bids for the Project were opened and evaluated on August 6, 2020; and

WHEREAS, Shaw Equipment Rentals, Inc. was determined to be the lowest responsive and responsible bidder; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to award this contract to Shaw Equipment Rentals, Inc. in an amount not to exceed \$207,357.00.

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

1. That the above recitations are true.
2. That the Mayor and City Clerk are authorized to execute, on behalf of the City, a Public Improvement Agreement with Shaw Equipment Rentals, Inc. in a substantially similar form to that which is attached and incorporated to this Resolution as Exhibit "1," and subject to final approval as to form by the City Attorney.

PUBLIC IMPROVEMENT AGREEMENT

This "Agreement", dated the _____ day of _____, 20____, in the County of SAN DIEGO, State of California, is by and between **THE CITY OF ESCONDIDO** (hereinafter referred to as "CITY"), and **Shaw Equipment Rentals, Inc.** (hereinafter referred to as "CONTRACTOR").

The CITY and the CONTRACTOR, for the consideration stated herein, agree as follows:

1. The complete contract includes all of the Project Documents described in the General Conditions, which are incorporated by reference. The Project Documents are complementary, and what is called for by any one shall be as binding as if called for by all.
2. CONTRACTOR shall perform, within the time set forth in Paragraph 4 of this Agreement, everything required and reasonably inferred to be performed, and shall provide and furnish all the labor, materials, necessary tools, expendable equipment, and all utility and transportation services as described in the complete contract and required for construction of

HALE AVENUE RESOURCE RECOVERY FACILITY (HARRF) STORMWATER BMP RETROFIT 440-18-809

All of said work to be performed and materials to be furnished shall be completed in a good workmanlike manner, free from defects, in strict accordance with the plans, drawings, specifications and all provisions of the complete contract as hereinabove defined. The CONTRACTOR shall be liable to the CITY for any damages and resulting costs, including consultants' costs, arising as a result of a failure to fully comply with this obligation, and the CONTRACTOR shall not be excused with respect to any failure to so comply by any act or omission of the Architect, Engineer, Inspector, or representative of any of them, unless such act or omission actually prevents the CONTRACTOR from fully complying with the requirements of the Project Documents, and unless the CONTRACTOR protests at the time of such alleged prevention that the act or omission is preventing the CONTRACTOR from fully complying with the Project documents. Such protest shall not be effective unless reduced to writing and filed with the CITY within **three (3) working days** of the date of occurrence of the act or omission preventing the CONTRACTOR from fully complying with the Project documents.

3. CITY shall pay to the CONTRACTOR, as full consideration for the faithful performance of the contract, subject to any additions or deductions as provided in the Project documents, the sum of **Two Hundred Seven Thousand Three Hundred Fifty-Seven Dollars (\$207,357.00)**.
4. The work shall be commenced on or before the twenty-first (21st) day after receiving the CITY'S Notice to Proceed and shall be completed within **one hundred eighty (180) calendar days** from the date specified in the Notice to Proceed.
5. Time is of the essence. If the work is not completed in accordance with Paragraph 4 above, it is understood that the CITY will suffer damage. It being impractical and infeasible to determine the amount of actual damage(s), in accordance with Government Code Section 53069.85, it is agreed that CONTRACTOR shall pay to CITY as fixed and liquidated damages, and not as a penalty, the sum(s) indicated in the LIQUIDATED DAMAGES SCHEDULE below for each calendar day of

- (b) Any injury to or death of any person(s) or damage, loss or theft of any property caused by any act, neglect, default or omission of the CONTRACTOR, or any person, firm, or corporation employed by the CONTRACTOR, either directly or by independent contract, arising out of, or in any way connected with the work covered by this Agreement, whether said injury or damage occurs on or off City property.
- (c) Any and all liabilities, claims, actions, causes of action, proceedings, suits, administrative proceedings, damages, fines, penalties, judgments, orders, liens, levies, costs and expenses of whatever nature, including reasonable attorneys' fees and disbursements, arising out of any violation, or claim of violation of the San Diego Municipal Storm Water Permit (Order No. 2001-01), and updates or renewals, of the California Regional Water Quality Control Board Region 9, San Diego, which the CITY might suffer, incur, or become subject by reason of or occurring as a result of or allegedly caused by the construction, reconstruction, maintenance, and/or repair of the work under this Agreement.

The CONTRACTOR, at CONTRACTOR's own expense, cost, and risk shall defend any and all actions, suit, or other proceedings that may be brought or instituted against the CITY, its governing board, officers, agents or employees, on any such claim, demand or liability, and shall pay or satisfy any judgment that may be rendered against the CITY, its governing board, officers, agents or employees in any action, suit or other proceedings as a result thereof.

- 8. CONTRACTOR shall take out, prior to commencing the work, and maintain, during the life of this contract, and shall require all subcontractors, if any, of every tier, to take out and maintain:
 - (a) General Liability and Property Damage Insurance as defined in the General Conditions in the amount with a combined single limit of not less than **\$3,000,000 per occurrence**.
 - (b) Course of Construction / Builder's Risk Insurance. See Article 5.2 of General Conditions.
 - (c) Insurance Covering Special Hazards: The following special hazards shall be covered by rider or riders to the above-mentioned public liability insurance or property damage insurance policy or policies of insurance, or by special policies of insurance in amounts as follows:
 - (1) Automotive and truck where operated in amounts as above
 - (2) Material hoist where used in amounts as above
 - (d) Workers' Compensation Insurance.
 - (e) Each insurance policy required above must be acceptable to the City Attorney, as follows:
 - (1) Each policy must name the CITY specifically as an additional insured under the policy on a separate endorsement page, with the exception of the workers' compensation and the Errors and Omissions policies.
 - (2) Each policy must provide for written notice within no more than thirty (30) days if cancellation or termination of the policy occurs. Insurance coverage must be provided by an A.M. Best's A-rated, class V carrier or better, admitted in California, or if non-admitted, a company that is not on the Department of Insurance list of unacceptable carriers.

- (3) All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.
- (f) In executing this Agreement, CONTRACTOR agrees to have completed insurance documents on file with the CITY within 14 days after the date of execution. Failure to comply with insurance requirements under this Agreement will be a material breach of this Agreement, resulting in immediate termination at CITY's option.
9. This Agreement is subject to California Public Contract Code Section 22300, which permits the substitution of securities for any monies withheld by the City under this Agreement, and permits the CONTRACTOR to have all payments of earned retentions by the City paid to an escrow agent at the expense of the CONTRACTOR.
10. Each and every provision of law and clause required by law to be inserted in this Agreement or its attachments shall be deemed to be inserted herein and the Agreement shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not currently inserted, then upon application of either party the Agreement shall forthwith be physically amended to make such insertion or correction, without further changes to the remainder of the Agreement.
11. The complete contract as set forth in Paragraph 1 of this Agreement constitutes the entire Agreement of the parties. No other agreements, oral or written, pertaining to the work to be performed, exists between the parties. This Agreement can be modified only by an amendment in writing, signed by both parties and pursuant to action of the Escondido City Council.
12. CONTRACTOR shall comply with those provisions of the Labor Code requiring payment of prevailing wages, keeping of certified payroll records, overtime pay, employment of apprentices, and workers' compensation coverage, as further set forth in the General Conditions, and shall file the required workers' compensation certificate before commencing work. This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. CONTRACTOR shall post any job site notices required by regulation.
13. This Agreement may be executed on separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed signature page of this Agreement by electronic means, including an attachment to an email, shall be effective as delivery of an executed original. However, the Agreement on file in the office of the Escondido City Clerk is the copy of the Agreement that shall take precedence if any differences exist among copies or counterparts of the Agreement.
14. The terms "Project Documents" and/or "Contract Documents" where used, shall refer to those documents included in the definition set forth in the General Conditions made a part hereof.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, this Agreement has been executed on behalf of CITY by its officers thereunto authorized and by CONTRACTOR, the date and year first above written.

CITY OF ESCONDIDO
a municipal corporation
201 North Broadway
Escondido, CA 92025

By: _____
Zack Beck, City Clerk

By: _____
Paul McNamara, Mayor

APPROVED AS TO FORM:

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

By: _____

CONTRACTOR

By: _____
Signature

Print Name

Title

By: _____
Signature*

Print Name

Title

(Second signature required only for corporation)

By: _____
Signature**

Print Name

Title

(CORPORATE SEAL OF CONTRACTOR, if
corporation)

Contractor's License No.

Tax ID/Social Security No.

*If CONTRACTOR is a corporation, the first signature must be by one of the following officers of the corporation: Chairman of the Board, President, or any Vice President.

**If CONTRACTOR is a corporation, the second signature must be by a different person from the first signature and must be by one of the following officers of the corporation: Secretary, any Assistant Secretary, the Chief Financial Officer, or any Assistant Treasurer.

SECTION A-00610 - FAITHFUL PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS,

That _____ ("Contractor") and _____ ("Surety") are held and firmly bound unto the CITY OF ESCONDIDO ("Owner") in the sum of _____ Dollars, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, Contractor has been awarded and is about to enter into a contract with Owner to perform all work required under the Bid Schedule(s) of the Owner's specifications entitled,

HALE AVENUE RESOURCE RECOVERY FACILITY (HARRF) STORMWATER BMP RETROFIT 440-18-809

WHEREAS, the provisions of the Contract are incorporated by reference into this Faithful Performance Bond and shall be part of Surety's obligation hereunder.

NOW THEREFORE, if Contractor shall perform all the requirements of said contract required to be performed on his part, at the times and in the manner specified herein, then this obligation shall be null and void, otherwise, it shall remain in full force and effect.

PROVIDED, that

- (1) Any alterations in the work to be done or the materials to be furnished, which may be made pursuant to the terms of the Contract, shall not in any way release Contractor or Surety thereunder;
- (2) Any extensions of time granted under the provisions of Contract shall not release either Contractor or Surety from their respective obligations to Owner;
- (3) Notice of any such alterations or extensions of the Contract is hereby waived by Surety;
- (4) Any payments (including progress payments) made on behalf of Owner to Contractor after the scheduled completion of the work to be performed pursuant to the Contract shall not release either Contractor or Surety from any obligations under the Contract or this Faithful Performance Bond, or both, including any obligation to pay liquidated damages to Owner; and
- (5) To the extent Owner exercises its rights pursuant to this Bond, Owner shall be entitled to demand performance by the surety and be further entitled to recover, in addition to all other remedies afforded by law, its reasonably incurred costs to complete the work,

attorneys fees and consultant costs, as well as actual costs incurred by OWNER for the increased dedication/commitment of time of OWNER employees to the Project. These costs shall be in addition to the penal sum of the bond.

SIGNED AND SEALED, this _____ day of _____, 20__.

Contractor

Surety

Address

Phone No.

(SEAL)

BY _____
Signature

Signature

(SEAL AND NOTARIAL ACKNOWLEDGEMENT OF SURETY)

APPROVED AS TO FORM:

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

By: _____

SECTION A-00620 - LABOR AND MATERIAL BOND

KNOW ALL MEN BY THESE PRESENTS,

That _____ as Contractor, and _____ as Surety, are held and firmly bound unto the CITY OF ESCONDIDO, hereinafter called Owner, in the sum of _____ dollars, for the payment of which sum well and truly to be made, we bind ourselves our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, said Contractor has been awarded and is about to enter into the annexed contract with said Owner to perform all work required under the Bid Schedule(s) of the Owner's specifications entitled,

HALE AVENUE RESOURCE RECOVERY FACILITY (HARRF) STORMWATER BMP RETROFIT 440-18-809

NOW THEREFORE, if said Contractor, or subcontractor, fails to pay for any materials, equipment, or other supplies, or for rental of same, used in connection with the performance of work contracted to be done, or for amounts due under applicable State law for any work or labor thereon, or for amounts due under the Unemployment Insurance Code, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the Contractor and its subcontractors pursuant to Section 13020 of the Unemployment Insurance Code with respect to such labor, said Surety will pay for the same in an amount not exceeding the sum specified above, and, in the event suit is brought upon this bond, a reasonable attorney's fee to be fixed by the court. This bond shall inure to the benefit of any persons, companies or corporations entitled to file claims under applicable State law.

PROVIDED, that any alterations in the work to be done or the materials to be furnished, which may be made pursuant to the terms of said contract, shall not in any way release either said Contractor or said Surety thereunder, nor shall any extensions of the time granted under the provisions of said contract release either said Contractor or said surety, and notice of such alterations or extensions of the contract is hereby waived by said Surety.

SIGNED AND SEALED, this _____ day of _____, 20____.

Contractor

Surety

Address

Phone No.

(SEAL)

BY _____
Signature

Signature

(SEAL AND NOTARIAL ACKNOWLEDGEMENT OF SURETY)

APPROVED AS TO FORM:

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

By: _____

SECTION A-00630 - CITY OF ESCONDIDO BUSINESS LICENSE

In accordance with Municipal Code Section 16, the successful bidder is required to obtain a City of Escondido Business License prior to execution of contract.

The following information must be submitted to the City Clerk prior to execution of contract:

City of Escondido Business License No. _____

Expiration Date _____

Name of Licensee _____

SECTION A-00660 - WORKERS' COMPENSATION INSURANCE CERTIFICATE

If self-insured for Workers' Compensation, the Contractor shall execute the following form as required by the California Labor Code, Sections 1860 and 1861:

I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, Sections 1860 and 1861, and I will comply with such provisions before commencing the performance of the work of the contract.

Dated: _____

Contractor

By: _____
Signature

SAMPLE NOTICE
(REQUIRED UNDER GENERAL CONDITIONS, ARTICLE 6.1.B)
TO THE PEOPLE ON THIS STREET:

WITHIN THE NEXT FEW DAYS, WORK WILL BE STARTED ON THE FOLLOWING PROJECT:

HALE AVENUE RESOURCE RECOVERY FACILITY (HARRF)
STORMWATER BMP RETROFIT 440-18-809

The work may cause some inconvenience, but will be of permanent benefit.

We shall appreciate your cooperation in the following matters:

1. Please be alert when driving or walking in the construction area.
2. Tools, materials and equipment are attractive to children. For the safety of the children, please keep them away.
3. Please report all inconvenience to the Foreman on the job, or to the City of Escondido Utilities Construction Manager. The name and phone number of the contractor are given below.

This work is being performed for the City of Escondido by:

We will endeavor to complete this work as rapidly as possible and with a minimum of inconvenience to you.

CITY COUNCIL STAFF REPORT

Consent Item No. 6

October 28, 2020

File No. 0490-55

SUBJECT: Treasurer's Investment Report for the Quarter Ended September 30, 2020

DEPARTMENT: City Treasurer

RECOMMENDATION:

It is requested that the City Council receive and file the Quarterly Investment Report.

PREVIOUS ACTION:

The Investment Report for the quarter ended June 30, 2020, was filed with the City Clerk's Office on July 31, 2020 and presented to the City Council on August 12, 2020.

BACKGROUND:

The City of Escondido's ("City") Investment Policy requires the City Treasurer to submit a quarterly investment report to the City Council and City Manager. The quarterly investment report should include the type of investment, issuer, date of maturity, par and dollar amount invested and market value for each security held by the City. Details of the City's investment portfolio are included in the attached reports that are listed below:

- Summary of Investment Allocation as of September 30, 2020 (Attachment 1)
- Summary of Investment Portfolio Yield for the last 12 months (Attachment 2)
- Schedule of Funds Managed by Outside Parties as of September 30, 2020 (Attachment 3)
- PFM's Investment Performance Review as of September 30, 2020 (Attachment 4)

PFM Asset Management Firm was onboarded as the City's Investment Advisor in May 2019. In their Investment Performance Review (Attachment 4) you will find a Market Update, the City's Portfolio Strategy and Performance, Issuer Distributions, Portfolio Distributions and Portfolio Holdings. The Summary of Investment Allocation (Attachment 1) and the Summary of Investment Portfolio Yield for the last 12 months (Attachment 2) shows the total investment portfolio including funds in LAIF, CAMP and Stone Castle.

From July 1, 2020, to September 30, 2020, the City's investment portfolio decreased from \$175.6 million to \$146.9 million. The adjusted average annual yield decreased from 1.885 percent to 1.776 percent with the portfolio duration at 2.67. An excess of cash payment outflows over cash receipt inflows for the quarter resulted in a decrease of \$28.7 million in the book value of the investment portfolio. The major decrease is due to the City's debt service payments, which are due in September of each fiscal year and a pre-payment to CalPERS.

There are adequate funds to meet the next six-month's expected expenditures. As of September 30, 2020, the City complies with all requirements of the City's Investment Policy.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

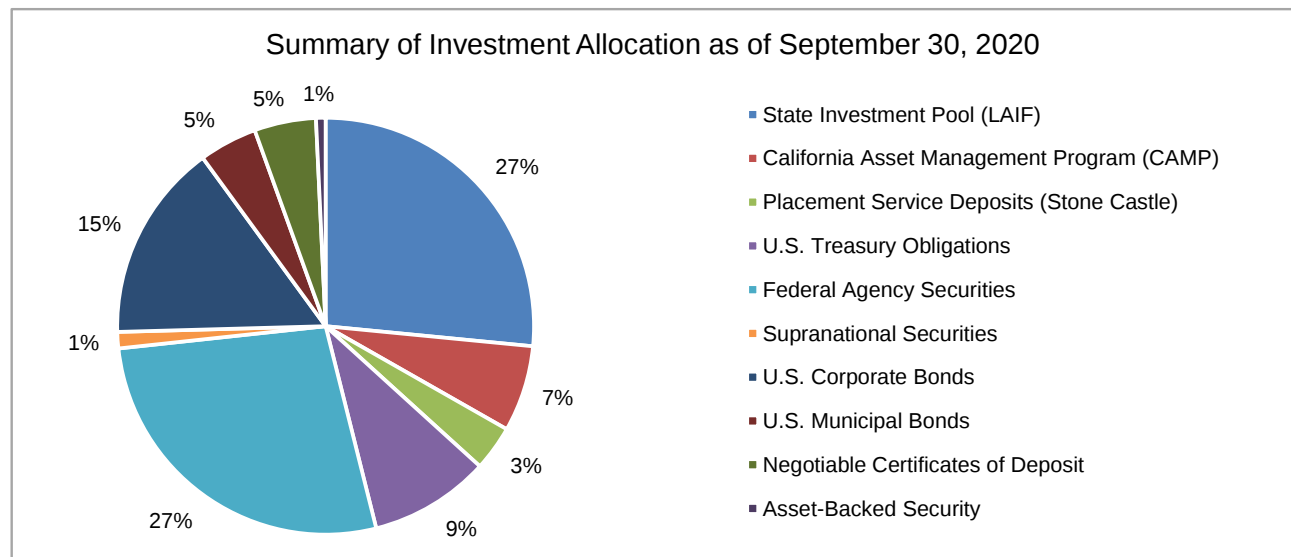
Douglas W. Schultz, City Treasurer
10/21/2020 4:15 p.m.

ATTACHMENTS:

1. Attachment 1 – Summary of Investment Allocation as of September 30, 2020
2. Attachment 2 – Summary of Investment Portfolio Yields for the last 12 months
3. Attachment 3 – Schedule of Funds Managed by Outside Parties as of September 30, 2020
4. Attachment 4 – Investment Performance Review for the Quarter Ended September 30, 2020

City of Escondido
Summary of Investment Allocation
as of September 30, 2020

Investment Type	Book Value	Market Value	Percent of Portfolio at Market
State Investment Pool (LAIF)	\$ 39,690,815	\$ 39,690,815	26.54%
California Asset Management Program (CAMP)	10,009,118	10,009,118	6.69%
Placement Service Deposits (Stone Castle)	5,242,181	5,242,181	3.51%
U.S. Treasury Obligations	13,464,042	13,992,999	9.36%
Federal Agency Securities	40,066,586	40,678,181	27.20%
Supranational Securities	1,845,401	1,900,028	1.27%
U.S. Corporate Bonds	21,946,322	23,034,596	15.40%
U.S. Municipal Bonds	6,595,932	6,746,272	4.51%
Negotiable Certificates of Deposit	7,023,000	7,155,958	4.78%
Asset-Backed Security	1,104,852	1,106,684	0.74%
Total Investment Portfolio - September 2020	\$ 146,988,249	\$ 149,556,832	100%
Reported Total Investments - June 2020	\$ 175,691,468	\$ 178,530,075	
Change from Prior Quarter	\$ (28,703,219)	\$ (28,973,243)	
Portfolio Duration	2.67		



**CITY OF ESCONDIDO
SUMMARY OF INVESTMENT PORTFOLIO YIELDS
FOR THE LAST 12 MONTHS
As of September 30, 2020**

<u>Date</u>	<u>Book Value</u>	<u>Yield</u>
Sep-20	\$147,000,670.00	1.640%
Aug-20	\$146,666,560.00	1.720%
Jul-20	\$149,438,614.00	1.700%
Jun-20	\$175,691,467.98	1.395%
May-20	\$169,745,327.26	1.475%
Apr-20	\$151,804,259.67	1.590%
Mar-20	\$151,545,222.69	1.819%
Feb-20	\$150,033,673.99	1.939%
Jan-20	\$145,872,100.79	1.966%
Dec-19	\$145,872,100.79	1.993%
Nov-19	\$140,341,177.53	2.012%
Oct-19	\$139,739,470.19	2.062%
Average Portfolio Interest Yields		1.776%

** Includes Assets managed by PFM, LAIF, and Stone Castle.*

Attachment 3

CITY OF ESCONDIDO
FUNDS MANAGED BY OUTSIDE PARTIES
As of September 30, 2020

Type of Funds / Institution	Market Value	Interest Rate	Type of Investment
<u>BOND FUNDS</u>			
BANK OF NEW YORK:			
1998-1 Rancho San Pasqual Assessment District	\$ 353,538.48	2.010%	Treasury
2013 JPFA Reidy Creek Lease Revenue Bonds (2001 Refunding)	307,484.39	1.850%	Treasury
2013 Community Facility District - Hidden Trails (2001 Refunding)	0.16	1.850%	Treasury
2015 Community Facility District - Eureka Ranch (2006 Refunding)	114.56	1.850%	Cash/Treasury
2015A Wastewater Bond (2004A Refunding)	828.29	1.940%	Dreyfus Cash Management Fund
2015B Wastewater Bond (2004B Refunding)	313.40	1.940%	Dreyfus Cash Management Fund
	<u>\$ 662,279.28</u>		
<u>SECTION 115 TRUST FUNDS</u>			
PUBLIC AGENCY RETIREMENT SERVICES:			
PARS Post-Employment Benefits Trust	\$11,170,306.25		Moderately Conservative HighMark PLUS
TOTAL FUNDS MANAGED BY OUTSIDE PARTIES	<u>\$ 11,832,585.53</u>		



CITY OF ESCONDIDO

Investment Performance Review For the Quarter Ended September 30, 2020

Client Management Team

PFM Asset Management LLC

Richard Babbe, CCM, Senior Managing Consultant
Robert Cheddar, CFA, Managing Director
Meredith LaBuda Sullivan, Portfolio Trader
Jeremy King, Key Account Manager

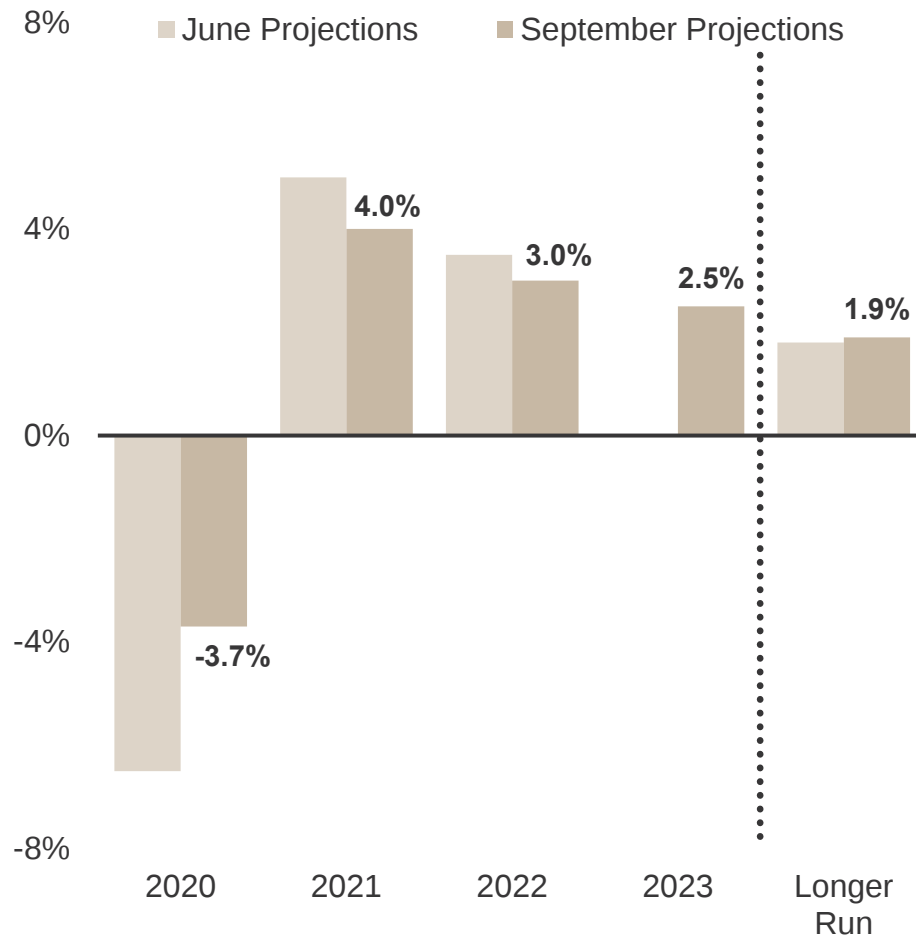
601 South Figueroa, Suite 4500
Los Angeles, CA 90017
949-230-6896

213 Market Street
Harrisburg, PA 17101-2141
717-232-2723

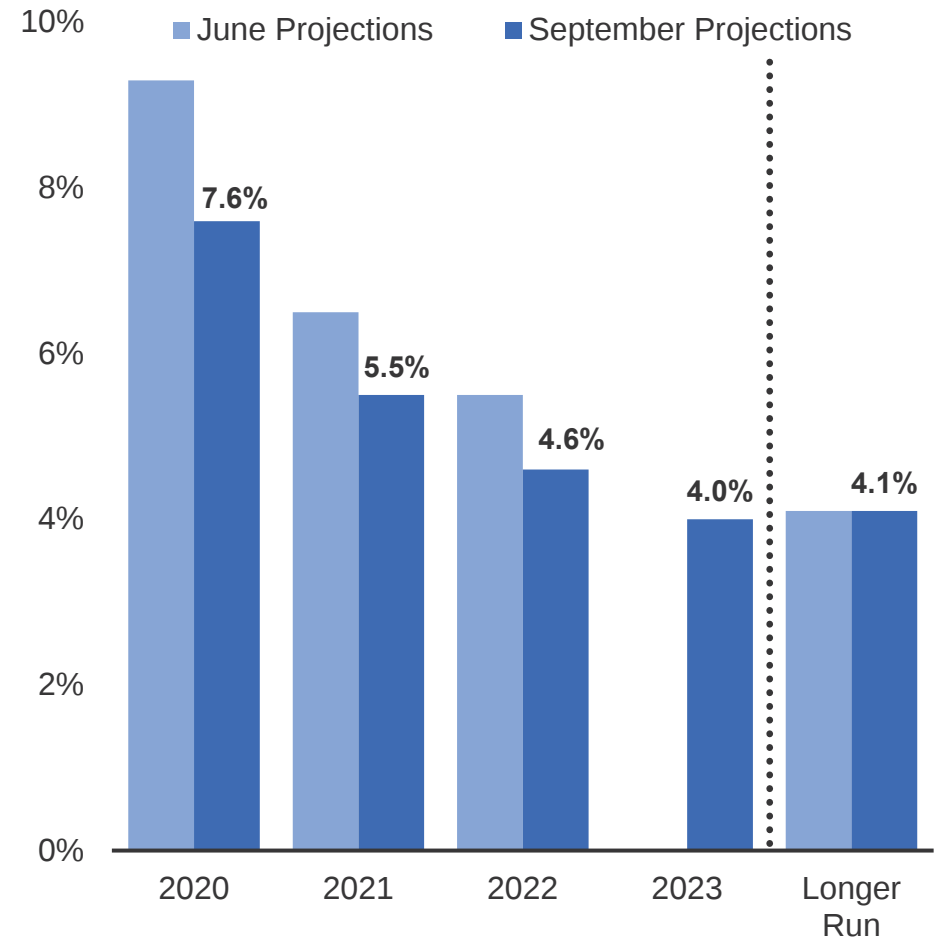
Market Update

The Fed's Updated Economic Projections Pull Improvement Forward

Change in Real GDP

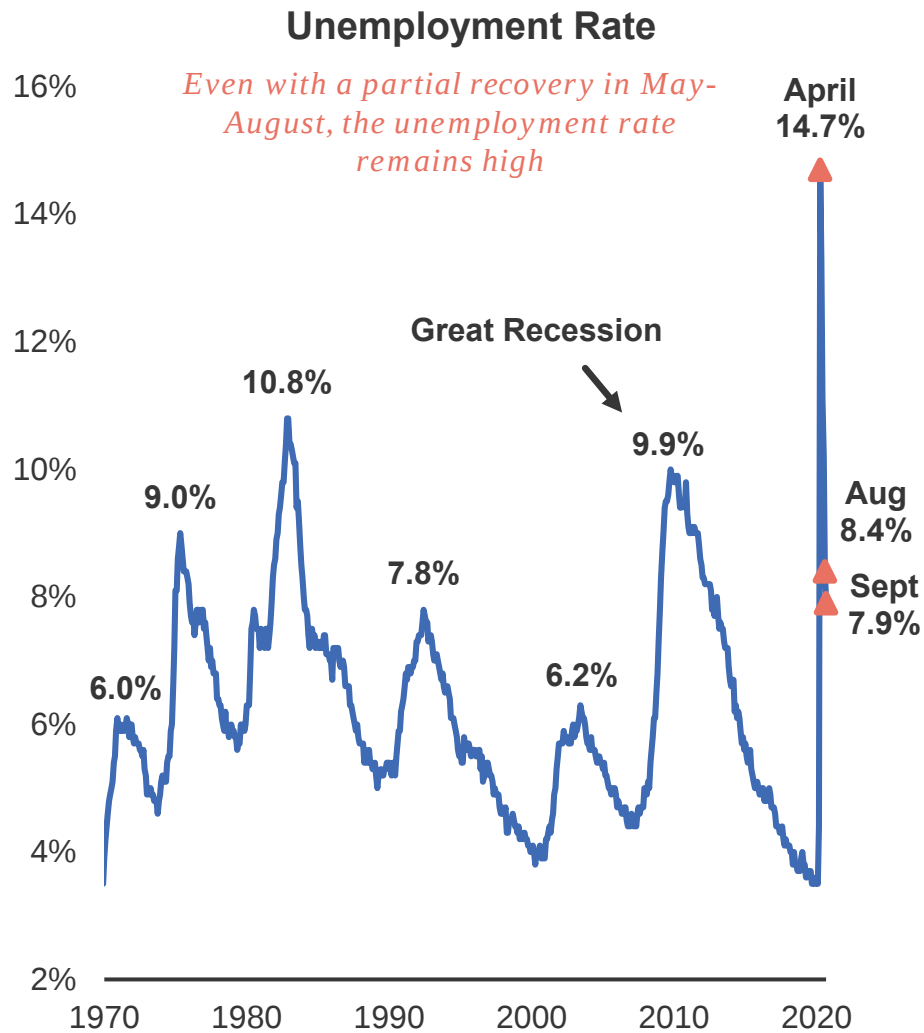


Unemployment Rate



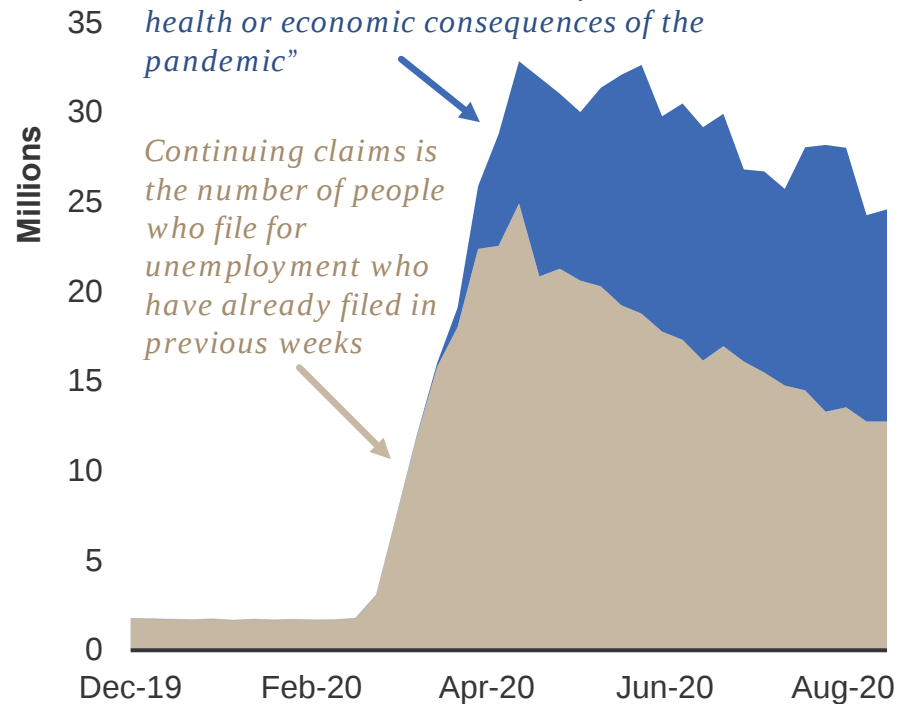
Source: Federal Reserve, economic projections as of June and September 2020.

Achieving Pre-Pandemic Employment Levels May Be Challenging



Continuing Claims and Pandemic Unemployment Assistance

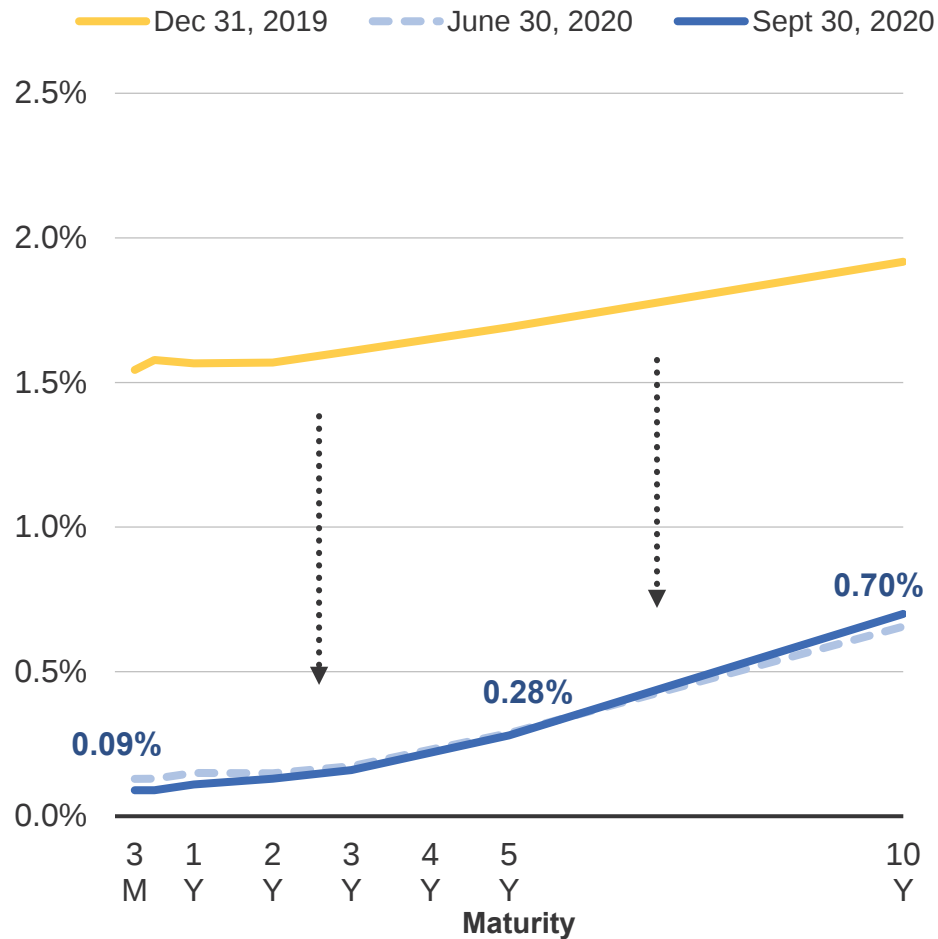
Pandemic Unemployment Assistance continuing claims comprise of those who don't qualify for regular unemployment compensation and are "unemployed, partially unemployed, or unable or unavailable to work because of certain health or economic consequences of the pandemic"



Source: Bloomberg as of 9/30/2020. Data is seasonally adjusted. Source (quote): Department of Labor.

Interest Rates Remain Stable Near Historic Lows

US Treasury Yield Curve



3-Year Treasury Yield

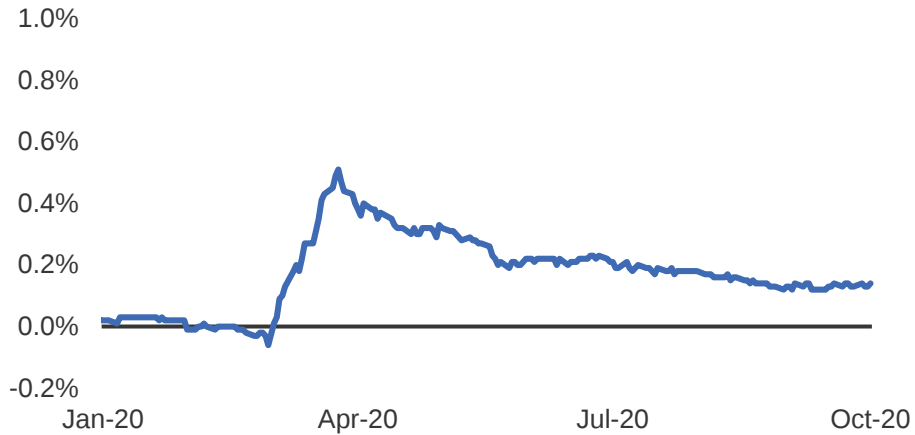


Source: Bloomberg as of 10/2/2020.

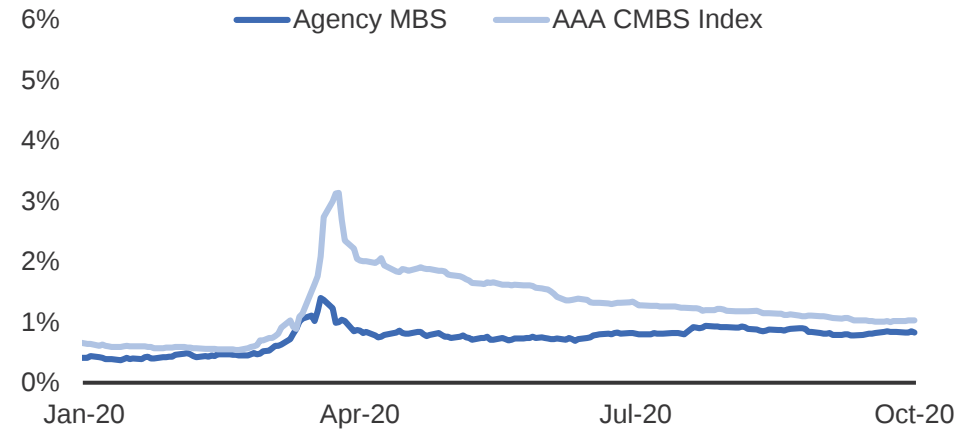
Yield Spreads Narrow Further in the Third Quarter

1-5 Year Indices

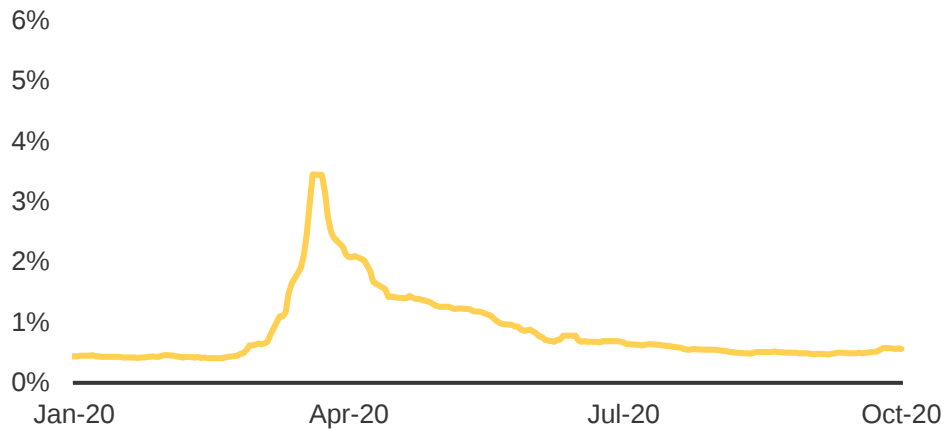
Federal Agency Yield Spreads



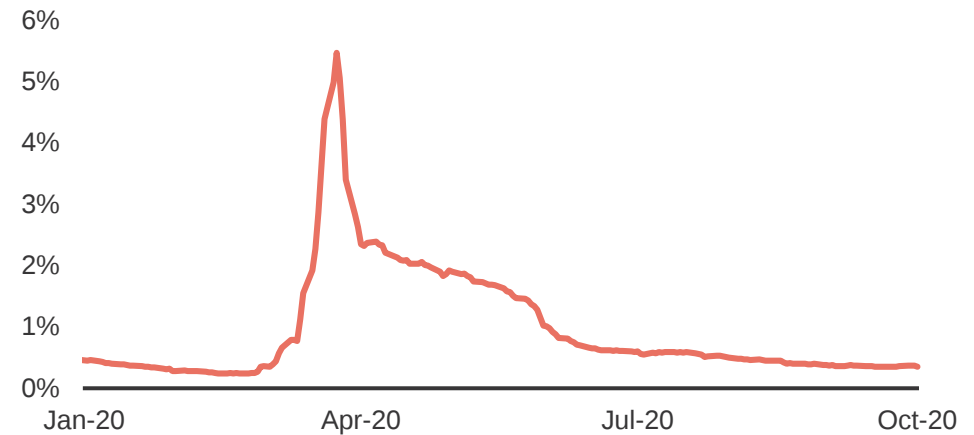
Mortgage-Backed Securities Yield Spreads



Corporate Notes A-AAA Yield Spreads



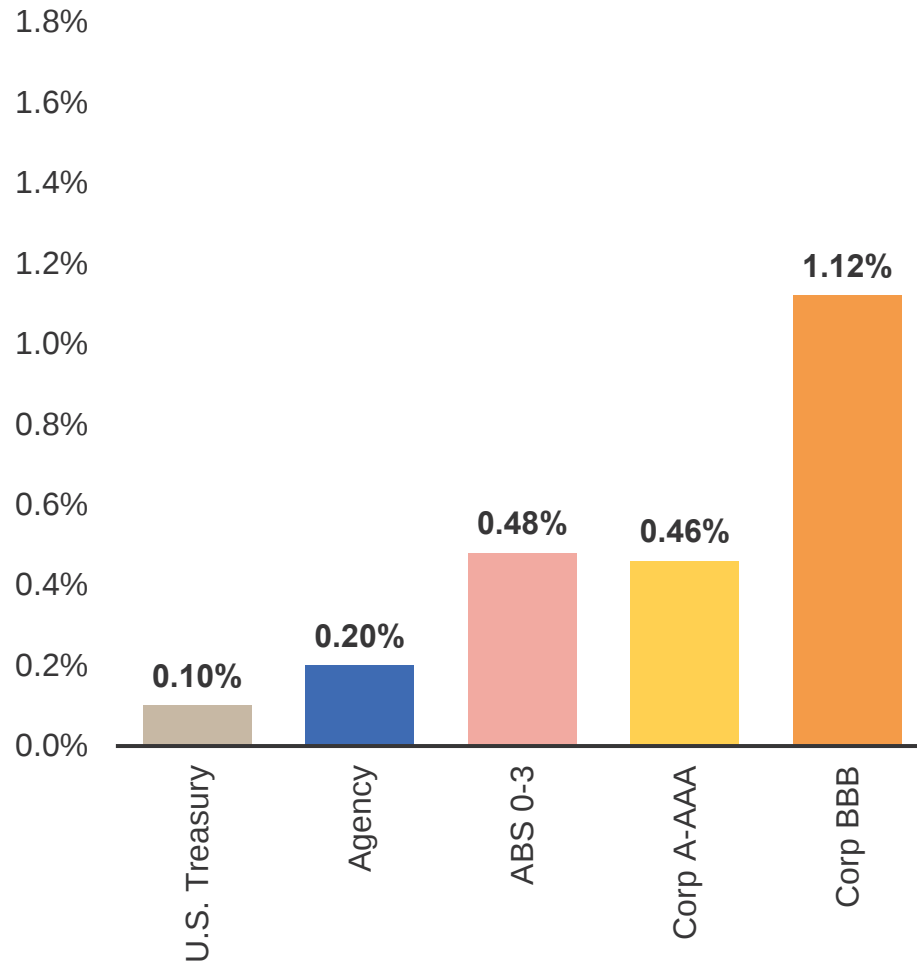
Asset-Backed Securities Yield Spreads



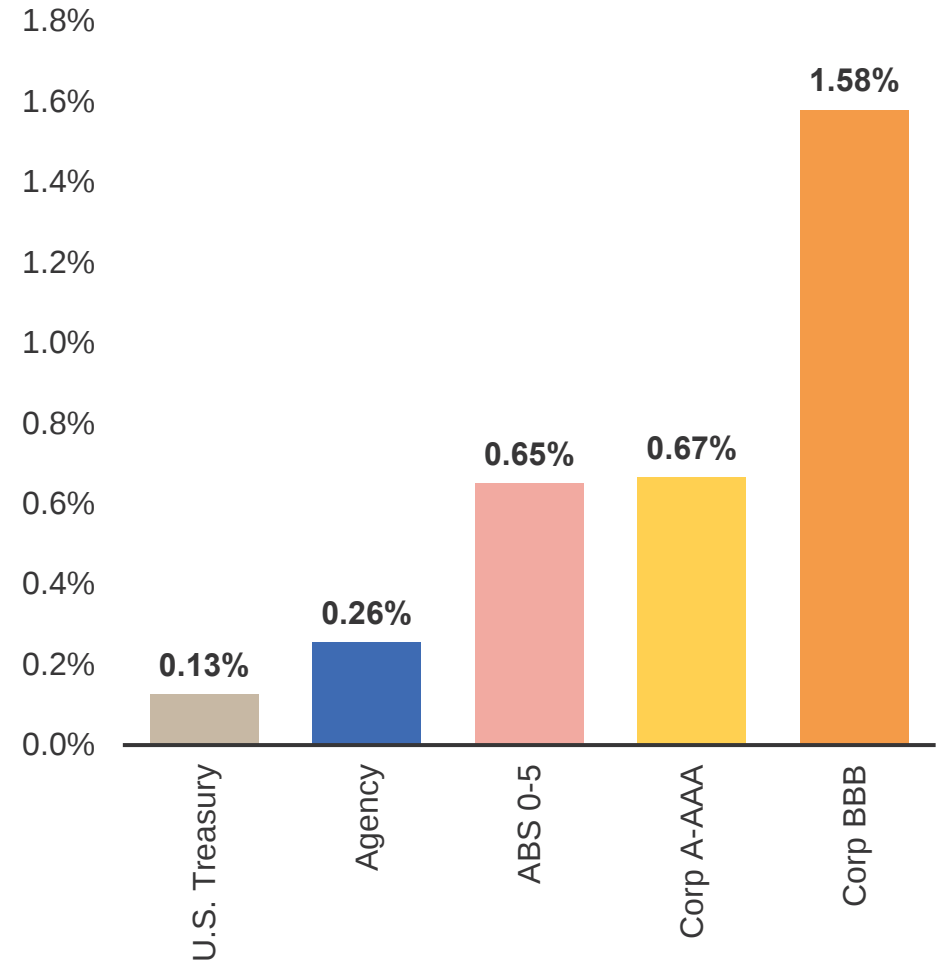
Source: ICE BofAML 1-5 year Indices via Bloomberg, MarketAxess, and PFM as of 10/2/2020. Spreads on ABS and MBS are option-adjusted spreads of 0-5 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities.

Credit Sectors Outperform in the Third Quarter

1-3 Year Indices



1-5 Year Indices



Source: Bloomberg as of 9/30/2020.

Markets Face Many Uncertainties Moving into the Fourth Quarter

◆ Coronavirus

- Spread during **colder months** and flu season
- Development of **vaccines**
- Impact on **economic recovery**

◆ Markets

- **Valuations** of bonds and equities
- Further **fiscal stimulus**
- **Fed** policies

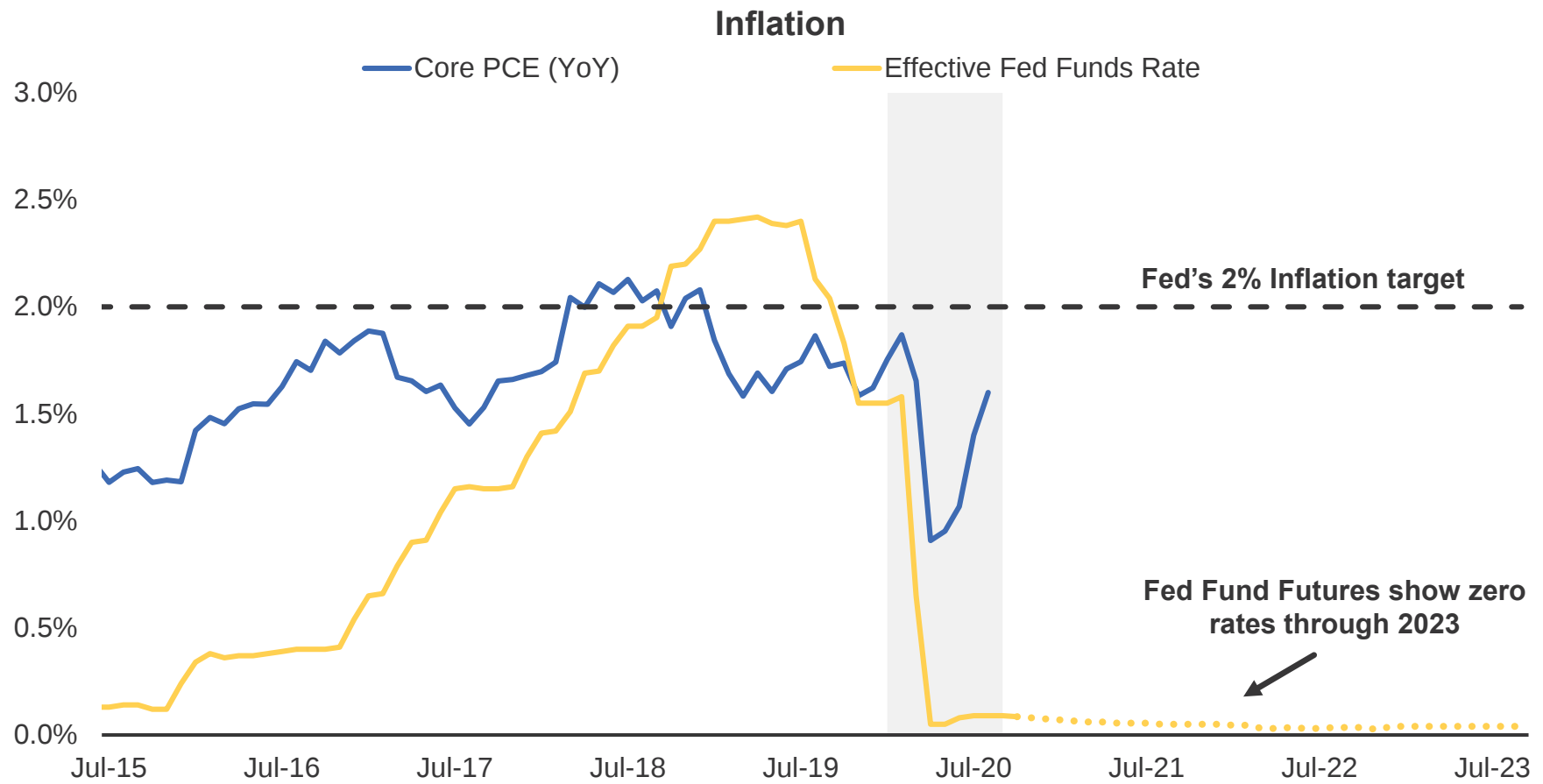
◆ Presidential election

- Priorities of government **spending**
- **Tax law** changes
- **Foreign** and **trade policies**
- Future of **ACA**



Federal Reserve's New Inflation Policy Means Rates May Be Lower for Longer

"...the Committee seeks to achieve inflation that averages 2 percent over time... following periods when inflation has been running persistently below 2 percent, appropriate monetary policy will likely aim to achieve inflation moderately above 2 percent for some time."



Source: Federal Reserve as of 8/27/2020 (quote); Bloomberg as of 10/2/2020 (chart). Fed Funds Futures projections as of 10/5/2020.

Investment Strategy & Portfolio Review

Portfolio Recap

- ◆ The effects of the coronavirus continued to ripple through global economies and financial markets during the third quarter:
 - Global Health Crisis – Coronavirus restrictions were gradually eased throughout the U.S. but were followed by regional hot spots of infection, reminding people of how long the virus may linger.
 - Economic Shutdown – U.S. second quarter GDP plunged by a record annualized rate of 31.7%. For context, GDP fell by 8.4% during the height of the 2008 financial crisis. However, other economic indicators were surprisingly strong and recovered at a faster pace than originally expected, leading various economists to pull forward the expected timeframe for recovery. The labor market has rebounded off its lows; but with the unemployment rate still near 8%, the jobs landscape remains a significant headwind to a more robust and sustained recovery.
 - Financial Markets – The Federal Reserve (Fed) continued to play a large role in supporting financial market stability. The central bank reaffirmed its ongoing support of many bond market sectors through its continuing purchase and liquidity programs, and it extended the expiration date of many of its lending facilities. The Fed also extended its forward guidance regarding zero short-term interest rates through 2023.
- ◆ The U.S. Treasury yield curve remained relatively unchanged over the quarter, with all maturities ending the quarter within 0.05% of where they began. Yields on shorter-term maturities drifted lower as the lack of new fiscal stimulus resulted in lighter Treasury debt issuance. Longer-dated yields inched only slightly higher, nudged primarily by the Fed's new inflation targeting policy. As a result, Treasury index returns were muted for the quarter.
 - Diversification away from Treasuries was again additive to performance in the third quarter. Momentum from the narrowing of spreads at the onset of the pandemic continued, albeit at a reduced pace, but led most investment-grade fixed income sectors to generate positive excess returns relative to similar-duration Treasuries.
- ◆ Our third quarter strategy encompassed the following:
 - We maintained a sharp focus on portfolio safety with robust due diligence on credit and securitized products given the backdrop of a fragile economic environment.
 - Portfolio durations were targeted to match their respective benchmarks as few catalysts were present to push yields meaningfully higher over the near term.
 - U.S. Treasury allocations were reduced further as financial markets stabilized and other sectors presented better investment opportunities to enhance portfolio earnings. Increased allocations to other investment-grade sectors boosted performance for the second consecutive quarter.

Portfolio Recap - continued

- We continued to increase allocations to the federal agency sector as yield spreads on new issue Fannie Mae, Freddie Mac, and Federal Home Loan Bank bonds remained elevated from a historical perspective, especially for maturities of three years and longer. Value in callable structures was limited as spreads narrowed noticeably on most structures.
- In the supranational sector, heavy issuance was met with increased global demand, driving yield spreads narrower. In some cases, supranational spreads compressed to levels below those on comparable-maturity federal agencies, making them unattractive. As a result, we preferred federal agencies.
- Investment-grade corporate notes were, once again, a significant boon for portfolio performance during the quarter. Supply was robust as corporations continued to take advantage of the low borrowing rate environment by issuing new bonds at a rapid pace. However, investor demand was strong and pressured spreads lower. While narrower spreads benefited third quarter performance, they also reduced future earnings potential. As a result, we modestly decreased allocations in the sector with a focus on reducing exposure to industries that face significant headwinds and locking in gains on issuers with very tight spreads.
- Despite the Fed's continued support of the mortgage markets through its ongoing purchase program, the MBS sector was a mixed bag. Elevated prepayments were the primary headwind, as borrowers sought to take advantage of record low mortgage rates. While we generally maintained a modest core allocation to MBS, new purchases largely represented reinvestment of principal payments. Our preference continues to be for MBS structures that are less exposed to prepayment such as agency commercial mortgages.
- AAA-rated ABS offered fair value, so we maintained allocations. After pausing new purchases in the second quarter, we reevaluated underlying risks in the sector by conducting robust stress testing under a wide range of adverse scenarios, which affirmed the ability of most ABS to weather the current economic downturn. In the third quarter, we once again became selective buyers of new issues, focusing on those issues with increased credit enhancements.
- The taxable municipal sector remained active as entities benefited from the low borrowing rate environment. Finding value and diversification, PFM increased its participation in new issue municipal debt during the quarter as we viewed the sector to be quite attractive, even compared to some high-quality corporate issuers.
- Short-term credit (negotiable CDs and commercial paper) spreads completely reversed the brief, crisis-induced sell-off in March which suppressed the value of most money market instruments. Allocations were reduced in favor of Treasury Bills whose yields ticked up on the back of huge issuance.

Sector Allocation & Compliance

- The portfolio is in compliance with the City's Investment Policy and the California Government Code.

Security Type	Market Value as of 9/30/20	% of Portfolio	% Change vs. 6/30/20	Permitted by Policy	In Compliance
U.S. Treasury	\$13,992,999	14.8%	-9.4%	100%	✓
Federal Agency	\$37,875,518	40.0%	4.1%	100%	✓
Agency CMOs	\$2,802,663	3.0%	-	100%	✓
Supranationals	\$1,900,029	2.0%	-0.9%	30%	✓
Municipal Obligations	\$6,746,272	7.1%	3.4%	40%	✓
Asset-Backed	\$1,106,684	1.2%	1.2%	20%	✓
Certificates of Deposits	\$7,155,959	7.6%	1.4%	30%	✓
Corporate Notes	\$23,034,596	24.3%	0.7%	30%	✓
Securities Total	\$94,614,719	100.0%			
Accrued Interest	\$360,597				
Securities Total	\$94,975,317				
Money Market Fund	\$12,420	<0.1%	-0.4%	20%	✓
Total Investments	\$94,987,736	100.0%			

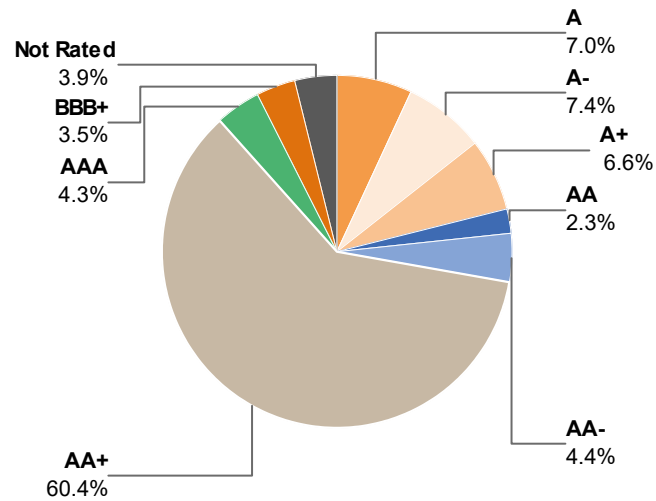
Market values, excluding accrued interest. Detail may not add to total due to rounding. Current investment policy as of May 2020.

Portfolio Statistics

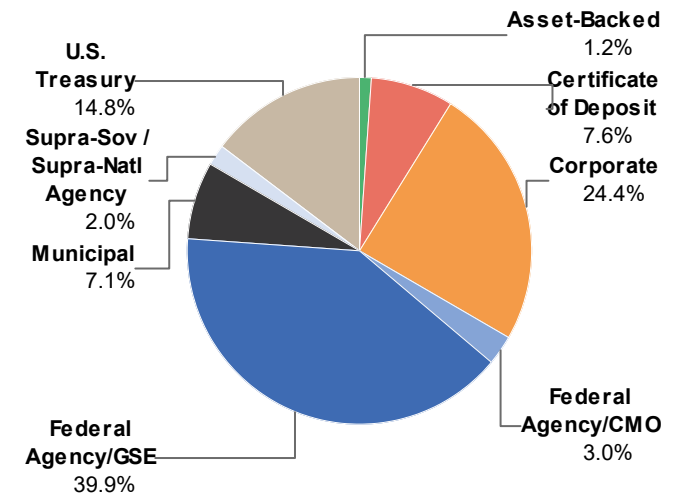
As of September 30, 2020

Par Value:	\$91,176,950
Total Market Value:	\$94,987,736
Security Market Value:	\$94,614,719
Accrued Interest:	\$360,597
Cash:	\$12,420
Amortized Cost:	\$92,046,135
Yield at Market:	0.40%
Yield at Cost:	1.56%
Effective Duration:	2.67 Years
Average Maturity:	2.79 Years
Average Credit: *	AA

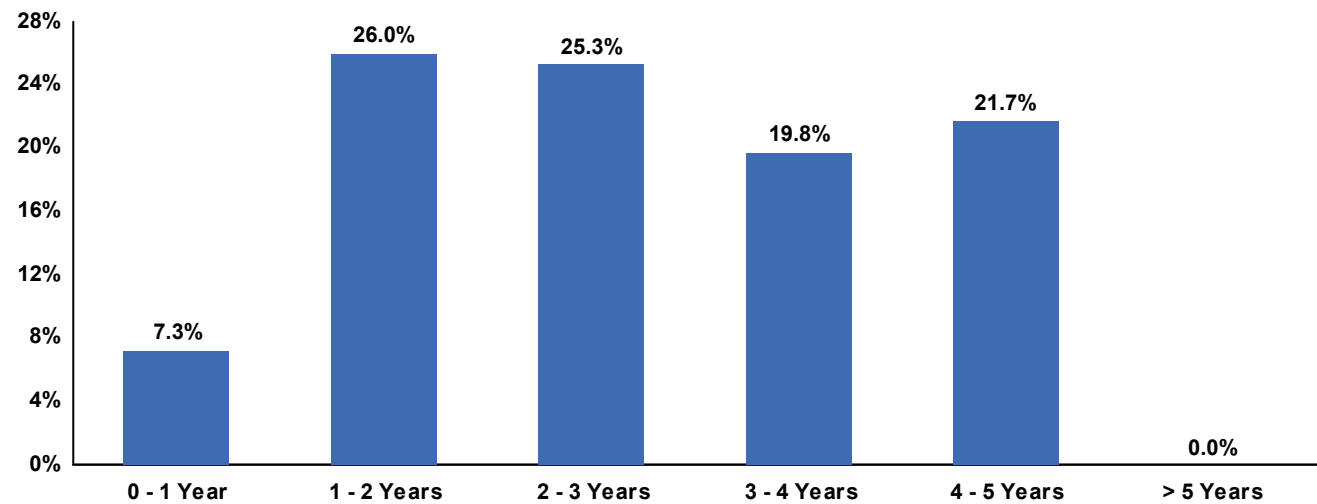
Credit Quality (S&P Ratings)**



Sector Allocation



Maturity Distribution

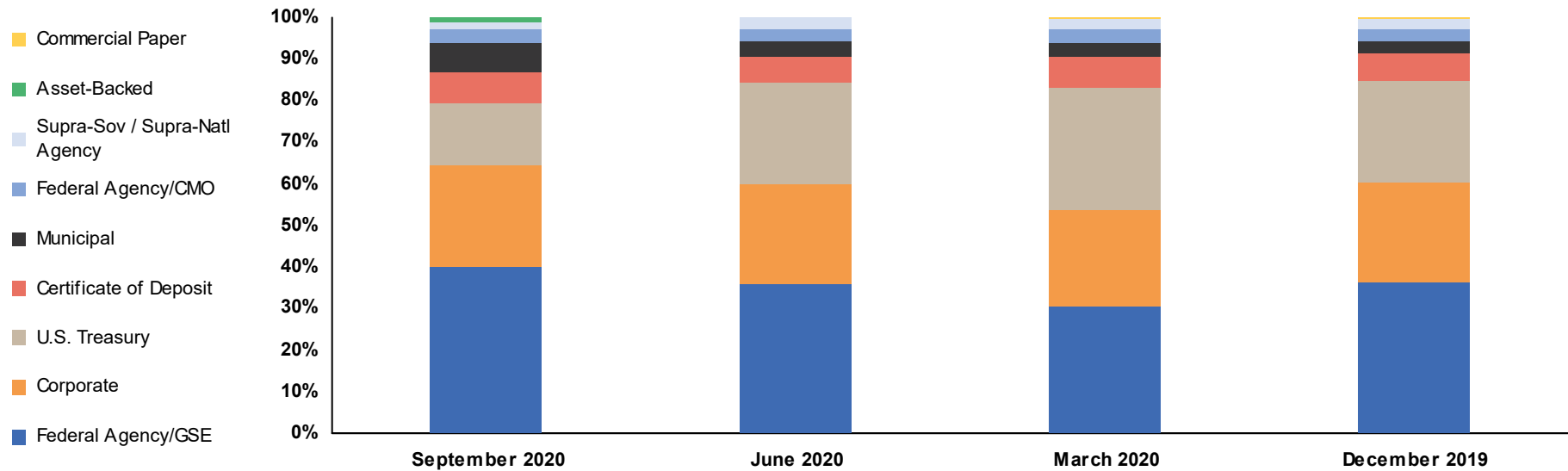


* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

**Securities held in the City's portfolio are in compliance with California Government Code and the City's investment policy dated May 2020.

Sector Allocation

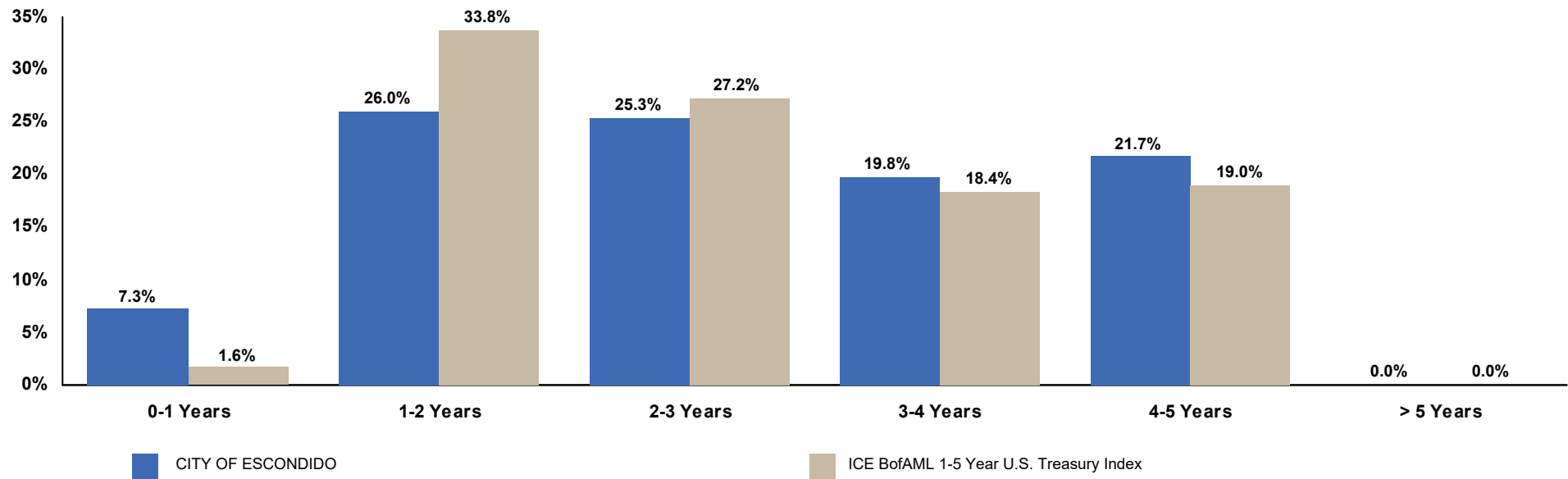
Sector	September 30, 2020		June 30, 2020		March 31, 2020		December 31, 2019	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
Federal Agency/GSE	37.9	39.9%	33.8	36.1%	26.4	30.7%	30.8	36.3%
Corporate	23.0	24.4%	22.3	23.8%	19.6	22.8%	20.2	23.8%
U.S. Treasury	14.0	14.8%	22.8	24.3%	25.3	29.3%	20.6	24.3%
Certificate of Deposit	7.2	7.6%	5.8	6.2%	6.5	7.5%	5.6	6.6%
Municipal	6.7	7.1%	3.5	3.7%	2.8	3.3%	2.8	3.3%
Federal Agency/CMO	2.8	3.0%	2.8	3.0%	2.8	3.3%	2.2	2.6%
Supra-Sov / Supra-Natl Agency	1.9	2.0%	2.7	2.9%	2.3	2.7%	2.3	2.7%
Asset-Backed	1.1	1.2%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Commercial Paper	0.0	0.0%	0.0	0.0%	0.4	0.4%	0.4	0.4%
Total	\$94.6	100.0%	\$93.8	100.0%	\$86.1	100.0%	\$84.8	100.0%



Detail may not add to total due to rounding.

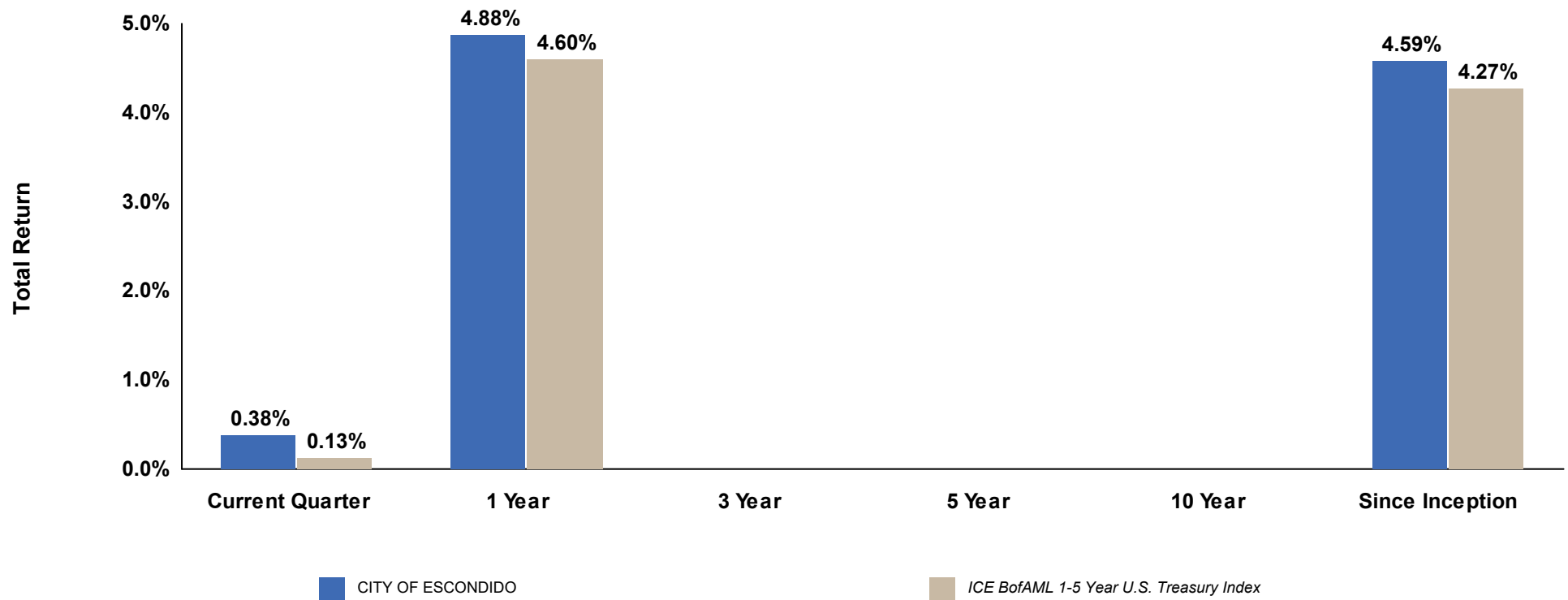
Maturity Distribution*As of September 30, 2020*

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
CITY OF ESCONDIDO	0.40%	2.79 yrs	7.3%	26.0%	25.3%	19.8%	21.7%	0.0%
ICE BofAML 1-5 Year U.S. Treasury Index	0.16%	2.73 yrs	1.6%	33.8%	27.2%	18.4%	19.0%	0.0%



Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Current Quarter	1 Year	Annualized Return			
				3 Year	5 Year	10 Year	Since Inception (06/30/19) **
CITY OF ESCONDIDO	2.67	0.38%	4.88%	-	-	-	4.59%
ICE BofAML 1-5 Year U.S. Treasury Index	2.58	0.13%	4.60%	-	-	-	4.27%
Difference		0.25%	0.28%	-	-	-	0.32%



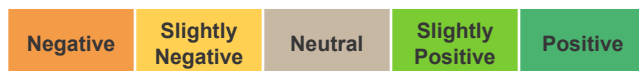
Portfolio performance is gross of fees unless otherwise indicated. **Since Inception performance is not shown for periods less than one year.

Portfolio Earnings**Quarter-Ended September 30, 2020**

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (06/30/2020)	\$93,802,389.55	\$90,960,793.94
Net Purchases/Sales	\$886,243.44	\$886,243.44
Change in Value	(\$73,913.64)	\$199,097.84
Ending Value (09/30/2020)	\$94,614,719.35	\$92,046,135.22
Interest Earned	\$435,794.61	\$435,794.61
Portfolio Earnings	\$361,880.97	\$634,892.45

Fixed-Income Sector Outlook – October 2020

Sector	Our Investment Preferences	Comments
COMMERCIAL PAPER / CD		Front end credit spreads are close to historic tight; however, investor appetite remains strong; selectively add exposure.
TREASURIES		
T-Bill		T-Bills remain attractive relative to other short-term options. Renewed fiscal stimulus may result in elevated supply and drive the continued value in this sector.
T-Note		Treasury yields decreased over the month as Treasury volatility fell. Uncertainty around the path of the virus, additional fiscal support, and the November elections have offset the record level of treasury coupon issuance in moving yields lower.
FEDERAL AGENCIES		
Bullets		Agency spreads remained mostly range bound over the month. Current valuations remain attractive in the 3- and 5-year area, which have benefited the most from supply and should continued to be targeted.
Callables		Callable spreads tightened and new-issue coupons continued to fall as Treasury volatility hit a record low. Value remains on a structure-by-structure basis.
SUPRANATIONALS		Supranational spreads softened across the curve in response to robust issuance, which is expected to slow given annual funding targets are nearly met. New issue opportunities should continue to be evaluated.
CORPORATES		
Financials		We remain cautious with valuations on high-quality corporate bonds near record tight levels while fundamentals remain highly uncertain. New issue supply will likely decline after the record pace seen so far this year, a positive factor for the sector.
Industrials		The Fed's unprecedented support should help anchor spreads, but we have concerns around consumer finances and corporate balance sheets. Another surge in COVID-19 cases, rising geopolitical tensions and the Presidential election could be catalysts for another spike in volatility.
SECURITIZED		
Asset-Backed		ABS yield spreads tightened even as the sector experienced an elevated level of issuance in September. Credit enhancements on some new issue auto ABS deals have increased in response to concerns regarding consumer stress.
Agency Mortgage-Backed		The Fed continues "to support the smooth functioning" of the MBS market through its ongoing purchase program. However, spreads are narrow, and prepayments will stay elevated over the near-term as refinancings remain robust.
Agency CMBS		Agency CMBS spreads moved slightly wider in September and remain above historical averages as concerns regarding the ability of renters to pay remain.
MUNICIPALS		Taxable supply continues to come to market while spreads continue to tighten due to increased investor demand. We remain focused on the largest issuers while exercising caution on many sub-sectors given the fiscal impact from COVID-19.



Current outlook

Outlook one quarter ago

Investment Strategy Outlook

- The U.S. and global economic recoveries have been stronger than expected. In the U.S., however, the pace of recovery appears to be slowing. Getting back to pre-pandemic growth and employment levels will likely be challenging.
- Considering the economic uncertainties that remain, we plan on structuring portfolios to have neutral durations relative to their respective benchmarks.
- Our outlook for major investment-grade sectors includes the following:
 - Agencies – The continued reach for yield and safety should pressure agency spreads back to pre-COVID levels. Given this backdrop, we plan to continue to add to allocations at current yield spreads, which remain historically wide. Value is concentrated in maturities of three years and longer.
 - Supranationals – Agencies are also more attractive than supranationals, whose spreads have tightened dramatically. Supply is expected to be light and value significantly limited as we head towards year end.
 - Corporates – Corporate liquidity is strong, and debt servicing costs are low, but we have concerns about the slowing of the economic recovery and the longer-term effects of increased leverage on corporate balance sheets. Another surge in COVID-19 cases, a stock market sell-off, rising geopolitical tensions, and the presidential election could be catalysts for a potential spike in volatility. Further, a global slowdown, trade conflicts, and a weaker dollar may continue to pressure industrial profits. On the other hand, rating agency downgrades have slowed materially, which is a positive, and the Fed's unprecedented support should help anchor spreads. As a result, corporates will remain a core, long-term holding in diversified portfolios, albeit over the near term, and we will continue to exercise caution.
 - Asset-Backed Securities (ABS) – The ABS sector outperformed Treasuries during September as spreads continued to tighten due to limited supply amid continuing economic recovery. Our expectation is for delinquency rates and net losses to increase as deferral programs start to phase out and the consumer feels the pinch from reduced federal unemployment benefits. However, we believe these factors will remain well within an acceptable range based upon PFM's stress tests. Value is now on par with the corporate sector. We will continue to be selective when evaluating new issues.
 - Agency MBS – Given the high level of prepayments and potential for heightened market volatility through the rest of the year, the sector is likely to trail Treasuries as long as the 10-year Treasury remains below 1%. At present, there are more than 19 million high-quality mortgages that are at risk for refinancing. Picking amongst structures and the coupon stack is vital to performance. We are cautious in our choice of sector and very selective, avoiding coupons on the cusp of potential refinancing.

Investment Strategy Outlook - continued

- Taxable Municipals – The taxable municipal sector remains attractive even though valuations have increased. We remain focused on the largest issuers while exercising caution on many subsectors given the fiscal impact from COVID-19. Purchases in the sector will likely be made in new issues, which are expected to remain elevated.

Issuer Distribution

Issuer Distribution
As of September 30, 2020

Issuer	Market Value (\$)	% of Portfolio	Top 5 = 57.8%	Top 10 = 66.1%
FANNIE MAE	16,970,916	17.9%		
UNITED STATES TREASURY	13,992,999	14.8%		
FREDDIE MAC	12,502,507	13.2%		
FEDERAL HOME LOAN BANKS	7,149,102	7.6%		
FEDERAL FARM CREDIT BANKS	4,055,656	4.3%		
INTER-AMERICAN DEVELOPMENT BANK	1,807,077	1.9%		
BLACKROCK INC	1,565,121	1.7%		
BANK OF AMERICA CO	1,539,374	1.6%		
THE BANK OF NEW YORK MELLON CORPORATION	1,520,337	1.6%		
TOYOTA MOTOR CORP	1,436,832	1.5%		
GOLDMAN SACHS GROUP INC	1,064,691	1.1%		
SKANDINAVISKA ENSKILDA BANKEN AB	1,029,736	1.1%		
NORDEA BANK ABP	1,029,546	1.1%		
APPLE INC	981,582	1.0%		
CREDIT SUISSE GROUP RK	940,802	1.0%		
AMAZON.COM INC	922,002	1.0%		
US BANCORP	898,870	1.0%		
ABBOTT LABORATORIES	897,248	1.0%		

CITY OF ESCONDIDO

Portfolio Composition

Issuer	Market Value (\$)	% of Portfolio
CHARLES SCHWAB	889,097	0.9%
DEERE & COMPANY	884,357	0.9%
THE WALT DISNEY CORPORATION	879,491	0.9%
VENTURA CNTY CA CMNTY CLG DIST	874,171	0.9%
TRUIST FIN CORP	874,162	0.9%
AMERICAN HONDA FINANCE	870,034	0.9%
CATERPILLAR INC	869,529	0.9%
AMERICAN EXPRESS CO	866,690	0.9%
SOCIETE GENERALE	852,706	0.9%
CITIGROUP INC	827,007	0.9%
MORGAN STANLEY	819,653	0.9%
BRISTOL-MYERS SQUIBB CO	757,087	0.8%
CITY & COUNTY OF SAN FRANCISCO, CA	753,623	0.8%
FLORIDA ST HURRICAN CAT FUND	715,695	0.8%
COMCAST CORP	700,942	0.7%
UNITEDHEALTH GROUP INC	677,327	0.7%
DNB ASA	658,545	0.7%
WI DEPT OF TRANS	645,658	0.7%
CHEVRON CORPORATION	643,007	0.7%
TAMALPAIS CA UNION HIGH SCH DIST	642,466	0.7%
PNC FINANCIAL SERVICES GROUP	636,047	0.7%

CITY OF ESCONDIDO

Portfolio Composition

Issuer	Market Value (\$)	% of Portfolio
SUMITOMO MITSUI FINANCIAL GROUP INC	635,687	0.7%
JP MORGAN CHASE & CO	634,429	0.7%
STATE OF CONNECTICUT	614,050	0.7%
SAN DEIGO CNTY WTR AUTH	486,346	0.5%
UNIVERSITY OF CALIFORNIA	376,553	0.4%
MARYLAND ST	374,985	0.4%
LONG BEACH CA	363,850	0.4%
PACCAR FINANCIAL CORP	363,424	0.4%
GM FINANCIAL SECURITIZED TERM	300,232	0.3%
MINNESOTA ST	276,232	0.3%
ORACLE CORP	260,594	0.3%
SAN DIEGO CA CMNTY CLG DIST	258,960	0.3%
FOCUS BANK	254,914	0.3%
BENEFICIAL BANK	254,269	0.3%
CAPITAL ONE FINANCIAL CORP	253,707	0.3%
UNITY BANK	249,332	0.3%
ALLIANCE DATA SYSTEMS CORP	249,179	0.3%
MEDALLION BANK UTAH	248,538	0.3%
FIRST BANK OF RICHMOND	245,236	0.3%
NY & NJ PORT AUTH	243,588	0.3%
NISSAN AUTO LEASE TRUST	219,974	0.2%

CITY OF ESCONDIDO

Portfolio Composition

Issuer	Market Value (\$)	% of Portfolio
CARMAX AUTO OWNER TRUST	206,015	0.2%
PEPSICO INC	202,020	0.2%
MISSISSIPPI STATE	120,097	0.1%
ADOBE INC	97,864	0.1%
INTL BANK OF RECONSTRUCTION AND DEV	92,951	0.1%
MERCEDES-BENZ AUTO LEASE TRUST	90,003	0.1%
Grand Total:	94,614,719	100.0%

Portfolio Transactions

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	7/1/20	7/1/20	880,000.00	459058GU1	INTL BK RECON & DEVELOP SN NOTE	2.12%	7/1/22	9,354.40		
INTEREST	7/1/20	7/25/20	293,316.94	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/22	557.30		
INTEREST	7/1/20	7/25/20	845,000.00	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/1/22	1,965.33		
INTEREST	7/1/20	7/25/20	665,000.00	3137BGK24	FHMS K043 A2	3.06%	12/1/24	1,696.86		
INTEREST	7/1/20	7/25/20	630,057.77	3136AJB54	FANNIEMAE-ACES	3.34%	3/1/24	1,756.81		
INTEREST	7/1/20	7/25/20	241,134.64	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/24	420.38		
PAYDOWNS	7/1/20	7/25/20	451.68	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/24	451.68		0.00
PAYDOWNS	7/1/20	7/25/20	618.48	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/22	618.48		0.00
PAYDOWNS	7/1/20	7/25/20	1,165.98	3136AJB54	FANNIEMAE-ACES	3.34%	3/1/24	1,165.98		0.00
INTEREST	7/2/20	7/2/20	0.00	MONEY0002	MONEY MARKET FUND			2.58		
BUY	7/2/20	7/8/20	240,000.00	73358W4V3	PORT AUTH OF NY/NJ T/E REV BONDS	1.08%	7/1/23	(240,000.00)	1.09%	
INTEREST	7/7/20	7/7/20	700,000.00	3135G0X24	FANNIE MAE NOTES	1.62%	1/7/25	5,592.71		
BUY	7/8/20	7/10/20	790,000.00	3135G05G4	FANNIE MAE NOTES	0.25%	7/10/23	(788,301.50)	0.32%	
SELL	7/8/20	7/10/20	790,000.00	459058GU1	INTL BK RECON & DEVELOP SN NOTE	2.12%	7/1/22	819,776.09		31,207.95
BUY	7/9/20	7/22/20	480,000.00	797412DM2	SAN DEIGO CNTY WTR AUTH, CA TXBL REV BON	0.74%	5/1/25	(480,000.00)	0.74%	
BUY	7/10/20	7/14/20	635,000.00	86565CKU2	SUMITOMO MITSUI BANK NY CERT DEPOS	0.70%	7/8/22	(635,000.00)	0.70%	
SELL	7/10/20	7/14/20	635,000.00	9128287A2	US TREASURY N/B	1.62%	6/30/21	644,347.05		7,847.02
BUY	7/10/20	7/16/20	375,000.00	91412HGE7	UNIV OF CAL TXBL REV BONDS	0.88%	5/15/25	(375,000.00)	0.88%	
BUY	7/10/20	7/30/20	640,000.00	977123X60	WI DEPT OF TRANS TXBL REV BONDS	0.62%	7/1/24	(640,000.00)	0.62%	
INTEREST	7/13/20	7/13/20	249,000.00	20033AND4	COMENITY CAPITAL BANK LT CD	2.00%	10/13/20	409.32		

CITY OF ESCONDIDO

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	7/13/20	7/13/20	240,000.00	3137EADB2	FREDDIE MAC GLOBAL NOTES	2.37%	1/13/22	2,850.00		
SELL	7/13/20	7/16/20	200,000.00	3130A7CV5	FHLB NOTES	1.37%	2/18/21	202,534.56		1,294.99
BUY	7/14/20	7/22/20	205,000.00	14315FAD9	CARMX 2020-3 A3	0.62%	3/17/25	(204,964.86)	0.62%	
SELL	7/16/20	7/22/20	1,050,000.00	9128287A2	US TREASURY N/B	1.62%	6/30/21	1,065,785.67		12,976.11
MATURITY	7/17/20	7/17/20	247,000.00	87165HKM1	SYNCHRONY BANK CD	2.25%	7/17/20	249,771.14		0.00
BUY	7/21/20	7/23/20	510,000.00	3137EAEU9	FREDDIE MAC NOTES	0.37%	7/21/25	(507,460.20)	0.48%	
BUY	7/21/20	7/23/20	510,000.00	3137EAET2	FREDDIE MAC NOTES	0.12%	7/25/22	(508,847.40)	0.24%	
BUY	7/21/20	7/27/20	290,000.00	89237VAB5	TAOT 2020-C A3	0.44%	10/15/24	(289,977.67)	0.44%	
INTEREST	7/22/20	7/22/20	1,395,000.00	06051GFB0	BANK OF AMERICA CORP NOTE	4.12%	1/22/24	28,771.88		
SELL	7/22/20	7/23/20	1,000,000.00	912828T91	US TREASURY NOTES	1.62%	10/31/23	1,051,052.99		4,451.83
BUY	7/23/20	8/5/20	375,000.00	574193TQ1	MD ST TXBL GO BONDS	0.51%	8/1/24	(374,895.00)	0.52%	
BUY	7/24/20	8/6/20	120,000.00	605581MZ7	MISSISSIPPI ST-A-TXBL MUNICIPAL BONDS	0.56%	11/1/24	(120,000.00)	0.57%	
INTEREST	7/28/20	7/28/20	245,000.00	58403B6Y7	MEDALLION BANK UTAH CD	2.05%	6/28/21	412.81		
SELL	7/29/20	7/30/20	175,000.00	3130AJ7E3	FEDERAL HOME LOAN BANKS NOTES	1.37%	2/17/23	181,164.01		5,376.07
INTEREST	7/30/20	7/30/20	845,000.00	91159HHX1	US BANCORP	2.40%	7/30/24	10,140.00		
INTEREST	7/30/20	7/30/20	249,000.00	91330ABC0	UNITY BANK CD	1.65%	10/30/20	337.68		
INTEREST	7/31/20	7/31/20	600,000.00	912828V80	US TREASURY N/B NOTES	2.25%	1/31/24	6,750.00		
INTEREST	7/31/20	7/31/20	1,100,000.00	912828Y87	UNITED STATES TREASURY NOTES	1.75%	7/31/24	9,625.00		
INTEREST	7/31/20	7/31/20	145,000.00	912828Y61	US TREASURY NOTES	2.75%	7/31/23	1,993.75		
INTEREST	7/31/20	7/31/20	280,000.00	9128283V0	UNITED STATES TREASURY NOTES	2.50%	1/31/25	3,500.00		
INTEREST	8/1/20	8/1/20	350,000.00	923040GT0	VENTURA CNTY CCD, CA TXBL GO BONDS	1.75%	8/1/23	3,062.50		
INTEREST	8/1/20	8/1/20	350,000.00	542411NH2	LONG BEACH CCD, CA TXBL GO BONDS	1.74%	8/1/23	3,050.25		

CITY OF ESCONDIDO

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	8/1/20	8/1/20	490,000.00	923040GU7	VENTURA CNTY CCD, CA TXBL GO BONDS	1.80%	8/1/24	4,410.00		
INTEREST	8/1/20	8/1/20	815,000.00	808513AY1	CHARLES SCHWAB CORP NOTES	3.55%	2/1/24	14,466.25		
INTEREST	8/1/20	8/1/20	615,000.00	874857KJ3	TAMALPAIS UHSD, CA TXBL GO BONDS	1.97%	8/1/23	6,060.83		
INTEREST	8/1/20	8/1/20	245,000.00	797272QP9	SAN DIEGO CCD, CA TXBL GO BONDS	2.04%	8/1/24	2,506.35		
INTEREST	8/1/20	8/1/20	95,000.00	00724PAA7	ADOBE INC CORP NOTE	1.70%	2/1/23	798.53		
INTEREST	8/1/20	8/25/20	292,698.46	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/22	556.13		
INTEREST	8/1/20	8/25/20	665,000.00	3137BGK24	FHMS K043 A2	3.06%	12/1/24	1,696.86		
INTEREST	8/1/20	8/25/20	845,000.00	3137BHX8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/1/22	1,965.33		
INTEREST	8/1/20	8/25/20	628,891.79	3136AJB54	FANNIEMAE-ACES	3.34%	3/1/24	1,753.56		
INTEREST	8/1/20	8/25/20	240,682.96	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/24	566.81		
PAYDOWNS	8/1/20	8/25/20	6,423.40	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/24	6,423.40		0.00
PAYDOWNS	8/1/20	8/25/20	1,084.65	3136AJB54	FANNIEMAE-ACES	3.34%	3/1/24	1,084.65		0.00
PAYDOWNS	8/1/20	8/25/20	592.06	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/22	592.06		0.00
INTEREST	8/3/20	8/3/20	800,000.00	025816BW8	AMERICAN EXPRESS CREDIT CORP NOTES	3.70%	8/3/23	14,800.00		
INTEREST	8/4/20	8/4/20	0.00	MONEY0002	MONEY MARKET FUND			3.08		
SELL	8/4/20	8/5/20	100,000.00	9128287A2	US TREASURY N/B	1.62%	6/30/21	101,526.16		1,203.71
SELL	8/4/20	8/5/20	200,000.00	3135G0K69	FNMA BENCHMARK NOTE	1.25%	5/6/21	202,300.06		2,049.31
SELL	8/5/20	8/6/20	125,000.00	9128287A2	US TREASURY N/B	1.62%	6/30/21	126,903.45		1,495.50
BUY	8/5/20	8/7/20	940,000.00	22549L6F7	CREDIT SUISSE NEW YORK CERT DEPOS	0.52%	2/1/22	(940,000.00)	0.52%	
SELL	8/6/20	8/7/20	940,000.00	9128287A2	US TREASURY N/B	1.62%	6/30/21	954,318.72		11,214.10
BUY	8/11/20	8/19/20	300,000.00	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/25	(299,931.36)	0.45%	
BUY	8/11/20	8/25/20	275,000.00	60412AVJ9	MN ST TXBL GO BONDS	0.63%	8/1/25	(275,000.00)	0.63%	

CITY OF ESCONDIDO

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	8/12/20	8/12/20	965,000.00	3137EAEC9	FHLMC REFERNCE NOTE	1.12%	8/12/21	5,428.13		
INTEREST	8/12/20	8/12/20	2,425,000.00	3137EAEP0	FREDDIE MAC NOTES	1.50%	2/12/25	17,985.42		
SELL	8/12/20	8/19/20	300,000.00	9128287A2	US TREASURY N/B	1.62%	6/30/21	304,529.55		3,397.64
INTEREST	8/13/20	8/13/20	249,000.00	20033AND4	COMENITY CAPITAL BANK LT CD	2.00%	10/13/20	422.96		
SELL	8/13/20	8/25/20	275,000.00	912828XX3	US TREASURY N/B NOTES	2.00%	6/30/24	294,506.88		16,394.42
INTEREST	8/14/20	8/14/20	845,000.00	83369XDL9	SOCIETE GENERALE NY CERT DEPOS	1.80%	2/14/22	7,393.75		
INTEREST	8/15/20	8/15/20	205,000.00	14315FAD9	CARMX 2020-3 A3	0.62%	3/17/25	81.20		
INTEREST	8/15/20	8/15/20	575,000.00	912828D56	US TREASURY NOTES	2.37%	8/15/24	6,828.13		
INTEREST	8/15/20	8/15/20	290,000.00	89237VAB5	TAOT 2020-C A3	0.44%	10/15/24	63.80		
INTEREST	8/17/20	8/17/20	2,575,000.00	3130AJ7E3	FEDERAL HOME LOAN BANKS NOTES	1.37%	2/17/23	17,309.72		
INTEREST	8/17/20	8/17/20	2,000,000.00	3134G92Y2	FREDDIE MAC (EX-CALLABLE) NOTES	1.87%	8/17/21	18,750.00		
INTEREST	8/17/20	8/17/20	1,710,000.00	3135G0N82	FNMA NOTES	1.25%	8/17/21	10,687.50		
INTEREST	8/22/20	8/22/20	880,000.00	023135AW6	AMAZON.COM INC BONDS	2.40%	2/22/23	10,560.00		
INTEREST	8/26/20	8/26/20	1,000,000.00	83050PDR7	SKANDINAV ENSKILDA BANK LT CD	1.86%	8/26/22	9,403.33		
INTEREST	8/26/20	8/26/20	1,000,000.00	65558TLL7	NORDEA BANK ABP NEW YORK CERT DEPOS	1.85%	8/26/22	9,352.78		
INTEREST	8/26/20	8/26/20	2,000,000.00	3136G05L1	FANNIE MAE (EX-CALLABLE) NOTES	2.00%	8/26/22	20,000.00		
INTEREST	8/28/20	8/28/20	245,000.00	58403B6Y7	MEDALLION BANK UTAH CD	2.05%	6/28/21	426.57		
INTEREST	8/30/20	8/30/20	249,000.00	91330ABC0	UNITY BANK CD	1.65%	10/30/20	348.94		
INTEREST	8/30/20	8/30/20	845,000.00	254687FK7	WALT DISNEY COMPANY/THE	1.75%	8/30/24	7,475.90		
INTEREST	8/31/20	8/31/20	270,000.00	912828YC8	UNITED STATES TREASURY NOTES	1.50%	8/31/21	2,025.00		
INTEREST	8/31/20	8/31/20	650,000.00	912828W48	US TREASURY N/B NOTES	2.12%	2/29/24	6,906.25		
INTEREST	9/1/20	9/1/20	380,000.00	79772EAE9	SAN FRAN COMM FAC DIST, CA TXBL REV BNDS	2.50%	9/1/22	4,750.00		

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Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	9/1/20	9/1/20	350,000.00	79772EAX7	SAN FRAN COMM FAC DIST, CA TXBL REV BNDS	2.50%	9/1/22	4,375.00		
BUY	9/1/20	9/3/20	1,640,000.00	3135G04Z3	FANNIE MAE NOTES	0.50%	6/17/25	(1,646,572.76)	0.44%	
BUY	9/1/20	9/3/20	2,000,000.00	3135G05X7	FANNIE MAE NOTES	0.37%	8/25/25	(1,993,045.00)	0.45%	
BUY	9/1/20	9/3/20	500,000.00	3137EAEV7	FREDDIE MAC NOTES	0.25%	8/24/23	(500,031.67)	0.25%	
SELL	9/1/20	9/3/20	1,500,000.00	912828X70	US TREASURY N/B NOTES	2.00%	4/30/24	1,609,177.99		95,281.19
SELL	9/1/20	9/3/20	1,000,000.00	3134G92Y2	FREDDIE MAC (EX-CALLABLE) NOTES	1.87%	8/17/21	1,017,453.33		16,850.29
SELL	9/1/20	9/3/20	1,200,000.00	9128286R6	US TREASURY N/B	2.25%	4/30/24	1,299,057.07		7,010.95
INTEREST	9/1/20	9/25/20	627,807.14	3136AJB54	FANNIEMAE-ACES	3.34%	3/1/24	1,750.54		
INTEREST	9/1/20	9/25/20	665,000.00	3137BGK24	FHMS K043 A2	3.06%	12/1/24	1,696.86		
INTEREST	9/1/20	9/25/20	292,106.40	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/22	651.27		
INTEREST	9/1/20	9/25/20	845,000.00	3137BHX Y8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/1/22	1,965.33		
INTEREST	9/1/20	9/25/20	234,259.56	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/24	408.39		
PAYDOWNS	9/1/20	9/25/20	1,089.30	3136AJB54	FANNIEMAE-ACES	3.34%	3/1/24	1,089.30		0.00
PAYDOWNS	9/1/20	9/25/20	8,728.21	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/22	8,728.21		0.00
PAYDOWNS	9/1/20	9/25/20	405.74	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/24	405.74		0.00
INTEREST	9/2/20	9/2/20	0.00	MONEY0002	MONEY MARKET FUND			0.09		
BUY	9/2/20	9/4/20	510,000.00	3137EAEW5	FREDDIE MAC NOTES	0.25%	9/8/23	(510,093.13)	0.24%	
BUY	9/2/20	9/4/20	690,000.00	3137EAEW5	FREDDIE MAC NOTES	0.25%	9/8/23	(689,772.30)	0.26%	
SELL	9/3/20	9/4/20	960,000.00	3134G92Y2	FREDDIE MAC (EX-CALLABLE) NOTES	1.87%	8/17/21	976,642.00		16,012.44
BUY	9/3/20	9/16/20	150,000.00	341271AD6	FL ST BOARD OF ADMIN TXBL REV BONDS	1.25%	7/1/25	(150,994.50)	1.12%	
BUY	9/3/20	9/16/20	400,000.00	341271AD6	FL ST BOARD OF ADMIN TXBL REV BONDS	1.25%	7/1/25	(400,000.00)	1.26%	
BUY	9/3/20	9/16/20	155,000.00	341271AD6	FL ST BOARD OF ADMIN TXBL REV BONDS	1.25%	7/1/25	(156,095.85)	1.11%	

CITY OF ESCONDIDO

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
SELL	9/4/20	9/4/20	235,000.00	9128287A2	US TREASURY N/B	1.62%	6/30/21	238,567.30		2,533.29
INTEREST	9/6/20	9/6/20	835,000.00	24422ETG4	JOHN DEERE CAPITAL CORP	2.80%	3/6/23	11,690.00		
INTEREST	9/11/20	9/11/20	2,000,000.00	313378CR0	FHLB NOTES	2.25%	3/11/22	22,500.00		
INTEREST	9/12/20	9/12/20	1,500,000.00	3135G0U43	FANNIE MAE NOTES	2.87%	9/12/23	21,562.50		
INTEREST	9/12/20	9/12/20	950,000.00	037833DC1	APPLE INC CORP (CALLABLE) NOTES	2.10%	9/12/22	9,975.00		
INTEREST	9/13/20	9/13/20	249,000.00	20033AND4	COMENITY CAPITAL BANK LT CD	2.00%	10/13/20	422.96		
INTEREST	9/14/20	9/14/20	1,365,000.00	4581X0CZ9	INTER-AMERICAN DEVEL BANK	1.75%	9/14/22	11,943.75		
SELL	9/14/20	9/16/20	725,000.00	3137EAEC9	FHLMC REFERENCE NOTE	1.12%	8/12/21	732,230.06		7,654.55
INTEREST	9/15/20	9/15/20	205,000.00	14315FAD9	CARMX 2020-3 A3	0.62%	3/17/25	105.92		
INTEREST	9/15/20	9/15/20	290,000.00	89237VAB5	TAOT 2020-C A3	0.44%	10/15/24	106.33		
INTEREST	9/15/20	9/15/20	640,000.00	91324PCC4	UNITEDHEALTH GROUP INC CORP NOTES	2.87%	3/15/23	9,200.00		
BUY	9/15/20	9/23/20	90,000.00	58769EAC2	MBALT 2020-B A3	0.40%	11/15/23	(89,995.44)	0.40%	
INTEREST	9/16/20	9/16/20	300,000.00	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/25	101.25		
INTEREST	9/18/20	9/18/20	1,420,000.00	09247XAL5	BLACKROCK INC CORP NOTES	3.50%	3/18/24	24,850.00		
INTEREST	9/20/20	9/20/20	2,000,000.00	3133EHZA4	FEDERAL FARM CREDIT BANKS NOTES	1.66%	9/20/21	16,600.00		
BUY	9/22/20	9/29/20	220,000.00	65480EAD3	NALT 2020-B A3	0.43%	10/16/23	(219,977.36)	0.43%	
INTEREST	9/23/20	9/23/20	600,000.00	46625HJE1	JPMORGAN CHASE & CO CORP NOTES	3.25%	9/23/22	9,750.00		
BUY	9/23/20	9/25/20	1,150,000.00	3137EAEX3	FREDDIE MAC NOTES	0.37%	9/23/25	(1,146,538.50)	0.44%	
SELL	9/24/20	9/25/20	1,035,000.00	9128287A2	US TREASURY N/B	1.62%	6/30/21	1,050,943.36		10,537.51
INTEREST	9/28/20	9/28/20	245,000.00	58403B6Y7	MEDALLION BANK UTAH CD	2.05%	6/28/21	426.57		
SELL	9/28/20	9/29/20	175,000.00	3135G0N82	FNMA NOTES	1.25%	8/17/21	176,982.46		1,980.04
SELL	9/28/20	9/29/20	15,000.00	9128287A2	US TREASURY N/B	1.62%	6/30/21	15,231.37		150.67

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Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
BUY	9/29/20	9/30/20	285,000.00	110122DC9	BRISTOL-MYERS SQUIBB CO CORPORATE NOTES	3.87%	8/15/25	(327,044.27)	0.88%	
SELL	9/29/20	9/30/20	285,000.00	3135G03U5	FANNIE MAE NOTES	0.62%	4/22/25	289,579.48		4,343.52
INTEREST	9/30/20	9/30/20	955,000.00	912828T34	US TREASURY NOTES	1.12%	9/30/21	5,371.88		
INTEREST	9/30/20	9/30/20	245,000.00	912828J76	US TREASURY NOTES	1.75%	3/31/22	2,143.75		
INTEREST	9/30/20	9/30/20	50,000.00	9128284D9	US TREASURY NOTES	2.50%	3/31/23	625.00		
INTEREST	9/30/20	9/30/20	795,000.00	9128282Y5	US TREASURY NOTES	2.12%	9/30/24	8,446.88		
INTEREST	9/30/20	9/30/20	249,000.00	91330ABC0	UNITY BANK CD	1.65%	10/30/20	348.94		
SELL	9/30/20	9/30/20	25,000.00	9128287A2	US TREASURY N/B	1.62%	6/30/21	25,385.74		250.27
BUY	9/30/20	10/1/20	375,000.00	110122DC9	BRISTOL-MYERS SQUIBB CO CORPORATE NOTES	3.87%	8/15/25	(430,421.77)	0.87%	
SELL	9/30/20	10/1/20	150,000.00	3135G03U5	FANNIE MAE NOTES	0.62%	4/22/25	152,369.36		2,242.39
SELL	9/30/20	10/1/20	285,000.00	3135G03U5	FANNIE MAE NOTES	0.62%	4/22/25	289,501.77		2,246.11
TOTALS								(382,712.54)		266,001.87

Portfolio Holdings

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY N/B DTD 06/30/2019 1.625% 06/30/2021	9128287A2	125,000.00	AA+	Aaa	2/4/2020	2/5/2020	125,249.02	1.48	513.33	125,132.55	126,406.25
US TREASURY N/B DTD 06/30/2019 1.625% 06/30/2021	9128287A2	645,000.00	AA+	Aaa	2/3/2020	2/5/2020	646,637.68	1.44	2,648.80	645,871.72	652,256.25
UNITED STATES TREASURY NOTES DTD 08/31/2019 1.500% 08/31/2021	912828YC8	270,000.00	AA+	Aaa	1/16/2020	1/21/2020	269,588.67	1.60	346.82	269,766.35	273,375.00
US TREASURY NOTES DTD 09/30/2016 1.125% 09/30/2021	912828T34	955,000.00	AA+	Aaa	8/26/2019	8/28/2019	946,979.49	1.53	29.52	951,178.71	964,400.83
UNITED STATES TREASURY NOTES DTD 10/15/2018 2.875% 10/15/2021	9128285F3	240,000.00	AA+	Aaa	8/8/2019	8/13/2019	246,346.88	1.63	3,186.07	243,029.56	246,825.00
US TREASURY NOTES DTD 03/31/2015 1.750% 03/31/2022	912828J76	245,000.00	AA+	Aaa	6/18/2019	6/20/2019	244,846.88	1.77	11.78	244,917.63	250,895.31
UNITED STATES TREASURY NOTES DTD 04/15/2019 2.250% 04/15/2022	9128286M7	245,000.00	AA+	Aaa	10/28/2019	10/30/2019	248,397.46	1.67	2,545.39	247,122.47	252,962.50
UNITED STATES TREASURY NOTES DTD 04/15/2019 2.250% 04/15/2022	9128286M7	380,000.00	AA+	Aaa	10/7/2019	10/8/2019	387,718.75	1.43	3,947.95	384,706.76	392,350.00
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	425,000.00	AA+	Aaa	6/4/2019	6/5/2019	424,916.99	1.88	3,334.75	424,954.89	436,621.12
US TREASURY NOTES DTD 05/31/2017 1.750% 05/31/2022	912828XR6	1,785,000.00	AA+	Aaa	4/14/2020	4/16/2020	1,842,873.05	0.22	10,497.85	1,830,327.67	1,832,971.88
US TREASURY N/B NOTES DTD 10/31/2017 2.000% 10/31/2022	9128283C2	250,000.00	AA+	Aaa	8/30/2019	9/6/2019	254,238.28	1.45	2,092.39	252,798.52	259,648.45
US TREASURY NOTES DTD 04/02/2018 2.500% 03/31/2023	9128284D9	50,000.00	AA+	Aaa	1/16/2020	1/21/2020	51,427.73	1.58	3.43	51,116.45	52,937.50
US TREASURY N/B DTD 04/30/2018 2.750% 04/30/2023	9128284L1	100,000.00	AA+	Aaa	6/3/2019	6/5/2019	103,304.69	1.87	1,150.82	102,182.25	106,687.50
US TREASURY NOTES DTD 06/30/2016 1.375% 06/30/2023	912828S35	775,000.00	AA+	Aaa	5/8/2019	5/9/2019	747,511.72	2.28	2,693.02	756,795.60	800,914.06
US TREASURY NOTES DTD 07/31/2018 2.750% 07/31/2023	912828Y61	145,000.00	AA+	Aaa	9/3/2019	9/5/2019	152,657.81	1.36	671.81	150,551.24	155,603.13

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY N/B NOTES DTD 01/31/2017 2.250% 01/31/2024	912828V80	600,000.00	AA+	Aaa	5/8/2019	5/9/2019	598,851.56	2.29	2,274.46	599,191.17	641,156.28
US TREASURY N/B NOTES DTD 02/28/2017 2.125% 02/29/2024	912828W48	650,000.00	AA+	Aaa	4/29/2019	5/1/2019	644,236.33	2.32	1,182.84	645,931.14	693,062.50
US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	1,225,000.00	AA+	Aaa	7/1/2019	7/3/2019	1,238,159.18	1.77	6,191.58	1,234,869.38	1,307,304.69
UNITED STATES TREASURY NOTES DTD 07/31/2019 1.750% 07/31/2024	912828Y87	1,100,000.00	AA+	Aaa	12/2/2019	12/4/2019	1,103,824.22	1.67	3,243.21	1,103,145.26	1,164,796.82
US TREASURY NOTES DTD 08/15/2014 2.375% 08/15/2024	912828D56	575,000.00	AA+	Aaa	10/25/2019	10/28/2019	595,282.23	1.61	1,744.14	591,360.00	623,066.44
US TREASURY NOTES DTD 10/02/2017 2.125% 09/30/2024	912828Y5	795,000.00	AA+	Aaa	12/2/2019	12/4/2019	811,334.77	1.68	46.41	808,535.05	855,370.31
US TREASURY N/B DTD 11/30/2017 2.125% 11/30/2024	912828J7	1,480,000.00	AA+	Aaa	1/2/2020	1/6/2020	1,512,085.94	1.66	10,569.26	1,507,264.09	1,596,087.50
UNITED STATES TREASURY NOTES DTD 01/31/2018 2.500% 01/31/2025	912828V0	280,000.00	AA+	Aaa	2/3/2020	2/5/2020	295,301.56	1.36	1,179.35	293,294.39	307,300.00
Security Type Sub-Total		13,340,000.00					13,491,770.89	1.55	60,104.98	13,464,042.85	13,992,999.32
Supra-National Agency Bond / Note											
INTL BK RECON & DEVELOP SN NOTE DTD 05/29/2019 2.125% 07/01/2022	459058GU1	90,000.00	AAA	Aaa	5/21/2019	5/29/2019	89,669.70	2.25	478.13	89,813.35	92,951.46
INTER-AMERICAN DEVEL BANK DTD 09/14/2017 1.750% 09/14/2022	4581X0CZ9	1,000,000.00	AAA	Aaa	11/3/2017	11/7/2017	983,100.00	2.12	826.39	993,199.94	1,029,104.00
INTER-AMERICAN DEVEL BANK DTD 09/14/2017 1.750% 09/14/2022	4581X0CZ9	365,000.00	AAA	Aaa	11/2/2017	11/6/2017	358,795.00	2.12	301.63	362,504.70	375,622.96
INTER-AMERICAN DEVEL BK CORPORATE NOTES DTD 04/24/2020 0.500% 05/24/2023	4581X0DM7	400,000.00	AAA	Aaa	4/17/2020	4/24/2020	399,864.00	0.51	705.56	399,883.34	402,350.40

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Security Type Sub-Total		1,855,000.00					1,831,428.70	1.78	2,311.71	1,845,401.33	1,900,028.82
Municipal Bond / Note											
SAN FRAN COMM FAC DIST, CA TXBL REV BNDS DTD 11/09/2017 2.500% 09/01/2022	79772EAE9	380,000.00	NR	NR	10/27/2017	11/9/2017	377,362.80	2.66	791.67	378,949.32	392,296.80
SAN FRAN COMM FAC DIST, CA TXBL REV BNDS DTD 11/09/2017 2.500% 09/01/2022	79772EAX7	350,000.00	NR	NR	10/27/2017	11/9/2017	348,355.00	2.61	729.17	349,344.62	361,326.00
PORT AUTH OF NY/NJ T/E REV BONDS DTD 07/08/2020 1.086% 07/01/2023	73358W4V3	240,000.00	A+	Aa3	7/2/2020	7/8/2020	240,000.00	1.09	600.92	240,000.00	243,588.00
LONG BEACH CCD, CA TXBL GO BONDS DTD 10/23/2019 1.743% 08/01/2023	542411NH2	350,000.00	AA	Aa2	10/9/2019	10/23/2019	350,000.00	1.74	1,016.75	350,000.00	363,849.50
VENTURA CNTY CCD, CA TXBL GO BONDS DTD 10/31/2019 1.750% 08/01/2023	923040GT0	350,000.00	AA+	Aa1	10/3/2019	10/31/2019	350,000.00	1.75	1,020.83	350,000.00	362,071.50
TAMALPAIS UHSD, CA TXBL GO BONDS DTD 10/09/2019 1.971% 08/01/2023	874857KJ3	615,000.00	NR	Aaa	9/20/2019	10/9/2019	615,000.00	1.97	2,020.28	615,000.00	642,465.90
CT ST TXBL GO BONDS DTD 06/11/2020 1.998% 07/01/2024	20772KJW0	150,000.00	A	A1	5/29/2020	6/11/2020	150,000.00	2.00	915.75	150,000.00	155,610.00
WI DEPT OF TRANS TXBL REV BONDS DTD 07/30/2020 0.624% 07/01/2024	977123X60	640,000.00	AA+	NR	7/10/2020	7/30/2020	640,000.00	0.62	676.69	640,000.00	645,657.60
MD ST TXBL GO BONDS DTD 08/05/2020 0.510% 08/01/2024	574193TQ1	375,000.00	AAA	Aaa	7/23/2020	8/5/2020	374,895.00	0.52	297.50	374,899.11	374,985.00
VENTURA CNTY CCD, CA TXBL GO BONDS DTD 10/31/2019 1.800% 08/01/2024	923040GU7	490,000.00	AA+	Aa1	10/3/2019	10/31/2019	490,000.00	1.80	1,470.00	490,000.00	512,099.00
SAN DIEGO CCD, CA TXBL GO BONDS DTD 10/16/2019 2.046% 08/01/2024	797272QP9	245,000.00	AAA	Aaa	9/18/2019	10/16/2019	245,000.00	2.05	835.45	245,000.00	258,960.10

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Municipal Bond / Note											
MISSISSIPPI ST-A-TXBL MUNICIPAL BONDS DTD 08/06/2020 0.565% 11/01/2024	605581MZ7	120,000.00	AA	Aa2	7/24/2020	8/6/2020	120,000.00	0.57	103.58	120,000.00	120,097.20
SAN DEIGO CNTY WTR AUTH, CA TXBL REV BON DTD 07/22/2020 0.743% 05/01/2025	797412DM2	480,000.00	AAA	Aa2	7/9/2020	7/22/2020	480,000.00	0.74	683.56	480,000.00	486,345.60
UNIV OF CAL TXBL REV BONDS DTD 07/16/2020 0.883% 05/15/2025	91412HGE7	375,000.00	AA	Aa2	7/10/2020	7/16/2020	375,000.00	0.88	689.84	375,000.00	376,552.50
CT ST T/E GO BONDS DTD 06/25/2020 4.000% 06/01/2025	20772KKL2	400,000.00	A	A1	6/12/2020	6/25/2020	458,868.00	0.94	4,266.67	455,666.52	458,440.00
FL ST BOARD OF ADMIN TXBL REV BONDS DTD 09/16/2020 1.258% 07/01/2025	341271AD6	155,000.00	AA	Aa3	9/3/2020	9/16/2020	156,095.85	1.11	81.25	156,086.45	157,351.35
FL ST BOARD OF ADMIN TXBL REV BONDS DTD 09/16/2020 1.258% 07/01/2025	341271AD6	150,000.00	AA	Aa3	9/3/2020	9/16/2020	150,994.50	1.12	78.63	150,985.97	152,275.50
FL ST BOARD OF ADMIN TXBL REV BONDS DTD 09/16/2020 1.258% 07/01/2025	341271AD6	400,000.00	AA	Aa3	9/3/2020	9/16/2020	400,000.00	1.26	209.67	400,000.00	406,068.00
MN ST TXBL GO BONDS DTD 08/25/2020 0.630% 08/01/2025	60412AVJ9	275,000.00	AAA	Aa1	8/11/2020	8/25/2020	275,000.00	0.63	173.25	275,000.00	276,232.00
Security Type Sub-Total		6,540,000.00					6,596,571.15	1.39	16,661.46	6,595,931.99	6,746,271.55
Federal Agency Collateralized Mortgage Obligation											
FHLMC MULTIFAMILY STRUCTURED P DTD 05/01/2015 2.791% 01/01/2022	3137BHXY8	845,000.00	AA+	Aaa	5/16/2019	5/21/2019	850,281.25	2.54	1,965.33	847,524.61	859,647.23
FNA 2013-M7 A2 DTD 05/01/2013 2.280% 12/01/2022	3136AEGQ4	283,378.19	AA+	Aaa	9/4/2019	9/9/2019	287,090.73	1.86	538.42	285,868.96	293,011.64
FANNIEMAE-ACES DTD 04/01/2014 3.346% 03/01/2024	3136AJB54	626,717.84	AA+	Aaa	12/13/2019	12/18/2019	657,172.41	2.14	1,747.50	651,458.46	679,178.12

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Collateralized Mortgage Obligation											
FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/01/2024	3137FQ3V3	233,853.82	AA+	Aaa	11/20/2019	11/26/2019	233,848.20	2.09	407.69	233,849.24	241,374.80
FHMS K043 A2 DTD 03/01/2015 3.062% 12/01/2024	3137BGK24	665,000.00	AA+	Aaa	3/19/2020	3/25/2020	697,938.28	1.95	1,696.86	694,282.75	729,450.94
Security Type Sub-Total		2,653,949.85					2,726,330.87	2.18	6,355.80	2,712,984.02	2,802,662.73
Federal Agency Bond / Note											
FHLMC REFERENCE NOTE DTD 08/12/2016 1.125% 08/12/2021	3137EAEC9	240,000.00	AA+	Aaa	8/16/2016	8/17/2016	237,817.44	1.31	367.50	239,622.46	242,060.88
FREDDIE MAC (EX-CALLABLE) NOTES DTD 08/17/2016 1.875% 08/17/2021	3134G92Y2	40,000.00	AA+	Aaa	5/8/2017	5/9/2017	39,958.68	1.90	91.67	39,991.53	40,612.08
FNMA NOTES DTD 08/19/2016 1.250% 08/17/2021	3135G0N82	1,535,000.00	AA+	Aaa	10/7/2016	10/11/2016	1,522,804.42	1.42	2,345.14	1,532,796.39	1,550,075.24
FEDERAL FARM CREDIT BANKS NOTES DTD 09/20/2017 1.660% 09/20/2021	3133EHZA4	2,000,000.00	AA+	Aaa	10/5/2017	10/11/2017	1,986,364.00	1.84	1,014.44	1,996,647.82	2,029,634.00
FEDERAL FARM CREDIT BANKS NOTES DTD 10/14/2016 1.400% 10/14/2021	3133EGYQ2	2,000,000.00	AA+	Aaa	10/26/2016	10/27/2016	1,994,260.00	1.46	12,988.89	1,998,803.24	2,026,022.00
FHLB NOTES DTD 11/30/2016 1.875% 11/29/2021	3130AABG2	2,000,000.00	AA+	Aaa	12/14/2016	12/16/2016	1,978,920.00	2.10	12,708.33	1,995,059.19	2,040,176.00
FREDDIE MAC GLOBAL NOTES DTD 01/13/2012 2.375% 01/13/2022	3137EADB2	240,000.00	AA+	Aaa	8/27/2019	8/30/2019	244,548.00	1.56	1,235.00	242,460.22	246,866.16
FHLB NOTES DTD 02/17/2012 2.250% 03/11/2022	313378CR0	2,000,000.00	AA+	Aaa	5/8/2017	5/9/2017	2,022,926.00	2.00	2,500.00	2,006,824.60	2,060,788.00
FREDDIE MAC NOTES DTD 07/23/2020 0.125% 07/25/2022	3137EAET2	510,000.00	AA+	Aaa	7/21/2020	7/23/2020	508,847.40	0.24	120.42	508,957.62	509,742.45
FANNIE MAE (EX-CALLABLE) NOTES DTD 11/26/2012 2.000% 08/26/2022	3136G05L1	2,000,000.00	AA+	Aaa	9/27/2017	9/28/2017	2,003,700.00	1.96	3,888.89	2,001,432.12	2,070,164.00

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FANNIE MAE AGENCY NOTES DTD 10/06/2017 2.000% 10/05/2022	3135G0T78	1,310,000.00	AA+	Aaa	10/5/2017	10/11/2017	1,309,986.90	2.00	12,808.89	1,309,994.72	1,357,657.80
FEDERAL HOME LOAN BANKS NOTES DTD 02/21/2020 1.375% 02/17/2023	3130AJ7E3	1,900,000.00	AA+	Aaa	4/14/2020	4/15/2020	1,951,357.00	0.42	3,193.06	1,942,995.41	1,952,618.60
FEDERAL HOME LOAN BANKS NOTES DTD 02/21/2020 1.375% 02/17/2023	3130AJ7E3	675,000.00	AA+	Aaa	2/20/2020	2/21/2020	673,758.00	1.44	1,134.37	674,011.63	693,693.45
FREDDIE MAC NOTES DTD 04/20/2020 0.375% 04/20/2023	3137EAEQ8	800,000.00	AA+	Aaa	4/17/2020	4/20/2020	798,000.00	0.46	1,341.67	798,299.54	803,220.00
FREDDIE MAC NOTES DTD 05/07/2020 0.375% 05/05/2023	3137EAER6	800,000.00	AA+	Aaa	5/5/2020	5/7/2020	799,664.00	0.39	1,200.00	799,709.19	803,272.00
FANNIE MAE NOTES DTD 05/22/2020 0.250% 05/22/2023	3135G04Q3	1,250,000.00	AA+	Aaa	5/20/2020	5/22/2020	1,246,237.50	0.35	1,119.79	1,246,691.06	1,251,092.50
FREDDIE MAC NOTES DTD 06/16/2020 0.500% 06/16/2023	3134GVR67	1,000,000.00	AA+	Aaa	6/12/2020	6/16/2020	1,000,000.00	0.50	1,458.33	1,000,000.00	1,002,018.00
FREDDIE MAC NOTES DTD 06/26/2020 0.250% 06/26/2023	3137EAES4	1,125,000.00	AA+	Aaa	6/24/2020	6/26/2020	1,121,715.00	0.35	742.19	1,122,006.00	1,125,711.00
FANNIE MAE NOTES DTD 07/10/2020 0.250% 07/10/2023	3135G05G4	790,000.00	AA+	Aaa	7/8/2020	7/10/2020	788,301.50	0.32	444.38	788,430.24	790,506.39
FREDDIE MAC NOTES DTD 08/21/2020 0.250% 08/24/2023	3137EAEV7	500,000.00	AA+	Aaa	9/1/2020	9/3/2020	499,990.00	0.25	138.89	499,990.26	500,334.50
FREDDIE MAC NOTES DTD 09/04/2020 0.250% 09/08/2023	3137EAEW5	510,000.00	AA+	Aaa	9/2/2020	9/4/2020	510,093.13	0.24	95.63	510,090.84	510,196.86
FREDDIE MAC NOTES DTD 09/04/2020 0.250% 09/08/2023	3137EAEW5	690,000.00	AA+	Aaa	9/2/2020	9/4/2020	689,772.30	0.26	129.38	689,777.89	690,266.34
FANNIE MAE NOTES DTD 09/14/2018 2.875% 09/12/2023	3135G0U43	1,500,000.00	AA+	Aaa	4/1/2020	4/3/2020	1,625,340.00	0.43	2,276.04	1,607,291.84	1,616,154.00
FANNIE MAE NOTES DTD 10/18/2019 1.625% 10/15/2024	3135G0W66	800,000.00	AA+	Aaa	4/14/2020	4/15/2020	835,568.00	0.62	5,994.44	831,911.68	841,915.20
FANNIE MAE NOTES DTD 10/18/2019 1.625% 10/15/2024	3135G0W66	1,350,000.00	AA+	Aaa	4/1/2020	4/3/2020	1,415,637.00	0.54	10,115.63	1,408,462.91	1,420,731.90

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FANNIE MAE NOTES DTD 01/10/2020 1.625% 01/07/2025	3135G0X24	700,000.00	AA+	Aaa	1/8/2020	1/10/2020	697,767.00	1.69	2,654.17	698,091.42	737,813.30
FREDDIE MAC NOTES DTD 02/14/2020 1.500% 02/12/2025	3137EAEP0	1,175,000.00	AA+	Aaa	3/3/2020	3/4/2020	1,209,239.50	0.90	2,398.96	1,205,239.20	1,231,986.33
FREDDIE MAC NOTES DTD 02/14/2020 1.500% 02/12/2025	3137EAEP0	1,250,000.00	AA+	Aaa	2/13/2020	2/14/2020	1,249,037.50	1.52	2,552.08	1,249,158.80	1,310,623.75
FEDERAL HOME LOAN BANK NOTES DTD 04/16/2020 0.500% 04/14/2025	3130AJHU6	400,000.00	AA+	Aaa	4/15/2020	4/16/2020	398,016.00	0.60	916.67	398,198.74	401,826.00
FANNIE MAE NOTES DTD 04/24/2020 0.625% 04/22/2025	3135G03U5	715,000.00	AA+	Aaa	6/2/2020	6/4/2020	718,975.40	0.51	1,948.87	718,710.08	722,313.02
FANNIE MAE NOTES DTD 06/19/2020 0.500% 06/17/2025	3135G04Z3	1,640,000.00	AA+	Aaa	9/1/2020	9/3/2020	1,644,887.20	0.44	2,323.33	1,644,808.92	1,645,472.68
FREDDIE MAC NOTES DTD 07/23/2020 0.375% 07/21/2025	3137EAEU9	510,000.00	AA+	Aaa	7/21/2020	7/23/2020	507,460.20	0.48	361.25	507,557.67	508,706.64
FANNIE MAE NOTES DTD 08/27/2020 0.375% 08/25/2025	3135G05X7	2,000,000.00	AA+	Aaa	9/1/2020	9/3/2020	1,992,920.00	0.45	708.33	1,993,029.10	1,994,830.00
FREDDIE MAC NOTES DTD 09/25/2020 0.375% 09/23/2025	3137EAEX3	1,150,000.00	AA+	Aaa	9/23/2020	9/25/2020	1,146,538.50	0.44	71.88	1,146,549.89	1,146,416.60
Security Type Sub-Total		37,105,000.00					37,370,407.57	1.02	93,388.51	37,353,602.22	37,875,517.67
Corporate Note											
CITIGROUP INC CORP (CALLABLE) NOTES DTD 04/25/2017 2.750% 04/25/2022	172967LG4	800,000.00	BBB+	A3	9/21/2017	9/25/2017	803,432.00	2.65	9,533.33	801,128.67	827,007.20
GOLDMAN SACHS GROUP INC (CALLABLE) NOTE DTD 01/26/2017 3.000% 04/26/2022	38141GWC4	800,000.00	BBB+	A3	9/18/2017	9/20/2017	810,848.00	2.68	10,333.33	801,708.93	810,928.80
AMERICAN HONDA FINANCE DTD 06/27/2019 2.200% 06/27/2022	02665WCY5	845,000.00	A-	A3	6/24/2019	6/27/2019	844,222.60	2.23	4,854.06	844,550.30	870,033.97

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
APPLE INC CORP (CALLABLE) NOTES DTD 09/12/2017 2.100% 09/12/2022	037833DC1	950,000.00	AA+	Aa1	11/15/2017	11/16/2017	933,802.50	2.48	1,052.92	943,460.29	981,581.80
JPMORGAN CHASE & CO CORP NOTES DTD 09/24/2012 3.250% 09/23/2022	46625HJE1	600,000.00	A-	A2	11/29/2017	12/1/2017	614,778.00	2.70	433.33	606,072.69	634,429.20
ORACLE CORP NOTES DTD 10/25/2012 2.500% 10/15/2022	68389XAP0	250,000.00	A	A3	11/15/2017	11/16/2017	249,387.50	2.55	2,881.94	249,745.99	260,594.00
ADOBE INC CORP NOTE DTD 02/03/2020 1.700% 02/01/2023	00724PAA7	95,000.00	A	A2	1/22/2020	2/3/2020	94,869.85	1.75	269.17	94,898.52	97,863.68
AMAZON.COM INC BONDS DTD 06/06/2018 2.400% 02/22/2023	023135AW6	880,000.00	AA-	A2	5/14/2019	5/16/2019	873,523.20	2.61	2,288.00	875,892.07	922,002.40
JOHN DEERE CAPITAL CORP DTD 03/04/2016 2.800% 03/06/2023	24422ETG4	835,000.00	A	A2	5/16/2019	5/20/2019	838,724.10	2.68	1,623.61	837,380.63	884,356.85
UNITEDHEALTH GROUP INC CORP NOTES DTD 02/28/2013 2.875% 03/15/2023	91324PCC4	640,000.00	A+	A3	11/20/2019	11/22/2019	656,358.40	2.07	817.78	652,109.82	677,326.72
BANK OF NY MELLON CORP NOTES DTD 04/30/2018 3.500% 04/28/2023	06406RAG2	1,410,000.00	A	A1	4/24/2019	4/26/2019	1,445,376.90	2.83	20,973.75	1,432,706.02	1,520,336.73
PEPSICO INC CORPORATE NOTES DTD 05/01/2020 0.750% 05/01/2023	713448EY0	200,000.00	A+	A1	4/29/2020	5/1/2020	199,604.00	0.82	625.00	199,659.33	202,020.20
CHEVRON CORP CORPORATE NOTES DTD 05/11/2020 1.141% 05/11/2023	166764BV1	200,000.00	AA	Aa2	5/7/2020	5/11/2020	200,000.00	1.14	887.44	200,000.00	203,701.00
PACCAR FINANCIAL CORP CORPORATE NOTES DTD 06/08/2020 0.800% 06/08/2023	69371RQ82	360,000.00	A+	A1	6/1/2020	6/8/2020	359,499.60	0.85	904.00	359,552.15	363,424.32
AMERICAN EXPRESS CREDIT CORP NOTES DTD 08/03/2018 3.700% 08/03/2023	025816BW8	800,000.00	BBB+	A3	4/23/2019	4/26/2019	821,480.00	3.02	4,768.89	814,264.92	866,689.60
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 10/18/2016 2.250% 10/18/2023	89236TDK8	1,090,000.00	A+	A1	2/5/2020	2/7/2020	1,107,374.60	1.80	11,104.38	1,104,322.13	1,146,371.53

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
CATERPILLAR FINANCIAL SERVICES CORP NOTE DTD 11/26/2013 3.750% 11/24/2023	14912L5X5	790,000.00	A	A3	5/8/2019	5/10/2019	823,243.20	2.76	10,451.04	813,023.77	869,529.30
ABBOTT LABORATORIES CORP NOTES DTD 11/22/2016 3.400% 11/30/2023	002824BE9	825,000.00	A-	A3	5/10/2019	5/14/2019	846,441.75	2.79	9,427.92	839,660.80	897,247.73
BB&T CORPORATION DTD 12/06/2018 3.750% 12/06/2023	05531FBF9	800,000.00	A-	A3	4/23/2019	4/25/2019	824,928.00	3.02	9,583.33	817,165.72	874,161.60
BANK OF AMERICA CORP NOTE DTD 01/21/2014 4.125% 01/22/2024	06051GFB0	1,395,000.00	A-	A2	4/23/2019	4/25/2019	1,456,477.65	3.12	11,029.22	1,437,853.43	1,539,374.13
CHARLES SCHWAB CORP NOTES DTD 10/31/2018 3.550% 02/01/2024	808513AY1	815,000.00	A	A2	4/25/2019	4/29/2019	843,321.25	2.76	4,822.08	834,836.28	889,096.54
BLACKROCK INC CORP NOTES DTD 03/18/2014 3.500% 03/18/2024	09247XAL5	1,420,000.00	AA-	Aa3	4/22/2019	4/24/2019	1,464,588.00	2.81	1,794.72	1,451,485.60	1,565,121.16
COMCAST CORP (CALLABLE) CORPORATE NOTES DTD 10/05/2018 3.700% 04/15/2024	20030NCR0	635,000.00	A-	A3	5/7/2020	5/11/2020	695,623.45	1.20	10,833.81	689,448.84	700,942.21
MORGAN STANLEY CORP NOTES DTD 04/28/2014 3.875% 04/29/2024	61746BDQ6	745,000.00	BBB+	A2	7/19/2019	7/23/2019	788,604.85	2.56	12,189.03	777,691.12	819,653.47
US BANCORP DTD 07/29/2019 2.400% 07/30/2024	91159HHX1	845,000.00	A+	A1	7/30/2019	8/1/2019	844,247.95	2.42	3,436.33	844,423.91	898,870.44
WALT DISNEY COMPANY/THE DTD 09/06/2019 1.750% 08/30/2024	254687FK7	845,000.00	A-	A2	9/3/2019	9/6/2019	841,552.40	1.84	1,273.37	842,293.07	879,491.21
PNC BANK NA CORP NOTES DTD 11/01/2019 2.200% 11/01/2024	693475AY1	600,000.00	A-	A3	11/5/2019	11/8/2019	599,802.00	2.21	5,500.00	599,837.68	636,047.40
CHEVRON CORP (CALLABLE) NOTES DTD 05/11/2020 1.554% 05/11/2025	166764BW9	425,000.00	AA	Aa2	5/13/2020	5/15/2020	427,108.00	1.45	2,568.42	426,944.49	439,305.50
BRISTOL-MYERS SQUIBB CO CORPORATE NOTES DTD 07/15/2020 3.875% 08/15/2025	110122DC9	285,000.00	A+	A2	9/29/2020	9/30/2020	325,663.80	0.88	1,411.15	325,639.71	326,924.07

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
BRISTOL-MYERS SQUIBB CO CORPORATE NOTES DTD 07/15/2020 3.875% 08/15/2025	110122DC9	375,000.00	A+	A2	9/30/2020	10/1/2020	428,565.00	0.87	1,856.77	428,565.00	430,163.25
Security Type Sub-Total		21,555,000.00					22,063,448.55	2.42	159,528.12	21,946,321.88	23,034,596.01
Certificate of Deposit - FDIC Insured											
COMENITY CAPITAL BANK LT CD DTD 10/13/2015 2.000% 10/13/2020	20033AND4	249,000.00	NR	NR	10/13/2015	10/13/2015	249,000.00	2.00	245.59	249,000.00	249,179.03
FIRST BANK OF RICHMOND CD DTD 10/18/2017 1.900% 10/19/2020	319267GK0	245,000.00	NR	NR	10/4/2017	10/18/2017	245,000.00	1.90	2,104.32	245,000.00	245,235.94
UNITY BANK CD DTD 10/30/2015 1.650% 10/30/2020	91330ABC0	249,000.00	NR	NR	10/21/2015	10/30/2015	249,000.00	1.65	11.26	249,000.00	249,331.92
MEDALLION BANK UTAH CD DTD 06/28/2017 2.050% 06/28/2021	58403B6Y7	245,000.00	NR	NR	6/16/2017	6/28/2017	245,000.00	2.05	41.28	245,000.00	248,537.56
CAPITAL ONE BANK USA NA CD DTD 06/01/2017 2.400% 06/01/2022	1404203C2	245,000.00	NR	NR	5/25/2017	6/1/2017	245,000.00	2.40	1,965.37	245,000.00	253,706.57
GOLDMAN SACHS GROUP INC CD DTD 06/21/2017 2.350% 06/21/2022	38148PKX4	245,000.00	NR	NR	6/13/2017	6/21/2017	245,000.00	2.35	1,608.95	245,000.00	253,762.67
BENEFICIAL BANK CD DTD 10/18/2017 2.150% 10/18/2022	08173QBX3	245,000.00	NR	NR	9/27/2017	10/18/2017	245,000.00	2.15	2,395.63	245,000.00	254,269.09
FOCUS BANK CD DTD 11/24/2017 2.200% 11/24/2022	34415LAP6	245,000.00	NR	NR	11/14/2017	11/24/2017	245,000.00	2.20	1,919.73	245,000.00	254,913.68
Security Type Sub-Total		1,968,000.00					1,968,000.00	2.09	10,292.13	1,968,000.00	2,008,936.46
Certificate of Deposit											
CREDIT SUISSE NEW YORK CERT DEPOS DTD 08/07/2020 0.520% 02/01/2022	22549L6F7	940,000.00	A+	A1	8/5/2020	8/7/2020	940,000.00	0.52	746.78	940,000.00	940,801.82

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Certificate of Deposit											
SOCIETE GENERALE NY CERT DEPOS DTD 02/19/2020 1.800% 02/14/2022	83369XDL9	845,000.00	A	A1	2/14/2020	2/19/2020	845,000.00	1.80	1,985.75	845,000.00	852,706.40
SUMITOMO MITSUI BANK NY CERT DEPOS DTD 07/14/2020 0.700% 07/08/2022	86565CKU2	635,000.00	A	A1	7/10/2020	7/14/2020	635,000.00	0.70	975.43	635,000.00	635,687.07
SKANDINAV ENSKILDA BANK LT CD DTD 09/03/2019 1.860% 08/26/2022	83050PDR7	1,000,000.00	A+	Aa2	8/29/2019	9/3/2019	1,000,000.00	1.85	1,860.00	1,000,000.00	1,029,736.00
NORDEA BANK ABP NEW YORK CERT DEPOS DTD 08/29/2019 1.850% 08/26/2022	65558TLL7	1,000,000.00	AA-	Aa3	8/27/2019	8/29/2019	1,000,000.00	1.84	1,850.00	1,000,000.00	1,029,546.00
DNB BANK ASA/NY LT CD DTD 12/06/2019 2.040% 12/02/2022	23341VZT1	635,000.00	AA-	Aa2	12/4/2019	12/6/2019	635,000.00	2.03	4,353.98	635,000.00	658,545.17
Security Type Sub-Total		5,055,000.00					5,055,000.00	1.48	11,771.94	5,055,000.00	5,147,022.46
Asset-Backed Security											
NALT 2020-B A3 DTD 09/29/2020 0.430% 10/16/2023	65480EAD3	220,000.00	AAA	Aaa	9/22/2020	9/29/2020	219,977.36	0.43	5.26	219,977.40	219,973.84
MBALT 2020-B A3 DTD 09/23/2020 0.400% 11/15/2023	58769EAC2	90,000.00	AAA	NR	9/15/2020	9/23/2020	89,995.44	0.40	8.00	89,995.47	90,002.70
TAOT 2020-C A3 DTD 07/27/2020 0.440% 10/15/2024	89237VAB5	290,000.00	AAA	Aaa	7/21/2020	7/27/2020	289,977.67	0.44	56.71	289,978.63	290,460.93
CARMX 2020-3 A3 DTD 07/22/2020 0.620% 03/17/2025	14315FAD9	205,000.00	AAA	NR	7/14/2020	7/22/2020	204,964.86	0.62	56.49	204,966.33	206,014.96
GMCAR 2020-3 A3 DTD 08/19/2020 0.450% 04/16/2025	362590AC5	300,000.00	NR	Aaa	8/11/2020	8/19/2020	299,931.36	0.46	56.25	299,933.10	300,231.90
Security Type Sub-Total		1,105,000.00					1,104,846.69	0.47	182.71	1,104,850.93	1,106,684.33
Managed Account Sub Total		91,176,949.85					92,207,804.42	1.56	360,597.36	92,046,135.22	94,614,719.35

*CITY OF ESCONDIDO**Portfolio Holdings*

Securities Sub-Total	\$91,176,949.85	\$92,207,804.42	1.56%	\$360,597.36	\$92,046,135.22	\$94,614,719.35
Accrued Interest						\$360,597.36
Total Investments						\$94,975,316.71

Bolded items are forward settling trades.

Appendix

IMPORTANT DISCLOSURES

This material is based on information obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some, but not all of which, are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

GLOSSARY

- **ACCRUED INTEREST:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.
- **AMORTIZED COST:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **BANKERS' ACCEPTANCE:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount and expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.
- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

GLOSSARY

- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **TRADE DATE:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **UNSETTLED TRADE:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. TREASURY:** The department of the U.S. government that issues Treasury securities.
- **YIELD:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM AT COST:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM AT MARKET:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.

CITY COUNCIL STAFF REPORT

Public Hearing Item No. 7

October 28, 2020

File No. 0480-45

SUBJECT: Development Impact Fee Inflationary Increase and Budget Adjustment

DEPARTMENT: City Manager's Office

RECOMMENDATION:

It is requested that the City Council a) adopt Resolution No. 2020-125 implementing a two percent inflationary adjustment to the Public Facilities, Park Development, Traffic Impact, and Drainage Facilities Fees (collectively "Development Impact Fees"); and b) approve a budget adjustment (Attachment 1) of \$100,000 for consultant services to prepare a Comprehensive Development Impact Fee Analysis.

FISCAL ANALYSIS:

New residential and nonresidential projects pay development impact fees to offset the cost of Citywide public facilities that are necessary to serve the new development. Public facilities include those for parks, fire and medical emergencies, police, administration / technology, a public library, a senior citizen center, public works, drainage, and traffic improvements. The two percent adjustment will maintain the City's ability to fund public improvements at the rate previously approved by the City Council.

The budget adjustment of \$100,000 is requested to fund consultant services for preparing a Comprehensive Development Impact Fee Analysis assessing Public Facilities, Park Development, Traffic Impact, and Drainage Facilities Fees. The costs for conducting that analysis can be reimbursed to the City through the collection of future development impact fees.

DISCUSSION / RECOMMENDATION:

Inflationary Adjustment:

The City Council directed staff to *annually* adjust development impact fees for inflationary increases to avoid "rate shock" encountered when a long period of time elapses without reviewing fees necessitating large increases at any one time. On October 21, 2020, the City Council received information and testimony regarding a proposed two percent inflationary adjustment to the City's Development Impact Fees (Attachment 2). In compliance with state government code, a two-step process involving a noticed public hearing is required to formalize the action. Staff recommends adoption of Resolution No. 2020-125 enacting the proposed fees, which would go into effect on February 22, 2021.

Comprehensive Development Impact Fee Analysis:

Adjusting fees to achieve full cost recovery from new developments' impact on municipal services and facilities will help ensure that the needs of existing residents are prioritized and impacts to the City's General Fund are minimized. A Comprehensive Development Impact Fee Analysis that meets the requirements of the Mitigation Fee Act (California Government Code Section 66000 et seq. also known as "AB1600") as well as Proposition 218 and other regulations will help protect the City from

potential legal challenges when considering future fee adjustments. Staff recommends approval of a budget adjustment to fund the costs for conducting that analysis, which can be reimbursed to the City through the collection of future development Impact fees. Staff is preparing a Request for Proposals (RFP) for circulation to solicit consultant bids upon approval of the budget adjustment.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Jay Petrek, Assistant City Manager

10/22/20 11:49 a.m.

ATTACHMENTS:

1. Attachment 1 – Budget Adjustment
2. Attachment 2 – October 21, 2020 City Council Staff Report
3. Resolution No. 2020-125



CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST

Date of Request: 10/28/2020

Department: City Manager's Office

Division: _____

Project/Budget Manager: Jay Petrek 4541
Name Extension

Council Date (if applicable): 10/28/2020
(attach copy of staff report)

For Finance Use Only

Log # _____

Fiscal Year _____

_____ Budget Balances
_____ General Fund Accts
_____ Revenue
_____ Interfund Transfers
_____ Fund Balance

Project/Account Description	Account Number	Amount of Increase	Amount of Decrease
Development Impact Fee Study	NEW-243	100,000	
Public Works Yard Relocation	556501-243		100,000

Explanation of Request:

To fund consultant services to prepare a Comprehensive Development Impact Fee Analysis.

APPROVALS

Department Head

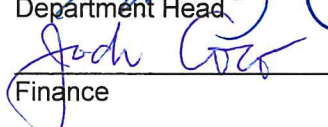
10-22-20

Date


City Manager

10-22-20

Date


Finance

10/22/20

Date

City Clerk

Date

Distribution (after approval):

Original: Finance

CITY COUNCIL STAFF REPORT

Current Business Item No. 9

October 21, 2020

File No. 0480-45

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

DEPARTMENT: City Manager's Office

RECOMMENDATION:

It is requested that the City Council consider a two percent inflationary adjustment to the Public Facilities, Park Development, Traffic Impact, and Drainage Facilities Fees (collectively "Development Impact Fees"). After considering public input, and in compliance with the State Government Code, a separate public hearing to adopt the resolution enacting the proposed fees will be held on October 28, 2020.

FISCAL ANALYSIS:

New residential and nonresidential projects pay Development Impact Fees to offset the cost of Citywide public facilities that are necessary to serve the new development. Public facilities include those for parks, fire and medical emergencies, police, administration / technology, a public library, a senior citizen center, public works, drainage, and traffic improvements. The two percent adjustment will maintain the City's ability to fund public improvements at the rate previously approved by the City Council.

PREVIOUS ACTION

On December 20, 2017, the City Council adopted Resolution No. 2017-154RR updating Development Impact Fees necessary to serve new development. The fee adjustments cumulatively fund up to 82 percent of expected costs for facilities to serve new development, with anticipated grants and other one-time revenues to offset the shortfall. Fee adjustments for the Downtown Specific Planning Area were implemented over a three year period, and fee adjustments were delayed for four months for certain "pipeline projects." The City Council also approved an annual review of fees and inflationary adjustments using the method adopted by SANDAG. The fees became effective on February 19, 2018.

On December 5, 2018, the City Council adopted Resolution No. 2018-164 approving a 3.3 percent annual inflationary adjustment to the City's Development Impact Fees that became effective on February 19, 2019.

On November 20, 2019, the City Council adopted Resolution No. 2019-152 approving a two percent annual inflationary adjustment to the City's Development Impact Fees that became effective on February 19, 2020.

Development Impact Fees Inflationary Adjustment
October 21, 2020
Page 2

GENERAL PLAN CONFORMANCE:

This item is consistent with General Plan Public Facility Financing Policy 3.1 (page VIII-8) that states: *“Maintain and periodically update development impact fees and major infrastructure financing programs to assure that all new and infill developments contribute their proportionate share of funding for necessary municipal infrastructure and public facilities.”*

BACKGROUND:

In December 2017, the City Council approved the first comprehensive evaluation and adjustment of Development Impact Fees in more than a decade. The updated fees ensure that revenue is collected to offset impacts caused by new development and more accurately reflect the costs to serve new growth. Direction was given to adjust fees based on a schedule that cumulatively collects approximately 82 percent of the total infrastructure costs, and to rely on grants, bonds, and/or other one-time revenues to offset the 18 percent funding gap.

Staff originally planned to schedule a more comprehensive Development Impact Fee update that achieved full cost recovery for City Council consideration on a previous agenda. The matter was continued until October 21 at the request of the Building Industry Association (“BIA”) to review the fees and analysis prepared by staff. The BIA prepared a lengthy review and list of questions, and met with staff where they laid out their position objecting to the level of analysis substantiating the fees, and hence, the fees themselves. It was clear that if the City Council were to adopt the increased fees, regardless of the fact they were mid-range with other cities, the BIA would litigate the validity of the fees. The BIA’s position is that any substantive fee increases must be analyzed in much greater detail to withstand legal challenge, similar to the analysis prepared when adjusting water and sewer fees under Proposition 218.

Adjusting fees to achieve full cost recovery from new development’s impact on municipal services and facilities will help ensure that the needs of existing residents are prioritized and impacts to the City’s General Fund are minimized. Bolstering the analysis for establishing the updated fees will protect the City from potential legal challenges. The costs for conducting that analysis can be folded into the adjusted Development Impact Fee schedule. Staff is in the process of soliciting consultant bids for performing this fee analysis, and anticipates City Council consideration of the proposed updated Development Impact Fees in spring 2021.

The City Council directed staff to *annually* adjust Development Impact Fees for inflationary increases to avoid “rate shock” encountered when a long time elapses without reviewing fees necessitating large increases at any one time. The City Council accepted staff’s recommendation to rely on SANDAG’s method for annually adjusting the regional traffic impact fee (“RTCIP”) as a basis for calculating the City’s annual Development Impact Fee adjustments. The last annual fee adjustment occurred in November 2019 (effective February 19, 2020) when the City Council approved a two percent inflationary increase to the Development Impact Fees in order to maintain their purchasing power for completing necessary public improvements to serve new development.

Development Impact Fees Inflationary Adjustment
October 21, 2020
Page 3

DISCUSSION / RECOMMENDATION:

SANDAG uses The Engineering News Record Construction Cost Index ("ENR CCI"), but never less than two percent, to adjust for price changes and to translate set numbers into inflation-free dollars. Adjusting the fees according to the ENR CCI does not increase the Development Impact Fee revenue beyond the amount necessary to accommodate for future growth because an ENR CCI adjustment only keeps the current level of fee revenue at pace with inflation.

The ENR CCI is based on monthly price changes in lumber, cement, structural steel, and labor. Los Angeles construction costs are similar to those in San Diego. Between December 2018 and December 2019 (latest available data), the ENR Los Angeles CCI increased by 0.2 percent. It is worth noting that other Construction Cost Indexes grew faster during this same timeframe, with the ENR National CCI growing 1.7 percent, and the Caltrans CCI increasing 6.7 percent.

In compliance with Government Code Sections 66016 and 66018 which require a two-step process for increasing fees, a public hearing is scheduled to adopt the resolution enacting the adjusted fees on October 28, 2020. The proposed two percent inflationary adjustment for Development Impact Fees would go into effect on February 22, 2021, pursuant to Attachment 1, subject to adoption of the implementing resolution.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Jay Petrek, Assistant City Manager
10/15/20 8:42AM

ATTACHMENTS:

1. Attachment 1 - 2021 Inflationary Development Impact Fee Adjustment

Development Impact Fees Inflationary Adjustment
 October 21, 2020
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ATTACHMENT 1
 2021 Development Impact Fee 2% Inflationary Adjustment

	Current Fee (2020)	2021 Adjustment
Public Facilities		
Single Family Residential	\$4,872.54 / DU	\$4,969.99 / DU
Multi-Family Residential	\$4,872.54 / DU	\$4,969.99 / DU
Commercial	\$2.21 / sq. ft.	\$2.25 / sq. ft.
Industrial	\$1.67 / sq. ft.	\$1.70 / sq. ft.
Parking Structure (primary use)	\$0.60 / sq. ft.	\$0.61 / sq. ft.
Park Development		
Single Family Residential	\$6,849.30 / DU	\$6,986.29 / DU
Multi-Family Residential	\$6,533.10 / DU	\$6,663.76 / DU
Drainage Facilities		
Single Family Residential	\$1,113.84 / DU	\$1,136.12 / DU
Multi-Family Residential	\$460.02 / DU	\$469.22 / DU
All other uses	\$0.72 / sq. ft.	\$0.73 / sq. ft.
Local Traffic Impact¹		
Category		
Single Family	\$4,109.58 / DU	\$4,191.77 / DU
Multi Family ²	\$2,054.28 / DU	\$2,095.37 / DU
Commercial/Retail/Service³		
Bank	\$9.49 / sq. ft.	\$9.68 / sq. ft.
Sit Down (Quality) Restaurant	\$15.81 / sq. ft.	\$16.13 / sq. ft.
High Turnover or Deli	\$14.23 / sq. ft.	\$14.51 / sq. ft.
Fast food with or without drive-thru	\$15.81 / sq. ft.	\$16.13 / sq. ft.
Convenience Market	\$47.42 / sq. ft.	\$48.37 / sq. ft.
Convenience Market with Fueling	\$31.62 / sq. ft.	\$32.52 / sq. ft.
Car Wash	\$14,224.92 / fuel space	\$14,509.42 / fuel space
	\$71,122.56 / each	\$72,545.01 / each
Office⁴		
Medical / Dental Office	\$3.16 / sq. ft.	\$3.22 / sq. ft.
Hospital / Care Facility	\$5.53 / sq. ft.	\$5.64 / sq. ft.
	\$3.95 / sq. ft.	\$4.03 / sq. ft.
Industrial⁵		
Church	\$2.37 / sq. ft.	\$2.42 / sq. ft.
	\$1.42 / sq. ft.	\$1.45 / sq. ft.

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

² Condo, townhome, mobile home, retirement, duplex

Development Impact Fees Inflationary Adjustment

October 21, 2020

Page 5

- ³ Grocery, discount/club store, specialty retail, lumber, hardware, garden, car sales, auto repair, day care, hotel, bowling center, theatre, and health club
- ⁴ Includes education
- ⁵ Includes business park, warehouse, storage, science Research & Development

RESOLUTION NO. 2020-125

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF ESCONDIDO, CALIFORNIA, APPROVING AN
INFLATIONARY ADJUSTMENT TO DEVELOPMENT
IMPACT FEES FOR PUBLIC FACILITIES, PARK
DEVELOPMENT, TRAFFIC IMPACT, AND DRAINAGE
FACILITIES

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

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

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

WHEREAS, the City Council has authorized an annual review of DIF amounts for necessary inflationary adjustments in order to maintain their purchasing power for completing necessary public improvements to serve new development; and

WHEREAS, the City Council relies on the San Diego Association of Governments' ("SANDAG") method for adjusting DIF amounts that utilizes the Engineering News Record Los Angeles Construction Cost Index ("ENR CCI") with a minimum two percent annual increase to document price changes in lumber, structural steel, cement, and labor reflecting construction costs trends, which are similar to those

in San Diego, as a basis for determining inflationary increases for local public works projects; and

WHEREAS, the ENR CCI evaluation for the period that includes December 2018 to December 2019, SANDAG's latest available data, documented a 0.2 percent inflationary increase in construction costs; and

WHEREAS, on October 28, 2020, the City Council held a duly noticed public hearing on the proposal to adjust the DIF amounts with an opportunity for the public to be heard, pursuant to the provisions of Government Code Sections 66016 through 66018.

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

1. That the above recitations are true.
2. That the City of Escondido Fee Schedule for Public Facilities, Park Development, Drainage Facilities and Local Traffic Impact shall be adjusted to increase by two percent to account for the construction costs associated with building the needed infrastructure to serve new growth, as follows:

SEE NEXT PAGE

2021 Development Impact Fee 2% Inflationary Adjustment

		Current Fee (2020)	2021 Adjustment
Public Facilities			
	Single Family Residential	\$4,872.54 / DU	\$4,969.99 / DU
	Multi-Family Residential	\$4,872.54 / DU	\$4,969.99 / DU
	Commercial	\$2.21 / sq. ft.	\$2.25 / sq. ft.
	Industrial	\$1.67 / sq. ft.	\$1.70 / sq. ft.
	Parking Structure (primary use)	\$0.60 / sq. ft.	\$0.61 / sq. ft.
Park Development			
	Single Family Residential	\$6,849.30 / DU	\$6,986.29 / DU
	Multi-Family Residential	\$6,533.10 / DU	\$6,663.76 / DU
Drainage Facilities			
	Single Family Residential	\$1,113.84 / DU	\$1,136.12 / DU
	Multi-Family Residential	\$460.02 / DU	\$469.22 / DU
	All other uses	\$0.72 / sq. ft.	\$0.73 / sq. ft.
Local Traffic Impact¹			
Category			
Single Family		\$4,109.58 / DU	\$4,191.77 / DU
Multi Family ²		\$2,054.28 / DU	\$2,095.37 / DU
Commercial/Retail/Service³		\$9.49 / sq. ft.	\$9.68 / sq. ft.
Bank		\$15.81 / sq. ft.	\$16.13 / sq. ft.
Sit Down (Quality) Restaurant		\$14.23 / sq. ft.	\$14.51 / sq. ft.
High Turnover or Deli		\$15.81 / sq. ft.	\$16.13 / sq. ft.
Fast food with or without drive-thru		\$47.42 / sq. ft.	\$48.37 / sq. ft.
Convenience Market		\$31.62 / sq. ft.	\$32.52 / sq. ft.
Convenience Market with Fueling		\$14,224.92 / fuel space	\$14,509.42 / fuel space
Car Wash		\$71,122.56 / each	\$72,545.01 / each
Office⁴		\$3.16 / sq. ft.	\$3.22 / sq. ft.
Medical / Dental Office		\$5.53 / sq. ft.	\$5.64 / sq. ft.
Hospital / Care Facility		\$3.95 / sq. ft.	\$4.03 / sq. ft.
Industrial⁵		\$2.37 / sq. ft.	\$2.42 / sq. ft.
Church		\$1.42 / sq. ft.	\$1.45 / sq. ft.

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

² Condo, townhome, mobile home, retirement, duplex

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

⁴ Includes education

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

3. The DIF amounts set forth by this Resolution shall supercede those set by prior Resolutions regarding Public Facility, Park Development, Drainage Facilities and Local Traffic Impact fees.

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

5. The DIF amounts adopted herein shall be effective on February 22, 2021.

CITY COUNCIL STAFF REPORT

Public Hearing Item No. 8

October 28, 2020

File No. 0680-50

SUBJECT: Amendment to Chapter 16 of the Escondido Municipal Code to Establish a Tobacco Retail License and Regulations Regarding Licensing and Adoption of Tobacco Retail License Fees (Planning Case No. PL20-0600)

DEPARTMENT: Community Development Department, Police Department, and City Attorney

RECOMMENDATION:

It is recommended that the City Council introduce Ordinance No. 2020-29 to establish a tobacco retail license and regulations regarding licensing; and adopt Resolution No. 2020-148 to amend the Business License fee schedule to include fee rates and charges to administer the tobacco retail license program. The request also includes the adoption of the environmental determination prepared for the project.

FISCAL ANALYSIS:

The cost associated with the preparation of the draft ordinance is included within the Community Development Department and City Attorney budgets. Costs associated with the implementation of the ordinance would include outreach, application processing, and enforcement. The draft City Council Resolution No. 2020-148 proposes an \$88.00 license fee to recover total costs expected to be expended for license administration. Compliance checks will be conducted through the Police Department's existing operational budget.

In 2018, the Escondido Police Department received a three-year Tobacco Law Enforcement Grant from the California Department of Justice in the amount of \$421,872.00. Approximately \$72,533.00 of this grant has been allocated for tobacco law enforcement. Enforcement operations includes compliance checks on tobacco laws regulating underage sales (i.e. the STAKE Act) and a requirement that retailers refrain from selling drug paraphernalia. Penalties for violations may include warnings, training requirements for employees, license suspension, and/or license revocation. If the draft ordinance is adopted, City staff will monitor the program and evaluate impacts on the Police Department budget and return to City Council with an update if additional resources are needed. Until then, it is anticipated that all enforcement activities would be included within the Police Department budgets and/or supplemented by Department of Justice funding.

PREVIOUS ACTION:

On June 20, 2018, the City Council initiated a planning process to address various nonresidential land uses that tend to negatively impact surrounding properties. This Zoning Code and Land Use Study, ("Study") examined various land use activities, including tobacco product sales. During the course of the Study, the City Council provided direction to the Planning Division to look into best practices to

regulate tobacco product sales, control youth access, and potentially develop a tobacco retailers license program. The Study and corresponding Zoning Code amendments were completed on August 21, 2019. Since then, the City has been reviewing and considering a variety of amendments to address smoke-free air laws and/or additionally regulate tobacco product sales and propose new laws to limit youth access to tobacco products. On March 4, 2020, the City Council introduced, and on March 25, 2020, adopted Ordinance No. 2020-06R to enhance indoor and outdoor air regulations by regulating where smoking is allowed in the City. The purpose of this report is to follow up on previous Council direction and introduce draft Ordinance No. 2020-29 to establish a tobacco retail license program and regulations regarding licensing. It is anticipated that a future agenda item will be scheduled with the City Council to review and consider smoking and second-hand smoke exposure in housing.

BACKGROUND:

According to the CDC, smoking leads to disease and disability and harms nearly every organ of the body. Smoking causes cancer, heart disease, stroke, lung disease, diabetes, and chronic obstructive pulmonary disease, which includes emphysema and chronic bronchitis. Smoking also increases risk for tuberculosis, certain eye diseases, and immune system problems, including rheumatoid arthritis. More than 16 million Americans are living with a disease caused by smoking. Smoking can also kill. Tobacco product use remains the leading cause of preventable death in the United States, killing more than 480,000 people each year. Furthermore, for every person who dies because of smoking, at least 30 people live with a serious smoking-related illness. For more information about the potential health effects related to tobacco use or secondhand smoke exposure, please refer to the March 4, 2020 City Council Agenda Packet.

State and federal law currently establish restrictions and regulations on tobacco and electronic cigarette retailing. These restrictions and regulations include, but are not limited to:

- Prohibiting the sale or furnishing of cigarettes (including electronic cigarettes), tobacco products, and smoking paraphernalia to anyone under the age of 21;
- Requiring that retailers post conspicuous notices stating that selling tobacco products to anyone under 21 years of age is illegal;
- Prohibiting the sale of tobacco products and paraphernalia through self-service displays with limited exceptions;
- Prohibiting the sale of “bidis” (filterless cigarettes wrapped in temburni or tendu leaf) except in adult-only establishments;
- Prohibiting the manufacture, distribution, or sale of cigarettes in packages of less than 20 and prohibiting the manufacture, distribution, or sale of “roll-your-own” tobacco in packages containing less than 0.60 ounces of tobacco; and
- Prohibiting the sale of flavored cigarettes (except for menthol).

Despite state and federal regulations, studies show that underage individuals are still able to gain access to tobacco and electronic cigarette products. A recent survey by Vista Community Clinic

showed that there are some businesses in Escondido that are selling tobacco products, including e-cigarettes, to minors in violation of state law (refer to Attachment 1). State and federal law generally provide local jurisdictions with authority to enact retail licensing ordinances and other regulations that are more restrictive than existing state and federal regulations. Attachment 2 highlights agencies that have adopted tobacco retail license ordinances (as of January 1, 2016), as well as basic information about the license fee and designated enforcement agencies. Attachment 2 lists one hundred and twenty-four (124) agencies, including some in the San Diego region (El Cajon, Solana Beach, and Vista); however, a more recent survey would reveal that the cities of Chula Vista, Lemon Grove, Oceanside, San Diego, and San Marcos have also adopted license programs. According to Change Lab Solutions, more than one hundred and fifty (150) cities and counties throughout California have adopted a tobacco retailer licensing ordinance in an effort to prevent underage tobacco use and/or additionally regulate tobacco sales (Attachment 3).

PROJECT ANALYSIS:

To reduce illegal sales of tobacco products to minors, many cities and counties in California have adopted local tobacco retailer licensing ordinances. This proposed ordinance provides changes to the City's codes to include tobacco product sales restrictions. The draft ordinance is based on model ordinances, numerous ordinances that have been adopted by other cities in the State, and tailored to complement public feedback. The purpose of the ordinance is to establish a licensing procedure for tobacco retailers, to allow the City to regulate the operation of lawful businesses, and discourage violations of tobacco-related laws. The ordinance will require tobacco retailers to obtain a tobacco retailer license through the Escondido Police Department by completing an application including the retailer's contact information, providing proof that the location for which the license is sought has been issued a valid state Tobacco Retailer's License by the California Department of Tax and Fee Administration, disclosing whether or not the proprietor or its agent has violations and locations of violations, and a statement by the proprietor that no drug paraphernalia is or will be sold at its business. The Police Department may deny the application if a basis for denial exists as set forth in the ordinance and also may suspend or revoke the license for violations as set forth in the ordinance. A revocation hearing is available for any license pending revocation. The license is non-transferrable. No license may issue for mobile vending.

Visibility of tobacco products at the point-of-sale or in retail settings where open display of tobacco is allowed, is one of the last remaining ways in which the tobacco product industry can legally promote their products. Research has indicated that tobacco point-of-sale display controls coincide with a decrease in buying in retail stores, and certainly helps protect minors from being the target of tobacco product promotion. A new subsection has been proposed to be added to limit the locations of tobacco product display and merchandise to limit minor awareness and access to tobacco products.

The draft ordinance would apply to all tobacco retailers within the City, which includes any person who sells electronic cigarettes, electronic cigarette products, electronic cigarette paraphernalia, tobacco

products, or tobacco paraphernalia. The ordinance would take effect 180 days after adoption (est. July 2021).

LICENSE FEE:

The ordinance provides that the tobacco retailer license fee will be established by resolution adopted by the City Council. The license fee will recover the total costs of license administration, including issuing the license, administering the license program, retailer education, and documentation of violations. All fees and any interest upon proceeds of fees shall be used exclusively to fund the aforementioned items, and shall be separately accounted for. The recovery fee does not include retailer inspection and compliance checks, or prosecution of violators. The back-up technical documentation and nexus analysis to support the adoption of the fee is provided in Attachment 4. As noted previously in this staff report, if the draft ordinance is adopted, City staff will monitor the program and evaluate impacts on the Police Department budget and return to City Council with an update if additional resources are needed. Fees are nonrefundable except as may be required by law. The resolution to approve the tobacco retail license fee is attached to this report for the City Council's review and consideration.

ENFORCEMENT:

The Municipal Code already sets forth the enforcement provisions for existing businesses (Article 6 of Chapter 16 of the Municipal Code). The proposed ordinance would be subject to these same enforcement provisions. Currently, on an annual basis the Vista Community Clinic works with the Police Department to conduct sting operations that allows a "youth decoy" to participate in compliance checks of tobacco product retailers in the City of Escondido. The program, called "Young Adult Tobacco Purchase Surveys," is a way to collect data to assess the ability of youth and young adults to purchase tobacco products at retail locations. Based on recent statistics provided by the Vista Community Clinic, 16 of 80 compliance checks in 2017 (20 percent) resulted in successful underage sales (Attachment 1). Under Business and Professions Code Section 22956, as amended January 1, 2020, varying degrees of civil penalties will be assessed upon any person or business selling tobacco products to a person under 21. Furthermore, pursuant to Business and Professions Code Section 22958(a)(1), there are additional license suspension periods for multiple offenders increasing in severity, with a fifth violation resulting revocation of the business's license. By adding "tobacco products" as an additionally regulated business to Section 16-131 of Article 3 of Chapter 16, the proposed ordinance would enable additional licensure screening by the Police Department and would allow more proactive business license suspension or revocation.

If adopted, City staff will continue outreach to the Escondido businesses and other related organizations to ensure compliance with the Municipal Code. Most importantly, the businesses will be informed in advance of the effective date of new ordinance, so that all businesses will understand their responsibilities in the coming months and take measures to conveniently prepare for its implementation.

(City staff purposely delayed the effectiveness of the tobacco license program until July 2021 to allow ample time for everyone to adjust to the new law.)

If the draft ordinance is adopted, the Planning Division would also prepare a brief synopsis of the ordinance explaining the new license program. Copies of the statement shall be displayed and made available to the public at all city owned buildings regularly visited by the general public. The statement shall also be posted on the city website and included at least once a year in city newsletters mailed or electronically submitted to residents and/or announcements made through social media outreach.

PUBLIC OUTREACH:

During the course of developing and finalizing the Zoning Code Land Use Study, City staff engaged the public on different occasions to advertise the process and/or to solicit input. City staff published two (2) print display advertisements in the Union Tribune and sent direct mailers to the businesses covered and involved in the study (approximately received by 500+ businesses, which included approximately 130+ businesses engaged in tobacco product retailing). These notices identified the land use activities covered by the study, which included tobacco product retailing, and created notice of potential input opportunities. City staff also hosted two (2) stakeholder meetings on January 15, 2019, and January 31, 2019, to hear directly from interested parties on the subject. City staff also facilitated an additional stakeholder meeting on May 16, 2019, with an expanded outreach effort to include local community groups and regional health advocates. Again, 130+ notices were sent to every tobacco product retailer in the City. Fourteen (14) stakeholders attended the May 16, 2019 meeting, most of which included representatives from community health support groups or advocates. Only one (1) tobacco store owner was present.

City staff understands the importance of engaging the community in the process and has conducted additional outreach activities to solicit public input. City staff held additional public meetings on tobacco product sales, possession, and use regulation options on December 17, 2019, and December 19, 2019. These meetings were advertised in similar manner as other aforementioned meetings, with print display advertisements in the Union Tribune. City Staff also notified existing City-permitted tobacco product retailers of public meetings to consider policies restricting sales, including the sale of flavored tobacco products. Meeting notices were also sent to school representatives and student families. Approximately 15 people attended each meeting (December 17, 2019, and December 19, 2019). Planning Division staff also attended the Coalition for Drug Free Youth meeting on January 14, 2020, with approximately 24 people attending and representing a balanced group of stakeholder interests.

In consideration of all outreach events and activities conducted and input received, in general all attendees spoke in favor of limiting youth access and stated support for retail licensing. All those that attended supported some form of additional tobacco product regulation, inclusive of delineations for electronic smoking devices and drug paraphernalia. All correspondences received during the course of developing this work program and draft ordinance was attached to the March 4, 2020 City Council Agenda Report. Additional information and research related to the subject matter is provided in

Attachment 3. The feedback received at these meetings, and with follow-up communications, along with the research provided in Attachment 3, formed the steering guidance necessary to move forward with developing a draft ordinance for the City Council's consideration. The proposed ordinance, which focuses on the retailing aspect of tobacco regulation has been determined by City staff to be in the best interest of the City as a result of comments received from the general public, youth representatives, health advocates, businesses, and tobacco product retailers; and given these considerations, City staff recommends City Council adoption of the draft ordinance as presented.

NEXT STEPS:

As is the case with most ordinances, this ordinance requires a first and second reading. If the Council adopts the first reading on October 28, 2020, City staff would bring back the ordinance for a second reading for adoption later in November as a consent item. The ultimate timing of the second reading depends on the scope of any changes requested by the Council. The Council could also choose to revise any of the details of this ordinance, or choose different dates for implementation. Typically, ordinances go into effect 30 days after adoption by City Council.

ENVIRONMENTAL STATUS:

The proposed Municipal Code Amendment is not a project pursuant to CEQA Guidelines Section 15378(b)(2), which provides that a project does not include general policy and procedure making. The adoption of this Municipal Code Amendment is also not a project pursuant to CEQA Guidelines Section 15378(b)(5), which provides that a project does not include organizational and administrative action of government that will not result in direct or indirect physical changes in the environment. In the alternative, the City has determined that if the adoption of the Municipal Code Amendment is a project, it is subject to exemption. The project would be categorically exempt from environmental review in conformance with CEQA Section 15061(b)(3). The activity is covered by the general rule ("common sense" rule) that exempts activities that can be seen with certainty to have no possibility for causing a significant effect on the environment. Approval would not individually or cumulatively result in the possibility of creating significant effects on the environment because the proposed amendment to the Municipal Code only updates and expands upon Citywide policy and does not create a "physical condition" that will impact the environment for the purposes of CEQA. Therefore, the proposed Municipal Code Amendment is not subject to CEQA and no further environmental review is necessary.

The adoption of Resolution No. 2020-148 to amend the fee schedule to include fees, rates, and charges for a tobacco retail license is exempt from the California Environmental Quality Act ("CEQA," Public Resources Code Sections 21000 *et seq.*), because it approves and sets forth a procedure for determining fees for the purpose of meeting the operating expenses of City departments, as set forth in Public Resources Code Section 21080(b)(8)(A).

Tobacco Retail License (PL 20-0600)
October 28, 2020
Page 7

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Mike Strong, Community Development Director
10/21/2020 3:50 p.m.

ATTACHMENTS:

1. Attachment 1 – Vista Community Clinic Survey
2. Attachment 2 –The Center for Tobacco Policy Matrix of Local Tobacco Retailer License Ordinances
3. Attachment 3 –Additional Information and Research
4. Attachment 4 – Technical Documentation and Nexus for Fee
5. Resolution No. 2020-148
6. Ordinance No. 2020-29
7. Ordinance No. 2020-29 – Exhibit “A” – Tobacco Product Retail Licensing



Vista Community Clinic

Local Tobacco Control Interventions: Tobacco Retail Licensing

Summary Report

**Young Adult Tobacco Purchase Surveys: 2015 - 2017
City of Escondido**

Report prepared by:
Corinne McDaniels, PhD, MPH
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619-964-0227

January 2018

Introduction

Vista Community Clinic (VCC) staff and young adult volunteers conducted annual Young Adult Tobacco Purchase Surveys (YATPS) as a means of assessing the ability of young people to purchase tobacco products at retail locations around the city of Escondido. Data were collected related to the purchase attempts as well as signage observed in the stores. Survey results can be used to examine trends over time and inform public policy in the city.

One month prior to the YATPS operations in 2015, 2016, and 2017, VCC staff assembled Retail Education Packets and distributed them to owners or managers at each retail location in Escondido where tobacco products were available for purchase (stores listed by the California Department of Tax and Fee Administration as possessing a state license to sell tobacco products). Packets included:

- Information about avoiding fines and penalties when selling tobacco
- Notifications about ongoing tobacco product stings
- Fact sheets about e-cigarettes with information about state and local legislation
- Tobacco control laws affecting retail businesses
- Driver License and Identification Card Verification Guide from the California Department of Motor Vehicles (“Is it Valid”)

The following items were added after the minimum age to purchase tobacco products was increased to 21 in June 2016:

- A new STAKE Act sticker
- Window cling
- Information from the California Tobacco Control Program’s Tobacco 21 page on Partners website.

Methods

From 2015 to 2017 Vista Community Clinic (VCC) staff and young adult volunteers conducted four Young Adult Tobacco Purchase Surveys (YATPS) at a sample of Escondido businesses that sold tobacco products (cigarettes, e-cigarettes, or both; 86 businesses within the city limits were included in at least one wave of the survey). Nearly all businesses (n=81 of the 86) were visited in all four waves of the survey (5 businesses were included in only two or three waves due to store closings or additions to the sample).

On the designated day of each YATPS, teams of young adults were led by at least one adult escort to complete the surveys within a three-hour window when possible. This “blitz” design was employed to prevent businesses from “tipping off” other businesses and to assure data quality. Table 1, below, includes the dates, times, and sample size of each of the four survey waves.

Table 1. Characteristics of the four survey waves

Survey wave	Date(s)	Time	Sample size
1	February 23, 2015	2:00 PM – 5:00 PM	83
2	April 6, 2016	10:00 AM – 1:00 PM	82
3	April 18, 2017	11:00 AM – 1:00 PM	85
4	December 1, 2017	11:00 AM – 2:00 PM	85
	December 14, 2017	1:30 PM – 3:30 PM	

VCC staff followed a protocol approved by the San Diego Tobacco Control Resource Program (TCRP) intended to ensure safety and to generate consistent results and reliable statistical data. Prior to the YATPS, a list of retailers was compiled and local law enforcement leadership was notified of the YATPS survey date and time. Young adults were recruited, screened against criteria, and selected. On the day of purchase survey, one to two young adults accompanied each adult volunteer. Adult volunteers were provided with a survey packet that included:

- A list of 8 to 12 stores per team with maps to assess.
- Enough cash to purchase one pack of cigarettes/electronic cigs at 50% of assigned stores.
- Survey forms, pens and a clipboard
- Copy of Dear Retailer/law enforcement letter
- Contact information for youth's or young adult's parents and VCC staff
- Blank survey forms for training

On the day of the YATPS, the young adults were instructed to wear their normal everyday clothing. No make-up, jewelry or revealing clothing was allowed for the girls as VCC staff didn't want the appearance of entrapment to affect the results. For attempted purchase procedures, volunteers were trained NOT to attempt a tobacco purchase if someone they know was shopping or working in the store when they entered; volunteers would leave the store and return to the car. If at any time volunteers had concerns about personal safety, they were advised to leave the store immediately and report to adult supervisor. As a final precaution, the adult supervisor would park the vehicle and be a reasonable distance away in case the store clerk confiscated identification or they were needed in any other way. Young adults would attempt to purchase one pack of cigarettes or an electronic cigarette.

For purposes of identification, the volunteers were instructed to show their actual (underage) ID if asked. If the salesclerk asked for date of birth, volunteers were instructed to say they were 18 or 21 (after the new law was effective in June, 2016). If the salesclerk agreed to the sale, volunteers were instructed to pay for the purchase and leave. Upon returning to the car, if the volunteers were able to buy tobacco products, they were instructed to give the product purchased, the receipt (if obtained) and any change to the adult supervisor. The adult volunteer filled out the data collection form immediately after each survey including data about:

- The purchase price of the cigarettes if they were sold
- If the volunteers were asked their age, or ID or if the tobacco was for the volunteer
- Any interesting comments or actions of salesclerks or customers.

Afterward, they and their team completed the Young Adult Purchase Survey Data Collection Form. The data collection form was adapted from a previous tool by VCC staff and the local evaluator, Corinne McDaniels Consulting (CMC). Date, time, minor DOB and sex, age, and business information were noted for each attempt. In addition to these descriptive variables, several items relating to the business and the attempted transaction were completed. These items are detailed in the results, below.

Surveys were unable to be completed in 17 instances (one in 2015, eight in 2016, three in April 2017, and five in December 2017). Incomplete surveys were due to: the business being closed or unable to be located, the business not selling tobacco products, or an unsafe situation. Results presented herein reflect only those surveys that were fully conducted.

It is important to note that in June 2016, between the second and third surveys, California increased the minimum age to purchase tobacco and smokeless tobacco products (which includes e-cigarettes) from 18 to 21. The third (Apr 2017) survey was conducted using volunteers under age 18 despite the newly enacted law in order to replicate the previous two surveys. A fourth survey was conducted eight months later with the same businesses using older volunteers (mean age 19 years). These two post-implementation surveys provide a unique opportunity to evaluate the impact of the policy on those under and over age 18 but still considered minors related to tobacco sales. The unique circumstances of the two 2017 surveys should be kept in mind when considering the results presented in this report.

Results

Survey Characteristics

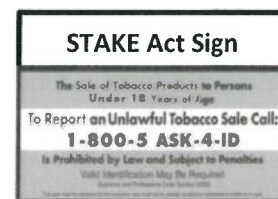
The mean age and sex distribution of the young adult purchasers and the types of businesses where purchases were attempted can be found for each survey in Table 2, below. Males accounted for a higher proportion of the purchase attempts in all four survey waves. The average age of volunteers making purchase attempts statistically differed by year of the survey (ANOVA $p < .001$); as noted previously, young adult volunteers were under age 18 in the first three surveys and over 18 in the last survey. On average, the female volunteers were older (mean = 17.3 years) compared with the males (mean = 16.7 years). This age gap was statistically different (independent samples t-test $p < .001$). In terms of where purchases were attempted, convenience stores (with gas) accounted for more than 1/3 of surveyed businesses. Corner markets, supermarkets, and liquor stores comprised most of the remaining businesses.

Table 2. Characteristics of purchase attempts and young adult volunteers by survey wave

Characteristics	Feb 2015 (n=82)	Apr 2016 (n=74)	Apr 2017 (n=82)	Dec 2017 (n=80)
Age, mean	16.2	16.7	15.9	19.0
Sex, %				
Female	29%	42%	38%	48%
Male	71%	58%	62%	52%
Store type, %				
Convenience (with gas)	35%	35%	34%	36%
Independent ("corner") market	16%	15%	17%	15%
Liquor store	17%	16%	18%	18%
Supermarket	15%	15%	15%	15%
Convenience (without gas)	7%	8%	7%	8%
Drug/pharmacy	6%	7%	6%	6%
Smoke/vape shop	2%	3%	1%	1%
Gas station (only)	1%	1%	1%	1%

Signage

VCC staff were interested in whether STAKE Act signs were posted near registers. While these signs were noted to be present at only 42% of businesses in 2015, the proportion rose in 2016 and both 2017 surveys to 74%, 71%, and 80% respectively. The differences across survey waves in the noted presence of STAKE Act signs was statistically significant (Pearson Chi-Square p -value < .001). STAKE ACT signs are required to be posted at registers per State law.



Successful Purchases

As shown in Table 3 and Figure 1, 11% of the purchase attempts in 2015 were successful (9 of 82). The sales rate increased to 15% (11 of 74) in 2016. There was then a dramatic decrease in successful attempts with only 1 of 82 (1%) in April 2017, after implementation of Tobacco21 and with volunteers under age 18. The sales rate surged to its highest point (20%) in the City of Escondido once older (though still under age) volunteers were used in December of 2017.

"Clerk just sold; didn't ask for ID or anything."

Table 3. Underage tobacco product sale rate by survey wave in Escondido

Feb 2015	Apr 2016	Apr 2017	Dec 2017
11%	15%	1%	20%

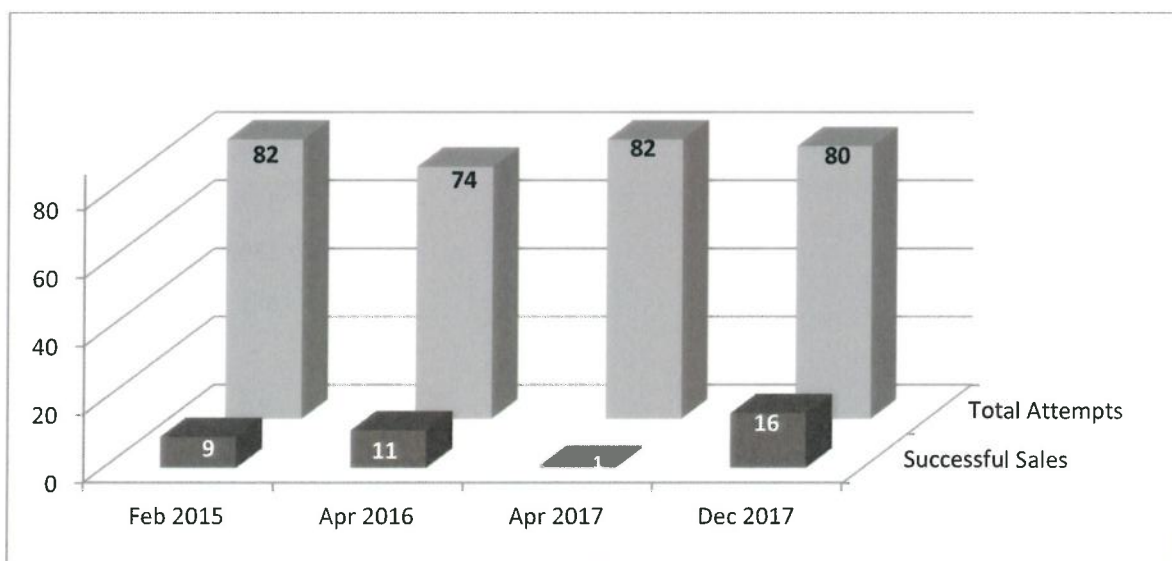


Figure 1. Total purchase attempts and successful sales across four waves of the City of Escondido Young Adult Tobacco Purchase Survey

Table 4 (next page) shows characteristics of the successful sales by survey wave and overall. Despite males conducting the bulk of the purchase attempts (Table 2), successful purchases were most often made by females, across all survey waves. While females accounted for only 39% of all attempted sales, they accounted for an astonishing 67% of all successful sales. Males comprised 61% of sale attempts, but only 33% of successful sales. This difference was statistically significant (Chi-square p =.001).

The clerk looked at the ID and said, "that's good enough for me"

Sales were made most commonly at convenience stores. A significant amount of sales were also made at liquor stores, independent markets, and supermarkets.

As may be expected, the group of 37 successful sales had a higher mean age of the young adult purchaser (17.7 years) than the group of unsuccessful attempts (n=281; 16.8 years; independent samples t-test $p<.001$). Clerks requested IDs in 62% of successful purchases.

*The clerk scanned the ID
and still made the sale*

Of the 23 sales where an ID was requested, the volunteer provided their real ID (sometimes a school ID) in 19 cases and were **still** sold the product. In nine of the 37 successful sales, the volunteers were asked to both show their ID AND tell the clerk their age.

Nearly two-thirds of all sales were made at businesses that had STAKE Act signs near the registers. Seven City of Escondido businesses made repeat sales to under age volunteers in more than one survey wave; one business made repeat sales during three of the four waves (data not shown).

Table 4. Characteristics of successful purchases by survey in the City of Escondido (n=37)

Characteristics	Feb 2015 (n=9)	Apr 2016 (n=11)	Apr 2017 (n=1)	Dec 2017 (n=16)	All (n=37)
Sex of volunteers					
Female	78%	55%	100%	63%	67%
Male	22%	46%	--	38%	33%
Business type					
Convenience (w/ gas)	33%	27%	--	44%	35%
Liquor store	22%	27%	--	31%	27%
Independent market	11%	9%	--	13%	11%
Supermarket	11%	18%	--	6%	11%
Convenience (w/o gas)	11%	18%	--	--	8%
Drug/pharmacy	--	--	100%	6%	5%
Smoke/vape shop	11%	--	--	--	3%
Gas station (only)	--	--	--	--	0%
Age of volunteers (mean)	16.4	17.0	16.0	19.0	17.6
ID requested by clerk	67%	46%	100%	69%	62%
Real (under age) ID provided	56%	36%	--	63%	51%
STAKE Act sign present	33%	70%	100%	67%	60%

Results shared with local law enforcement

The results of previous YATPS waves were shared with the Escondido Police Department (EPD). Unlike previous shared reports, the present report details only the results of stores within the City of Escondido.

*"She said no,
but to go next door to
[store name redacted]."*

The EPD collaborated with VCC to create a letter notifying retailers that sold tobacco products to underage volunteers. These letters were mailed approximately six weeks after each operation.

Summary

- **37 sales were made across all four waves of the YATPS within the City of Escondido out of 318 attempts, an overall sales rate of 12%**
- **The sales rates among those under 18 were significantly higher prior to the increase in the minimum age to purchase tobacco products**
 - In a 2017 survey (after implementation of Tobacco21) using volunteers under age 18, only one of 82 attempts resulted in a successful sale
 - A subsequent survey in 2017 using older (but still underage) young adults resulted in the highest sales rate of all four waves (**20%**)
- **Requesting IDs is not enough to stop young adults from purchasing tobacco products; IDs were requested in more than half of successful purchases**
 - Employees must be trained on the age of majority, not allowing exceptions for no ID, and reading and understanding state and military issued IDs
- **Young women were able to purchase tobacco products at a much higher rate than young men, despite males making up the majority of sale attempts**
 - Training mentioned above could address and remedy this disparity
- **Tobacco Retail Licensing policies have demonstrated strong efficacy.**
 - Underage sales of tobacco products dropped dramatically after adoption and implantation of TRL policies in San Diego County
 - The City of **Vista** rate decreased from **39% to 1%** after implementation
 - The City of **El Cajon** rate was reduced from **40% to 3%** after adoption
 - Tobacco Retail Licensing policies can also be used to address and regulate the sale of drug paraphernalia, as demonstrated in the City of San Marcos



March 1st, 2018

Walgreens #05455
111 W. Washington Ave.
ESCONDIDO, CA 92025

Dear Retail Manager / Owner,

We are writing to inform you that during the month of December, 2017 our survey team found that one of **your employees illegally sold an electronic smoking device or tobacco product to a young person under the age of 21 in violation of state law**. We urge you to take this opportunity to educate your employees as to the legal ramifications of the sales of tobacco to minors (persons under 21 years of age).

Due to recent State legislation, the age to buy tobacco products was raised from 18 to 21, this includes e-cigarettes. This new State law is effective starting June 9th, 2016,

In order to protect youth from a lifetime of addiction and tobacco-related disease we, with the support of the Escondido Police Department, check retail stores with a California Tobacco License to ensure compliance with existing state laws regarding minimum purchase age.

The purpose of the survey is to assess local retailers' compliance with the law prohibiting sales to kids under the age of 21. While our survey protocol was reviewed by the San Diego County Tobacco Control Resource Program and the Escondido Police Department, no penalties or enforcement will result. The survey simply revealed your illegal sale of a tobacco product or electronic smoking devices. This is an unfair business practice, and once again, a violation of state law.

We understand the relative importance of tobacco and electronic smoking device sales to your business, and a desire to avoid penalties for violating state laws. However, we are also confident that you share our goal of protecting youth from a lifetime of addiction and resulting health problems.

While there are several reasons why youth begin using these products, illegal sales by retailers is a contributing factor. Eliminating illegal sales to underage youth is your responsibility. The result of your store's assessment is being provided in order to demonstrate the need to increase training of your staff. **We urge you to take action to eliminate continued illegal sales.**

Enclosed is a detailed list of tobacco and electronic smoking-related retailer training resources available to you from the California Tobacco Control Program, the California Department of Tax and Fee Administration, and the U.S. Food and Drug Administration. **Please use these resources to train staff about carefully checking the identification of customers seeking these products to ensure they are the right age and to refuse the sale for customers without ID.** Again, **State law has raised the age to buy tobacco products from 18 to 21 and is effective June 9, 2016.** Such a policy will ensure compliance with existing laws, protecting Escondido's youth and your store's business reputation.

Both Vista Community Clinic and the Escondido Police Department will continue to work proactively with the community and tobacco retailers to assure compliance with this law. If you have questions, please contact Gena Knutson at (760) 631-5000 ext 7165. Thank you for your time and attention to this critical issue.

Sincerely

Gena Knutson

Chief Craig Carter

Program Manager Tobacco Control Program

Chief of Police, Escondido

P 760-631-5000 F 760-414-3701
1000 Vale Terrace, Vista, CA 92084
www.vistacommunityclinic.org





Matrix of Strong Local Tobacco Retailer Licensing Ordinances

JANUARY 1, 2016

In order to reduce illegal sales of tobacco products to minors, many cities and counties in California have adopted strong local tobacco retailer licensing ordinances. This document highlights the 124 ordinances that are considered strong, as well as the fee and enforcement provisions. A strong local tobacco licensing law is defined as one that includes the following four components:

- Requirements that all retailers that sell tobacco products must obtain a license and renew it annually.
- A fee set high enough to sufficiently fund an effective program including administration of the program and enforcement efforts. An enforcement plan, that includes compliance checks, should be clearly stated.
- Coordination of tobacco regulations so that a violation of any existing local, state or federal tobacco regulation violates the license.
- A financial deterrent through fines and penalties including the suspension and revocation of the license. Fines and penalties should be outlined in the ordinance.

Below is a list of the 124 local ordinances in California that have met the requirements for a strong local tobacco retailer licensing ordinance along with basic information about the community population, license fee and designated enforcement agencies. The jurisdictions are listed in alphabetical order under each county in order to make it easy to compare fee and enforcement details for similar jurisdictions.

For the table below, the agencies that enforce these ordinances have been categorized in the following way:

- Law Enforcement: Includes Police Departments and Sheriff Departments
- Health Department: Includes Environmental Health Services, Departments of Public Health, Health Services Department, and Health and Human Services Divisions.
- City Officials: Includes City Manager, City Attorney, and any authorized city official
- Other: Includes Community Development Services, Department of Finance, code enforcement agencies/services, Administrative Services, Neighborhood Preservation Division, neighborhood services inspectors, Business License Division, and District Attorneys

The Table and other documents on tobacco retailer licensing, including a fact sheet on the effectiveness of these ordinances, are available at www.Center4TobaccoPolicy.org/tobacco-policy/tobacco-retail-environment

Photo Credit: California Department of Public Health © 2013

CENTER4TOBACCPOLICY.ORG
LUNG.ORG/CALIFORNIA

The Center for Tobacco Policy & Organizing | American Lung Association in California
1531 I Street, Suite 201, Sacramento, CA 95814 | Phone: (916) 554.5864 | Fax: (916) 442.8585
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Community	Date Passed	Population	Fee	Designated Administration/Enforcement Agencies			
				Law Enforcement	Health Department	City Officials	Other
Alameda County							
Albany	February 2009	18,565	\$250	X			
Berkeley	December 2002	118,780	\$427*	X	X		
Hayward	July 2014	152,889	\$400				X
Oakland	April 2008	410,603	\$50**	X			
Union City	November 2010	72,744	\$665	X			
Butte County							
Oroville	March 2013	16,197	\$30			X	
Contra Costa County							
Concord	September 2006	126,069	\$160	X			
Contra Costa County	January 2003	168,323	\$287*		X		
El Cerrito	October 2015	23,549	\$485 (initial) \$439 (renew)	X			X
Richmond	June 2009	107,346	\$1,062.44**	X			
San Pablo	April 2004	29,730	\$170				X
Fresno County							
Firebaugh	August 2009	7,779	\$190	X			
Parlier	April 2012	15,095	\$200	X			
Imperial County							
Calexico	February 2004	38,572		X		X	
Kern County							
California City	February 2007	13,165	\$165		X		
Delano	June 2008	52,222	\$165	X			
Kern County	November 2006	309,050	\$165		X		
McFarland	May 2007	14,037	\$165		X		
Tehachapi	February 2007	13,028	\$165		X		
Wasco	March 2007	26,130	\$165		X		

Community	Date Passed	Population	Fee	Designated Administration/Enforcement Agencies			
				Law Enforcement	Health Department	City Officials	Other
Los Angeles County							
Baldwin Park	October 2008	77,047	\$342	X			X
Beverly Hills	August 2010	34,833	\$204	X			
Burbank	February 2007	106,084	\$300**	X			
Calabasas	June 2009	24,212	No Fee Planned*				X
Carson	November 2006	93,148	\$500	X			X
Cerritos	January 2008	49,968	\$50*	X			
Compton	July 2007	98,506	\$500	X			X
Culver City	July 2009	39,773	\$235	X			X
Duarte	May 2013	21,839	\$100	X			
El Monte	November 2011	115,774	\$300/Annual	X			X
El Segundo	June 2010	17,000	\$250	X			
Gardena	July 2008	60,414	\$120 **	X			X
Glendale	September 2007	199,182	\$255	X			
Hawaiian Gardens	July 2011	14,545	\$246				X
Hawthorne	July 2009	87,657	\$375	X			X
Huntington Park	November 2011	59,312					
Inglewood	October 2007	112,333	\$350	X			X
La Canada Flintridge	June 2009	20,592	\$50*	X		X	
Lancaster	June 2006	160,784	\$261	X			
Lawndale	October 2009	33,403	\$150				X
Lomita	May 2007	20,733	\$150	X			X
Long Beach	February 2008	472,779	\$442	X	X	X	
Los Angeles (City)	September 2005	3,957,022	\$300		X	X	X
Los Angeles County	December 2007	1,051,872	\$235	X	X		
Lynwood	October 2012	71,381	TBD			X	

Community	Date Passed	Population	Fee	Designated Administration/Enforcement Agencies			
				Law Enforcement	Health Department	City Officials	Other
Malibu	November 2011	12,935	No Fee Planned *				X
Montebello	September 2009	64,104	\$300	X			
Monterey Park	April 2010	62,063	\$40*	X			
Palmdale	January 2010	157,009	\$350			X	
Pasadena	February 2004	141,510	\$225	X	X		
San Fernando	October 2008	24,558	\$250				X
San Gabriel	March 2010	40,517	\$300	X			
Santa Monica	November 2008	93,283	\$135.45			X	
Sierra Madre	November 2006	11,133	\$30	X			
South Pasadena	February 2009	26,174	\$150				X
Temple City	December 2012	36,275	\$75 (Initial fee-\$320)	X			
Marin County							
Marin County	May 2012	68,488	\$25		X		
Mill Valley	September 2012	14,439	\$25	X			
San Rafael	August 1991	59,214	\$10 (Initial fee - \$48)				X
Mendocino County							
Fort Bragg	December 2012	7,343	\$183			X	
Mendocino County	April 2010	60,095	\$290		X		
Ukiah	December 2012	16,075	\$35.45 Annual	X		X	
Willits	October 2003	4,902	\$75		X		
Monterey County							
Carmel-By-The-Sea	June 2013	425,413	\$286	X	X		
Monterey	November 2014	28,163	\$286	X	X		
Monterey County	May 2012	103,645	\$286	X	X		
Salinas	January 2015	154,720	\$286	X	X		

Community	Date Passed	Population	Fee	Designated Administration/Enforcement Agencies			
				Law Enforcement	Health Department	City Officials	Other
Nevada County							
Grass Valley	November 2009	12,925	\$100	X			
Nevada City	November 2006	3,194	\$100	X			
Orange County							
Santa Ana	October 2006	335,264	\$635	X	X		
Riverside County							
Banning	August 2006	30,491	\$350		X		
Beaumont	December 2006	42,481	\$350		X		
Calimesa	June 2007	8,353	\$350		X		
Canyon Lake	June 2009	10,901	\$350				X
Coachella	July 2007	43,917	\$350		X		
Corona	October 2005	160,287	\$350		X		
Desert Hot Springs	August 2007	28,134	\$350		X		
Eastvale	October 2010	60,633	\$350		X		
Hemet	March 2008	82,253	\$350		X		
Jurupa Valley	September 2011	98,885	\$350		X		
Lake Elsinore	August 2007	58,426	\$350		X		
Menifee	December 2009	85,385	\$350		X		
Moreno Valley	September 2007	200,670	\$350		X		
Murrieta	May 2006	107,279	\$350		X		
Norco	March 2006	25,891	\$350		X		
Perris	August 2008	72,908	\$350		X		
Riverside (City)	May 2006	317,307	\$350		X		
Riverside County	January 2010	368,823	\$350		X		
San Jacinto	June 2006	45,895	\$350		X		

Community	Date Passed	Population	Fee	Designated Administration/Enforcement Agencies			
				Law Enforcement	Health Department	City Officials	Other
Temecula	June 2006	108,920	No Fee Planned*	X			
Wildomar	July 2008	34,148	\$350		X		
Sacramento County							
Elk Grove	September 2004	162,899	\$270	X			
Rancho Cordova	February 2005	69,112	\$287	X			
Sacramento (City)	March 2004	480,105	\$300	X			X
Sacramento County	May 2004	573,313	\$324	X	X		
San Benito County							
Hollister	May 2006	37,305	\$269	X			X
San Diego County							
El Cajon	June 2004	101,444	\$675				X
Solana Beach	July 2009	13,104	\$110 **				X
Vista	May 2005	96,413	\$250	X			
San Francisco County							
San Francisco	November 2003	845,602	\$175 **	X	X		
San Luis Obispo County							
Arroyo Grande	February 2005	17,428	\$208	X			
Grover Beach	September 2005	13,144	\$224	X			
San Luis Obispo (City)	August 2003	45,802	\$278	X			
San Luis Obispo County	October 2008	120,233	\$342	X			
San Mateo County							
Pacifica	February 2008	38,551	\$300	X			X

Community	Date Passed	Population	Fee	Designated Administration/Enforcement Agencies			
				Law Enforcement	Health Department	City Officials	Other
Santa Barbara County							
Carpinteria	April 2013	13,547	\$379	X	X		
Goleta	May 2014	30,765	\$534	X	X		
Santa Barbara County	November 2010	139,052	\$409*	X	X		
Santa Clara County							
Campbell	December 2012	41,857	\$51	X			
Gilroy	November 2014	53,000	\$100	X			
Morgan Hill	April 2014	41,779	\$125				
Santa Clara County	November 2010	87,182	\$425	X	X		
Saratoga	June 2015	30,799	\$50*	X		X	
Santa Cruz County							
Santa Cruz (City)	October 2012	63,789	\$425	X			
Santa Cruz County	April 2011	133,790	\$318	X	X		
Scotts Valley	December 2015	11,715	\$150	X			
Watsonville	October 2012	52,087	\$255-\$382				X
Sonoma County							
Healdsburg	November 2014	11,687	\$445	X			
Sonoma	June 2015	10,933	\$246	X			
Stanislaus County							
Riverbank	July 2010	23,504	\$25-\$200	X		X	
Ventura County							
Oxnard	February 2012	206,148	\$51*				X
Yolo County							
Davis	August 2007	66,757	\$344		X		X
Woodland	June 2015	57,525	\$360				X
Yolo County	May 2006	26,885	\$344		X		X

*City or County fee does not fully cover administration and enforcement of the tobacco retailer license. Rather, the fee is supplemented with another stable source of funds, such as Master Settlement Agreement (MSA) funds or general funds. See the Center's Matrix of Strong Local Tobacco Retailer Licensing Ordinances for full details about the administration and enforcement of these ordinances.

** Fees may have additional restrictions, charges or may be combined with another fee. Sources: Population figures are from California Department of Finance, E-1 Population Estimates for Cities, Counties and the State with Annual Percent Change — Jan. 1, 2014 and 2015

ATTACHMENT 3



The War in the Store (<https://countertobacco.org/the-war-in-the-store/>)

Policy Solutions (<https://countertobacco.org/policy/>)

Resources & Tools (<https://countertobacco.org/resources-tools/>)

News (<https://countertobacco.org/news/>) Media Gallery (<https://countertobacco.org/media-gallery/>)

About Us (<https://countertobacco.org/about-us/>)

LICENSING, ZONING, AND RETAILER DENSITY

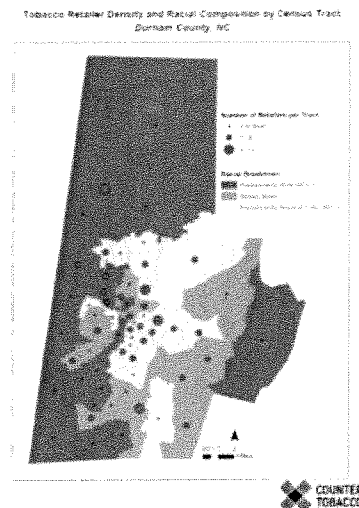
Licensing and zoning are two of the most lasting strategies to impact the density of tobacco retailers, the types of retailers that can sell tobacco, and the location of tobacco retailers.

In general, licensing laws require that businesses obtain a license to operate a certain type of business, whereas zoning regulates how land can be used. Read more on the differences between licensing and zoning (http://changelabsolutions.org/sites/default/files/Licensing%20Zoning_FINAL_20120703.pdf). Both strategies can be used to restrict the density, type, and location of tobacco retailers. This matters because retail availability of tobacco:

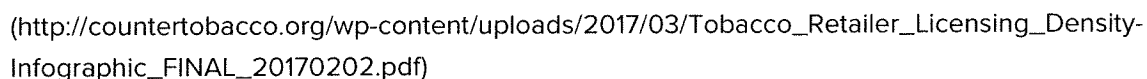
- **Perpetuates social norms about tobacco use.** The ubiquitous presence of tobacco retailers gives the impression that tobacco is available and accessible.

ATTACHMENT 3

- Increases exposure to industry point of sale advertising, marketing and promotions**
 (<http://countertobacco.org/policy/restricting-tobacco-advertising-and-promotions/>). The tobacco industry channels most of its marketing dollars into the retail environment (Read More (<http://countertobacco.org/the-war-in-the-store/>)).
- Reduces search costs for tobacco products.** Proximity to tobacco retailers is associated with higher smoking rates^[1] (<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1757087/>) and can reduce the success of quit attempts for people looking to curb their tobacco use.^[2]
 (<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3020198/>)³
 (<https://www.ncbi.nlm.nih.gov/pubmed/28432213>)
- Contributes to social and environmental inequities.** Tobacco retail outlet density is higher in low income and minority neighborhoods, fueling disparities in tobacco use and its associated health effects.^[4] (<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1470554/>), 5 (<http://www.ncbi.nlm.nih.gov/pubmed/20541232>), 6 (<http://jech.bmj.com/content/early/2017/03/01/jech-2016-208475>) Read Tobacco Retail Licensing Policy: A Health Equity Impact Assessment (<http://www.pewtrusts.org/-/media/assets/external-sites/health-impact-project/upstream-2015-tobacco-licensing-report.pdf>) for more on how licensing can help improve health equity in communities.
- Contributes to higher smoking rates.** Tobacco retail outlet density is associated with high rates of youth^[4] (<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1470554/>), 5 (<http://www.ncbi.nlm.nih.gov/pubmed/20541232>), 8 (<http://www.ncbi.nlm.nih.gov/pubmed/17291176>), 9 (<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2759807/>) and adult tobacco use,^[1] (<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1757087/>), 10 (<https://linkinghub.elsevier.com/retrieve/pii/S2211335519301767>) as well as higher rates of tobacco use initiation among youth and young adults.^[11] (<http://www.ncbi.nlm.nih.gov/pubmed/25666816>), 12 (https://cpb-us-w2.wpmucdn.com/sites.wustl.edu/dist/e/1037/files/2011/11/AbdelMagidetal_TobaccoRetailDensityandInitiation.pdf) Recent evidence also shows that higher tobacco retailer density is associated with higher rates of smoking among pregnant women.^[17] (<https://jamanetwork.com/journals/jamapediatrics/article-abstract/2721000>) Additional evidence suggests that adolescents that live in neighborhoods with a greater density of tobacco retailers are significantly more likely to intimate use of alternative tobacco products such as cigars, hookah, and smokeless tobacco.^[18] ([https://www.jahonline.org/article/S1054-139X\(19\)30447-1/pdf](https://www.jahonline.org/article/S1054-139X(19)30447-1/pdf))
- Increases perceived availability and accessibility of tobacco products,** especially among youth.^[2] (<http://www.ncbi.nlm.nih.gov/pubmed/16702196>) Research has found that stores where youth are more likely to shop contain up to twice as much shelf space dedicated to the three brands most popular among youth.^[3] (<http://www.ncbi.nlm.nih.gov/pubmed/15333890>)
- Increases brand recognition,** especially among youth,^[2] (<http://www.ncbi.nlm.nih.gov/pubmed/16702196>) which increases odds of smoking.^[4] (<http://www.ncbi.nlm.nih.gov/pubmed/23449398>)
- Encourages impulse purchases of tobacco products, cues cravings, and undermines quit attempts.**^[5] (<http://www.ncbi.nlm.nih.gov/pubmed/18042190>)⁶ (<http://www.ncbi.nlm.nih.gov/pubmed/19264731>)⁷ (<http://tobaccocontrol.bmj.com/content/early/2015/05/29/tobaccocontrol-2015-052253.full>)



See the infographic (http://countertobacco.org/wp-content/uploads/2017/03/Tobacco_Retailer_Licensing_Density-Infographic_FINAL_20170202.pdf) below on how to restrict tobacco retailer density and why (click to enlarge), then check out the companion factsheet from ChangeLab Solutions, “Tobacco Retailer Density: Place-Based Strategies to Advance Health and Equity. (http://changelabsolutions.org/sites/default/files/CLS-BG214-Tobacco_Retail_Density-Factsheet_FINAL_20190131.pdf)” Learn more about licensing and zoning strategies below.

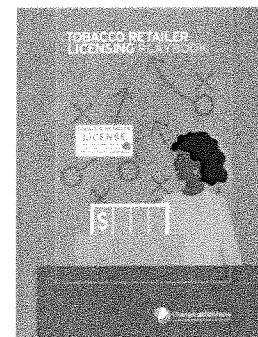


Certain types of businesses are required to purchase government-issued retail licenses that grant license-holding businesses permission to sell certain products under certain conditions. Generally, tobacco retail licensing (TRL) requires that the city or county issue businesses, new and existing, a license before they are allowed to sell tobacco products. As of 2019, 38 states (<https://chronicdata.cdc.gov/Legislation/Map-of-States-with-Laws-Requiring-Licenses-for-Over-the-Counter-Tobacco-Sales>) require a license for over-the-counter tobacco sales.

Resource:

ATTACHMENT 3

To find strategies for developing, implementing, and enforcing a comprehensive TRL policy, as well as local-level examples, review ChangeLab Solution's Tobacco Retailer Licensing Playbook (<http://www.changelabsolutions.org/tobacco-retailer-licensing>).



The evidence for implementing or strengthening TRL policies

Tobacco retail licensing is an evidence-based way to reduce tobacco use, and it can be used an effective way to substantially reduce the density, type, and location of tobacco retailers.^[7]

(<http://www.ncbi.nlm.nih.gov/pubmed/25689540>) In doing so, TRL policies can help reduce disparities in how tobacco products are marketed and sold across different communities (Read more (<http://countertobacco.org/resources-tools/evidence-summaries/disparities-in-point-of-sale-advertising-and-retailer-density/>)). It is a versatile regulatory platform that can be used to:

- **Maintain a list of tobacco and e-cigarette retailers.** Licensing enables the governing body to maintain a current and comprehensive list of businesses that sell tobacco. Organizations can use this data to map tobacco retailers and monitor the number, location, and density of retailers in their community. As of December 2018, 22 states (<https://www.publichealthlawcenter.org/sites/default/files/States-with-Laws-Requiring-Licenses-for-Retail-Sales-of-ECigarettes-Dec2018.pdf>) plus the District of Columbia require a license to sell e-cigarettes or e-liquid over the counter.
- **Fund compliance monitoring programs.** Most TRLs include a yearly fee, which generates revenue to help the city or county cover the costs of inspection and enforcement of minimum age laws, tax laws, and compliance with the Family Smoking Prevention and Tobacco Control Act (<https://www.fda.gov/tobacco-products/rules-regulations-and-guidance/family-smoking-prevention-and-tobacco-control-act-overview>). Most TRLs include stipulations that require adherence to all tobacco laws. Raising the cost of an existing license fee can help ensure that monitoring and enforcement costs are sufficiently covered.
- **Reduce the density or clustering of retailers** by restricting how close to each other tobacco retailers can be located. Tobacco retail outlet density is associated with high rates of youth ^[4] (<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1470554/>), ⁵ (<http://www.ncbi.nlm.nih.gov/pubmed/20541232>), ⁸ (<http://www.ncbi.nlm.nih.gov/pubmed/17291176>), ⁹ (<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2759807/>) and adult tobacco use,^[1] (<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1757087/>), ¹⁰ (<https://linkinghub.elsevier.com/retrieve/pii/S2211335519301767>) as well as higher rates of tobacco use initiation among youth and young adults. ^[11] (<http://www.ncbi.nlm.nih.gov/pubmed/25666816>), ¹² (https://cpb-us-w2.wprnucdn.com/sites.wustl.edu/dist/e/1037/files/2011/11/AbdelMagidetal_TobaccoRetailDensityandInitiation.pdf)
 - Canadian Case Study: Reducing the Availability of Tobacco Products at Retail: Policy Analysis (https://www.nsra-adnf.ca/cms/file/files/Reducing_Retail_Availabilty_policy_analysis_final_2011.pdf)
- **Reduce the total number of retailers** by setting moratoriums on the number of new licenses or capping the number of licenses (e.g., based on population or geographic area)

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- **When used together, capping the total number of licenses and setting a minimum distance that new tobacco retailers must be from existing retailers** can help reduce the disproportionate density of outlets in disadvantaged neighborhoods.
 - Case Study: Reducing Tobacco Retailer Density in San Francisco (<http://sanfranciscotobaccofreeproject.org/case-studies/reducing-tobacco-retailer-density-in-san-francisco/>)
 - Case Study: Reducing Retailer Density in Philadelphia (<https://countertobacco.org/resources-tools/stories-from-the-field/reducing-retailer-density-in-philadelphia/>)
- Another benefit of tobacco retailer licensing programs is the ability to **allow license suspension and revocation**. Strong TRL policies allow for the suspension and/or revocation of a store's license for violating tobacco laws (including youth access laws). This can reduce the total number of retailers and reduce density. It also increases the likelihood that retailers will adhere to regulations, with a greater consequence than a fine, which some retailers may view as the cost of doing business.
- **Restrict businesses located near schools or youth-oriented facilities from selling tobacco.** For example, communities have used licensing policies to restrict tobacco retailers within 1000 feet of schools. Studies show that high school smoking prevalence is associated with tobacco retail density near schools ^[13 (<http://tobaccocontrol.bmj.com/content/25/e2/e71>)] and stores near schools have greater exterior tobacco advertising. ^[14 (<http://www.ncbi.nlm.nih.gov/pubmed/8550368>)] Research in Missouri and New York has shown that prohibiting tobacco retailers near schools would nearly eliminate income- and race-based disparities in retailer density between neighborhoods. ^[15 (<https://academic.oup.com/ntr/article-abstract/19/2/239/2631665/Reducing-Disparities-in-Tobacco-Retailer-Density>)] Read more about tobacco retailers near schools (<http://countertobacco.org/stores-near-schools>).
- **Prohibit distribution of licenses in residential zones** to help limit tobacco retailers in areas frequented by youth. Research shows that when there are more retailers in adolescents' home neighborhoods, they are more likely to initiate tobacco use. ^{[12 (https://cpb-us-w2.wpmucdn.com/sites.wustl.edu/dist/e/1037/files/2011/11/AbdelMagidetal_TobaccoRetailDensityandInitiation.pdf)]}
- **Restrict the types of businesses that can sell tobacco.** Many communities have restricted the types of businesses, such as pharmacies (<http://www.countertobacco.org/tobacco-free-pharmacies>), that can obtain TRLs.
- **Address a variety of additional tobacco control strategies.** By including **plug-ins** (https://countertobacco.org/wp-content/uploads/2018/11/TRL_CombinedPlug-Ins_FINAL_20180814-1.docx) for more comprehensive tobacco control, tobacco retail licensing ordinances can include language to address strategies such as:
 - Minimum pack size and minimum price for cigars
 - Tobacco product sampling restrictions
 - Drug paraphernalia restrictions
 - Restricting the sale of flavored tobacco products
 - Banning the redemption of tobacco discounts, coupons, and promotions
 - Regulating the sale of e-cigarettes
 - Raising the minimum legal sales age to 21
 - ...and more

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- **Reduce sales to youth.** Evidence also shows that strong tobacco retailer licensing laws can help reduce sales to underage youth. Across 33 California communities, sales to underage youth dropped by an average of 26% (<https://center4tobaccopolicy.org/wp-content/uploads/2016/10/Tobacco-Retailer-Licensing-is-Effective-September-2013.pdf>) after implementation of a strong tobacco retailer licensing law. In Minnesota, a study found that daily smoking among young adolescents dropped by 28% in 14 communities that implemented comprehensive tobacco retailer licensing ordinances, and successful youth purchases dropped from 39% to 5%. [16 (<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1508321/>)]
- **Prevent youth tobacco use initiation.** Strong local tobacco retailer licensing laws can also help prevent youth tobacco use initiation for both cigarettes and e-cigarettes. In California localities that had a strong tobacco retailer license, youth were 33% less likely to have initiated cigarette use and 26% less likely to initiate e-cigarette use over the course of 1.5 years compared to localities that had no licensing law or did not have a licensing fee high enough to cover the costs of enforcement.[17] (<http://pediatrics.aappublications.org/content/early/2019/01/03/peds.2017-3536>) Another study found that in Pennsylvania, youth e-cigarette use dropped significantly following the implementation of licensing for e-cigarette retailers.[19] (<https://www.ncbi.nlm.nih.gov/pubmed/31521511>)

Story from the Field: San Francisco's Tobacco Sales Reduction Act

A retailer licensing policy can help a community monitor and manage the number of tobacco retailers and is a typical policy lever pulled by towns or cities to manage the number of alcohol retailers. In December 2014, San Francisco passed a landmark tobacco retailer licensing law called the Tobacco Sales Reduction Act (<http://countertobacco.org/san-francisco-passes-landmark-tobacco-sales-reduction-act/>), which sets a cap on the number of tobacco sales permits allowed in each of the city's 11 districts, aiming to reduce disparities in retailers density in lower income and minority communities.

For more details on the city's strategy and lessons learned, review Reducing Tobacco Retail Density in San Francisco: A Case Study (<http://sanfranciscotobaccofreeproject.org/case-studies/reducing-tobacco-retail-density-in-san-francisco/>). Watch this video (<https://www.youtube.com/watch?v=wFg26CsdXyU>) from the youth of San Francisco's Tobacco Use Reduction Force (<http://sanfranciscotobaccofreeproject.org/wp-content/uploads/2013-Tobacco-Use-Reduction-Force-YLI-Density.pdf>) (TURF) to learn more about the law and why it is so important.

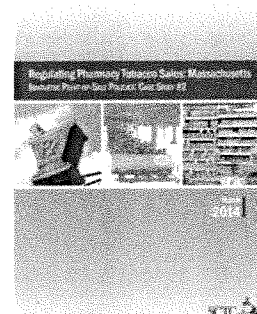
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Tobacco Use Reduction Force PSA

**(<http://countertobacco.org/policy/licensing-and-zoning/>)Story from the Field: Tobacco Free Pharmacies**

In 2008, San Francisco became the first city in the U.S. to ban tobacco sales in pharmacies. In February 2014, CVS announced its decision to stop selling tobacco products (<https://cvshealth.com/thought-leadership/cvs-health-perspective/we-are-tobacco-free>), becoming the first retail pharmacy chain in the U.S. to take such action. In Massachusetts over 80 cities and towns have enacted similar bans as of February 2014. Learn more about Massachusetts' success in 'Regulating Pharmacy Tobacco Sales: Massachusetts.

(http://cphss.wustl.edu/Products/Documents/POS_MA_CaseStudy_Final_electronic.pdf)' the second case study in the Innovative Point-of-Sale Policies series from the Center for Public Health Systems Science at Washington University in St. Louis. Learn more about Tobacco Free Pharmacies (<http://countertobacco.org/policy/tobacco-free-pharmacies/>).

**Story from the Field: Licensing E-Cigarette Retailers and Vape Shops**

In April 2016, the **Washington state** legislature adopted rules

(<http://publichealthlawcenter.org/resources/e-cigarette-regulations-washington>) to create a statewide licensing system for businesses that sell and distribute "vapor products," including liquid nicotine. The state estimates (<http://lcb.wa.gov/records/frequently-requested-lists>) that approximately 6,000 retailers will be affected by the new licensing rules, along with roughly 150 "vapor products" distributors.

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The rules, which are expected to take effect in fall 2016, require retailers to obtain a separate license to sell "vapor products" online. In addition, many local communities have adopted their own licensing and permit requirements for e-cigarette retailers and vape shops. For example, **San Marcos, California**, recently passed an ordinance (<http://www.san-marcos.net/home/showdocument?id=11868>) requiring any shop that sells tobacco products, including e-cigarettes and related devices, to purchase a city-issued "tobacco retail license." The city partnered with the San Marcos Prevention Coalition (<http://sanmarcospreventioncoalition.org/>) and the Vista Community Clinic (<http://www.vistacommunityclinic.org/>), which conducted surveys of local e-cigarette retailers and vape shops and determined that a number of businesses were selling these products to minors in violation of state law. San Marcos plans to use the tobacco license fees (roughly \$190 per establishment) to ensure that businesses are complying with tobacco control regulations, including restrictions on selling to underage users. **Read more.** (<http://countertobacco.org/resources-tools/stories-from-the-field/licensing-e-cigarette-retailers-and-vape-shops/>)

What is Zoning?

Most local governments use zoning for land use planning. By dividing areas into zones, local jurisdictions can control the types of businesses allowed to operate in certain zones. Zones might be designated as residential, commercial, industrial, agricultural, or mixed-use. Zoning laws can enable local regulators to keep similar land uses together, and keep incompatible land uses separated. For example, a residential zone might prohibit tobacco, alcohol, and firearm retailers.

When writing ordinances, you and your team of legal experts can tailor provisions of zoning and land use laws by adding Conditional Use Permits (CUPs), which allow certain land uses (e.g., tobacco retailing) only upon agreement of special provisions. For example, you could specify that tobacco can only be sold in certain zones if retailers agree to more stringent conditions or regulations, such as not selling flavored other tobacco products (OTPs). CUPs also give local governments the ability to make decisions about whether businesses can be allowed to operate on a case-by-case basis.

Why enact zoning regulations?

Like tobacco retailer licensing, zoning is an effective way to reduce the density, type and location of tobacco retailers. Zoning and conditional use permits can be used to:

- **Prevent tobacco retailers from operating in certain zones** (e.g., residential zones) or limiting them to certain zones (e.g., industrial zones). For example, in January 2017, Buffalo, NY (<http://tobaccofreewny.com/passing-greencode-tobacco-control/>) overhauled their city's zoning code and restricted new retailers from selling tobacco, hookah, alcohol, and vaping products in residential zones.
- **Limit the number or density of tobacco retailers in certain zones.** For example, "cap and winnow" strategies reduce the number of tobacco retailers over time through attrition

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- Independence, MO has included provisions in their Unified Development Ordinance (<http://www.ci.independence.mo.us/article/5120>) (UDO) that limits the number of tobacco stores and convenience stores without fuel sales to one per 15,000 residents, which over time will halve the number in existence at the time of the ordinance's enactment. The UDO also prohibits any new tobacco stores from locating within 500 ft of a residential district, school, church, or public park.
- Canadian Case Study: Reducing the Availability of Tobacco Products at Retail: Policy Analysis (https://www.nsra-adnf.ca/cms/file/files/Reducing_Retail_Availabilty_policy_analysis_final_2011.pdf)
- **Restrict tobacco retailers from operating in certain areas** (e.g., near youth-oriented facilities) through conditional use permits.

Best Practices for Getting Started

- ✓ Decide whether licensing or zoning strategies are best for your community (http://changelabsolutions.org/sites/default/files/Licensing%26Zoning_FINAL_20120703.pdf). The first step is deciding whether to pursue licensing or zoning, so it's important to determine policy goals and examine existing regulations. Review the Center for Tobacco Policy & Organizing's Matrix of Local Ordinances Restricting Tobacco Retailers Within a Certain Distance of Schools (<https://center4tobaccopolicy.org/wp-content/uploads/2016/10/Matrix-of-Ordinances-Restricting-Retailers-Near-Schools-Sept-2016.pdf>) to see how different localities have used different licensing and zoning schemes to restrict the location of tobacco retail outlets, and ChangeLab Solutions' Licensing and Zoning: Tools for Public Health (<http://www.publichealthlawcenter.org/sites/default/files/resources/tclc-guide-licensingandzoning-2011.pdf>) to learn more about the difference between licensing and zoning. For example, only licensing can be used as a mechanism for continued enforcement of tobacco control policies, while zoning policies might be used as part of a comprehensive effort to make neighborhoods healthier (<http://barhii.org/resources/healthy-planning-guide/>).
- ✓ Be sure to consult legal experts. The content on this site and associated resources are **no substitute for actual legal advice**.
- ✓ Find out if your state has tobacco retail licensing (<https://www.cdc.gov/statesystem/legislation.html>) so you know whether you will be implementing a new policy or strengthening an existing one
- ✓ Research existing land use regulations in your community and find out whether your community allows zoning ordinances.
- ✓ Conduct an environmental assessment to define the problem
- ✓ Collect local data in your community. Collecting data on tobacco retailer location and creating maps to illustrate the problem of tobacco retail outlet density can be a powerful tool for engaging stakeholders. You can use Counter Tobacco's Tobacco Retailer Nation Youth Engagement Activity (<http://countertobacco.org/youth-engagement-activity-center#Tobacco%20Retailer%20Nation>) to get started

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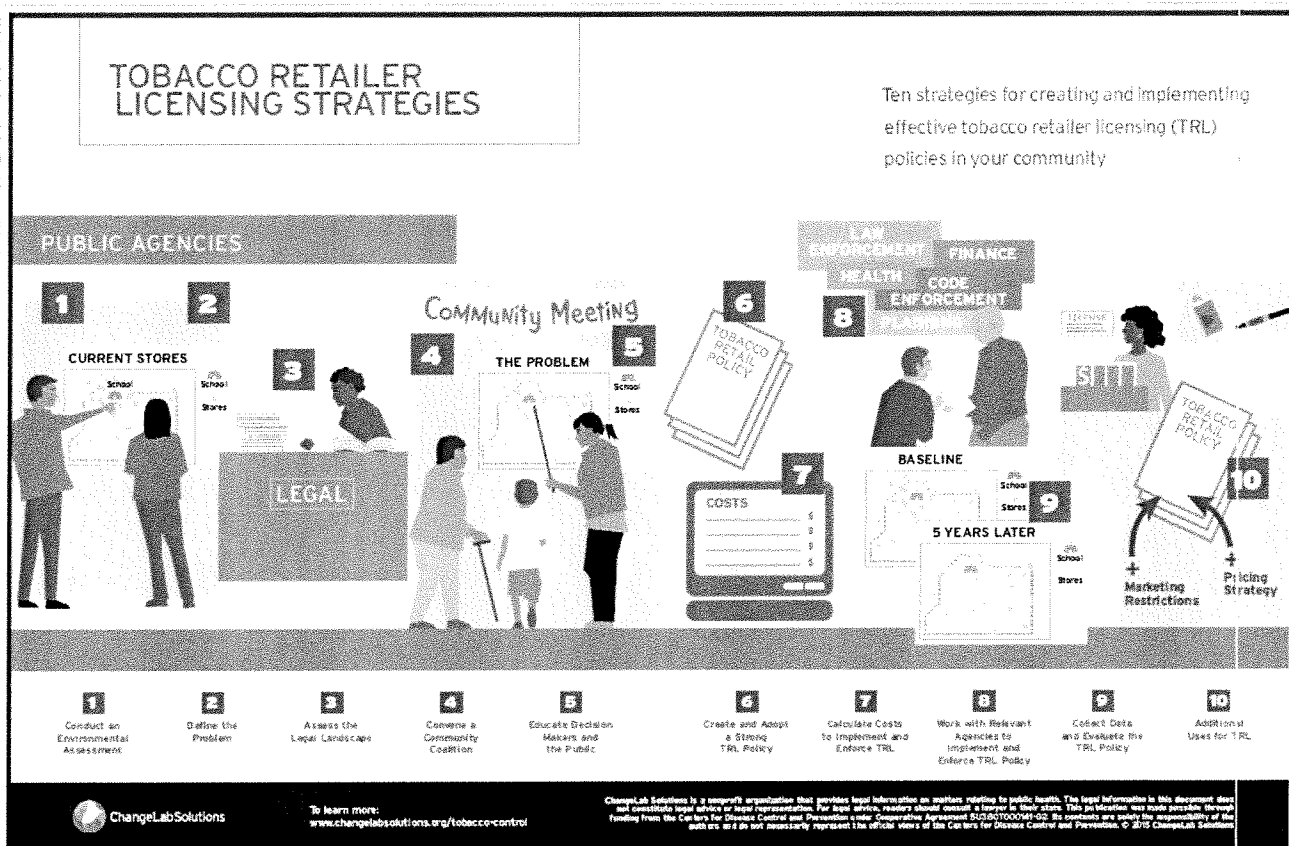
- ✓ Conduct public opinion surveys (<http://countertobacco.org/public-opinion-surveys>) to measure community support for zoning strategies.

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- ✓ Assess the legal landscape and consult legal experts. Review the following resources:
 - From the Public Health Law Center:
 - Law synopsis on tobacco retail licensing, “License to Kill?: Tobacco Retailer Licensing as an Effective Enforcement Tool (<http://www.publichealthlawcenter.org/sites/default/files/resources/tcllc-syn-retailer-2010.pdf>).”
 - Location, Location, Location: Regulating Tobacco & E-Cig Retailer Locations for Public Health – Tips & Tools (<https://publichealthlawcenter.org/sites/default/files/resources/Location-Tobacco-Ecig-Point-Of-Sale-2019.pdf>)
 - Law synopsis on land use regulation: Local Land Use Regulation for the Location and Operation of Tobacco Retailers (<http://www.publichealthlawcenter.org/sites/default/files/resources/tcllc-syn-land-2004.pdf>)
 - “Comprehensive Tobacco Retailer Licensing Ordinance (<https://www.publichealthlawcenter.org/sites/default/files/resources/Comp-Tobacco-Retailer-License.pdf>)”
 - From the Public Health and Tobacco Policy Center
 - “Tobacco Retail Licensing: Promoting Health Through Local Sales Regulations (<http://www.tobaccopolicycenter.org/documents/TobaccoRetailLicensing.pdf>)”
 - From Tobacco 21:
 - “Tobacco Retail Licensing: An Essential Tool to Reduce Youth Usage and Foster Health Equity (<https://tobacco21.org/wp-content/uploads/2020/09/TRL-BEST-PRACTICES-GUIDE-PTAF-September-2020.pdf>)”
 - From ChangeLab Solutions:
 - Tobacco Retailer Density: Place-Based Strategies to Advance Health and Equity (http://changelabsolutions.org/sites/default/files/CLS-BG214-Tobacco_Retail_Density-Factsheet_FINAL_20190131.pdf)
 - Show Me Your License: The Basics of Tobacco Retailer Licensing (http://changelabsolutions.org/sites/default/files/ShowMeYourLicense_FINAL_20180630.pdf)
 - Tobacco Retailer Licensing: An Effective Tool for Public Health (http://changelabsolutions.org/sites/default/files/TobaccoRetailerLicensing-AnEffectiveToolforPublicHealth_FINAL_20180630_0.pdf)
 - Tobacco Retailer Licensing Playbook (<http://changelabsolutions.org/publications/tobacco-retailer-licensing-playbook>) – find a strategy that works for your community.
 - Model licensing ordinance and checklist (<http://changelabsolutions.org/publications/model-TRL-Ordinance>)
 - “Plug-ins” – Licensing can be used to do more than just restrict the location and density of retailers. Think about what “plug-ins (<http://changelabsolutions.org/publications/model-TRL-Ordinance>)” to include in a licensing ordinance.
 - Case studies (<http://changelabsolutions.org/publications/case-studies-local-trl-ords>) Find lessons learned from communities in California that have effectively changed their licensing ordinances.

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- Budgeting for a Local Tobacco Retailer License Fee
(<http://www.changelabsolutions.org/publications/trl-fee-calculator-checklist>) – Learn how to assess the costs of a licensing program. Licensing fees can and should be used to fund monitoring and enforcement of the ordinance. The fee of an existing license can be raised to help cover monitoring and enforcement. Further, a recent study found that raising licensing fees can decrease the number of licenses renewed or purchased, reducing the number or density of retailers. [10 (<http://www.ncbi.nlm.nih.gov/pubmed/25666816>)]
- Tobacco Retail Licensing Fee Calculator (<http://changelabsolutions.org/tobacco-control/trl-fee-calculator#/page/0>) – Determine an appropriate fee that adequately supports the costs associated with implementing and enforcing a TRL system
- Model Land Use Ordinance
(<http://web.archive.org/web/20140715165650/http://changelabsolutions.org/publications/land-use-ord>) and land use ordinance checklist
(<http://web.archive.org/web/20140715165650/http://changelabsolutions.org/publications/land-use-ord>)



(<http://www.changelabsolutions.org/publications/tobacco-retailer-licensing-playbook>)

Tobacco Retailer Licensing Playbook and Playbook Strategies Poster from ChangeLab Solutions

- ✓ Consider a media campaign. For an example, see the North Carolina licensing campaign posters (<http://countertobacco.org/media-gallery/print-campaigns/>)

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For an effective licensing or zoning policy, the Public Health Law Center (<https://www.publichealthlawcenter.org/topics/tobacco-control>) recommends that the following policy elements be included:

Policy Element	Explanation
Clear definitions and concise language	As with any law, tobacco control laws must be worded clearly and concisely. Carefully avoid vague or ambiguous language.
Well-crafted implementation process	Licensing and zoning laws should specify the means by which a retailer applies for, receives and maintains permission to sell tobacco products. These provisions can include the type of forms to be filed, deadlines and fees for filing, and the ramifications of any failure to meet such requirements.
Robust enforcement options	The law should clearly describe the type of conduct it prohibits. Laws can require compliance with any and all federal, state and local laws that apply to the retailer, or could more narrowly require compliance with certain aspects of tobacco control laws, such as prohibitions against sales to minors, taxation statutes, promotional restrictions, and the like.
Reasonable penalty and appeals process	The law should explain the penalties for each violation of the law. For instance, penalties could include a graduated system of warnings and fines. Further penalties for certain violations could result in the suspension or revocation of the ability to sell tobacco products. Additional provisions could explain how penalties can be appealed.

*Table compiled using information from a Public Health Law Center (<https://www.publichealthlawcenter.org/topics/tobacco-control>)guide to Using Licensing and Zoning to Regulate Retailers (<http://publichealthlawcenter.org/sites/default/files/resources/tclc-guide-licensingandzoning-2011.pdf>). For more detailed information, example policies, and other helpful legal resources regarding licensing and zoning ordinances, visit the Public Health Law Center website. **In addition, be sure consult your legal experts, as the content on these websites is no substitute for legal advice.***

NEED GUIDANCE?



(<http://www.countertools.org>)

We're empowering communities to become healthier places, starting with the retail environment.

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Learn more at CounterTools.org (<http://www.countertools.org>)

RECENT POSTS

- Counter Tobacco Podcast Episode 21: On Your Radar – September Spotlight on Flavor Bans (<https://countertobacco.org/counter-tobacco-podcast-episode-21-on-your-radar-september-spotlight-on-flavor-bans/>)
- September 2020 News and Research Roundup (<https://countertobacco.org/september-2020-news-and-research-roundup/>)
- Highlights from the Convenience Store News 2020 Tobacco Report (<https://countertobacco.org/highlights-from-the-convenience-store-news-2020-tobacco-report/>)
- California's Ban on the Sale of Flavored Tobacco Products (<https://countertobacco.org/an-update-on-californias-ban-on-flavored-tobacco-products/>)
- Three More States Pass Tobacco 21 (<https://countertobacco.org/three-more-states-pass-tobacco-21/>)

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(<https://countertobacco.org/resources-tools/counter-tobacco-podcast/>)

CATEGORIES

- Advertising Restrictions (<https://countertobacco.org/category/advertising-restrictions/>) (61)
- CDC OSH POS Webinars (<https://countertobacco.org/category/cdc-osh-pos-webinars/>) (15)
- Child-Resistant Packaging (<https://countertobacco.org/category/child-resistant-packaging/>) (5)
- Cigarettes (<https://countertobacco.org/category/cigarettes/>) (112)
- Disparities (<https://countertobacco.org/category/disparities/>) (97)
- Displays/Display Ban (<https://countertobacco.org/category/display-ban/>) (38)
- E-Cigarettes (<https://countertobacco.org/category/e-cigarettes/>) (130)
- FDA (<https://countertobacco.org/category/fda/>) (61)
- Flavors (including Menthol) (<https://countertobacco.org/category/flavors-including-menthol/>) (138)
- Health Warnings (<https://countertobacco.org/category/health-warnings/>) (49)
- Healthy Retailers (<https://countertobacco.org/category/healthy-retailers/>) (27)
- International (<https://countertobacco.org/category/international/>) (27)
- Large Cigars (<https://countertobacco.org/category/large-cigars/>) (22)
- Licensing (<https://countertobacco.org/category/licensing/>) (84)
- Little cigars/Cigarillos (<https://countertobacco.org/category/little-cigars-cigarillos/>) (62)

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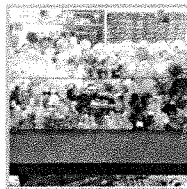
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- Minimum pack size (<https://countertobacco.org/category/minimum-pack-size/>) (15)
- Minimum price (<https://countertobacco.org/category/minimum-price/>) (29)
- Non-Tax Price Increases (<https://countertobacco.org/category/non-tax-price-increases/>) (47)
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- Product Placement (<https://countertobacco.org/category/product-placement/>) (25)
- Retailer Density (<https://countertobacco.org/category/retailer-density/>) (75)
- Self-Service (<https://countertobacco.org/category/self-service/>) (4)
- Smokeless Tobacco and SNUS (<https://countertobacco.org/category/smokeless-tobacco-and-snus/>) (42)
- Store Assessments (<https://countertobacco.org/category/store-assessments/>) (44)
- Stores Near Schools (<https://countertobacco.org/category/stores-near-schools/>) (59)
- Tobacco21 (<https://countertobacco.org/category/tobacco21/>) (99)
- Uncategorized (<https://countertobacco.org/category/uncategorized/>) (28)
- Vape Shops (<https://countertobacco.org/category/vape-shops/>) (35)
- Webinars (<https://countertobacco.org/category/webinars/>) (32)
- Youth (<https://countertobacco.org/category/youth/>) (184)

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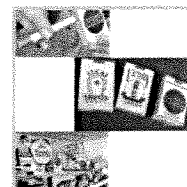
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(https://countertobacco.org/wp-content/gallery/main-galleru/2019_Crown-Juul_St-George-UT-3.png)

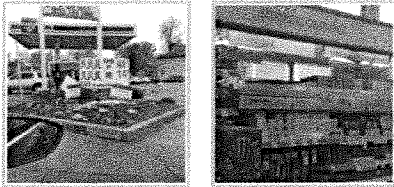


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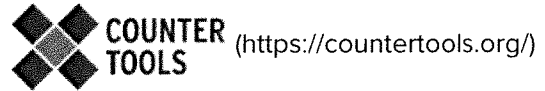
(https://countertobacco.org/wp-content/gallery/main-galleru/2019_Crown-Juul_Fort-Wayne-IN.jpg)

(https://countertobacco.org/wp-content/gallery/main-galleru/2019_Ironic_Lincoln-NE.jpg)

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(<http://www.countertobacco.org/CounterTobacco/>)



Policy Provisions for a Tobacco Retailer License

Your community has a range of policy choices to consider when designing a local tobacco retailer licensing ordinance. ChangeLab Solutions' *Comprehensive Tobacco Retailer Licensing Ordinance* (TRL model ordinance) contains the basic elements for an effective licensing ordinance that can be used to enforce federal, state, and local tobacco control laws. Communities can supplement the TRL model ordinance with additional policy options (also called *plug-ins*) to ensure compliance with local business standards, reduce youth access to tobacco products, limit the negative impact of tobacco use on public health, and advance health equity.

This fact sheet describes several additional policy options. The TRL model ordinance and plug-ins are available at www.changelabsolutions.org/publications/model-TRL-Ordinance. If you would like help in adapting any of these models for your community, please contact us at www.changelabsolutions.org/tobaccoquestions.

Restrictions on Eligibility for a License

A local tobacco retailer licensing ordinance allows a community to exercise better control over where tobacco products are sold. Tobacco retailer density tends to be higher in communities that experience structural inequities. Limiting where tobacco is sold can reduce youth consumption and help to combat tobacco-related health disparities.

Tobacco-free pharmacies

This policy option prohibits businesses that contain pharmacies from obtaining a tobacco retailer license. The sale of tobacco products at stores containing pharmacies may convey a mixed message to consumers, who often rely on these businesses for health-related services. Because stores containing pharmacies frequently provide health-related information to the public, communities may be concerned that the sale of tobacco at these stores conveys a tacit approval of these products to the public. Further, stores containing pharmacies often stock tobacco products near cessation aids, compromising the efforts of smokers who are trying to quit.

No licenses near schools

This policy option prohibits a license for a business operating too close to a school. Children are more likely to experiment with tobacco products when tobacco retailers are located near schools. In addition, tobacco manufacturers aggressively target advertisements for menthol cigarettes near California high schools with higher proportions of Black students. Communities can use this eligibility restriction in combination with a restriction on licenses near other youth-populated areas to establish tobacco-free zones surrounding schools and other areas frequented by youth and young adults.

No licenses near other youth-populated areas

This policy option prohibits tobacco retailer licensing for businesses located close to areas frequented by youth such as playgrounds, libraries, child care centers, and parks that are open to the public. Restricting tobacco sales within a certain distance from areas where youth often gather may help reduce both youth and adult smoking rates.

Nearly 200 California cities and counties have adopted TRL ordinances. More than 100 of these ordinances meet criteria established by the American Lung Association in California's Center for Tobacco Policy and Organizing and include effective provisions related to eligibility, fees, and enforcement.

For more information on strong tobacco retailer licensing laws and the communities that have adopted them, see center4tobaccopolicy.org/tobacco-policy/tobacco-retail-environment.



Several communities have prohibited businesses that contain pharmacies from obtaining tobacco retailer licenses because these businesses provide health-related services to the public. For more information on prohibiting tobacco product sales in pharmacies, see www.changelabsolutions.org/infographic/tobacco-free-pharmacies.

New tobacco retailers must be a specified distance from current retailers

To prevent the concentration of tobacco retailers within particular neighborhoods, this policy option restricts how close tobacco retailers may be to one another. The number of tobacco retailers in a neighborhood affects youth smoking behaviors and youth access to tobacco products. Additionally, tobacco retailer density is greater in communities with low incomes and high proportions of residents who identify as African American or Hispanic, which perpetuates disparities in tobacco use and associated negative health effects.

No licenses near cannabis retailers

This policy option prohibits tobacco retailer licensing for businesses located near cannabis retailers. Research has found that cannabis dispensaries are disproportionately concentrated in communities of color and areas with large numbers of young adults. Regulating the proximity of tobacco retailers to cannabis retailers is one way to combat the overconcentration of these businesses in underserved communities.

Number of available licenses is limited based on population

This policy option caps the total number of tobacco retailer licenses that can be issued in a city or county based on population. While state law limits the number of alcohol licenses that can be issued in a particular area, there is no similar cap on tobacco retailer licenses. Communities can also apply this approach at a more granular level by setting license caps for each administrative subdivision (eg, San Francisco's caps on licenses within each supervisor district). Communities may be concerned about the number of tobacco retailers in their city or county because greater tobacco retailer density may lead to higher smoking rates. This policy option provides one tool that a community can use to restrict the total number of tobacco retailer licenses that may be issued.

No license for restaurants or bars

This policy option prohibits restaurants, bars, and other businesses that offer food or alcohol for on-site consumption from obtaining a tobacco retailer license. Communities may want to place restrictions on restaurants because non-traditional retailers such as restaurants illegally sell tobacco products to minors at higher rates than other retailers. Communities may want to prohibit tobacco sales at bars because young adult bar patrons already have particularly high smoking rates.

No license for businesses that allow smoking

This policy option prohibits a business from obtaining a tobacco retailer license if the business allows smoking anywhere on the premises. Although state law prohibits smoking in most businesses, smoking is still permitted in tobacco shops, private smokers lounges, and unenclosed outdoor areas, such as bar patios. One purpose of this policy option is to separate places where smoking is permitted from places where tobacco is sold to minimize impulsive tobacco use, such as social smoking at bars.

Additional Requirements for Retailers

A local tobacco retailer licensing ordinance provides an effective tool to enforce a wide range of laws related to the sale and use of tobacco products. The following policy options allow communities to address public health concerns related to tobacco sales and use in communities most often targeted by the tobacco industry.

Minimum pack size for little cigars and cigars

This policy option limits the sale of cigars sold individually and in small packages. These products are particularly appealing to youth due to their low prices, with some cigars selling for less than 70 cents apiece. Though little cigars and cigarillos are often similar to cigarettes, they are not covered by the federal and state laws that prohibit retailers from selling cigarettes individually or in small quantities. In 2014, nearly two-thirds of US middle school and high school cigar smokers reported using flavored cigars. One option



Communities can use tobacco retailer licensing to prohibit the redemption of coupons and discounts that make tobacco products more affordable for youth.



A variety of cigars, little cigars, and cigarillos are packaged for single sale and sold for less than a dollar each. As part of tobacco retailer licensing, communities can prohibit the sale of cigars sold individually or in small packages.

for reducing youth access to inexpensive cigars is to prohibit the sale of individual cigars and to establish a minimum pack size for these products. For more information on this policy option, see our fact sheet, available at www.changelabsolutions.org/publications/limiting-teen-friendly-cigars.

Minimum price for tobacco products

This policy option allows communities to establish minimum prices for tobacco products, such as a pack of cigarettes or little cigars. A price floor raises the cost barrier for tobacco sales and can be especially effective in deterring youth tobacco use. Like excise taxes, minimum pricing presents additional equity concerns because it's a regressive measure. However, preliminary evidence suggests that establishing a minimum price for tobacco products is a promising strategy to reduce tobacco use and tobacco-related health disparities. Setting a minimum price for some products, such as electronic smoking devices, requires more careful deliberation due to the way these products are packaged and sold. Communities interested in setting minimum prices for products other than cigarettes and cigars should contact ChangeLab Solutions for assistance.

No redemption of discounts, coupons, and promotions

This policy option prohibits retailers from honoring discounts, coupons, and promotions for tobacco products. Tobacco companies target youth and underserved communities with price discounts and coupons, so this policy option can be an effective way to combat health equity issues associated with tobacco use.

No sales of flavored tobacco products, including menthol cigarettes

This policy option prohibits licensed retailers from selling all flavored tobacco products, including menthols and flavored alternative tobacco products such as electronic smoking devices. Flavored tobacco products are considered starter products that help establish long-term tobacco use. Additionally, marketing for these products targets youth, communities of color, and LGBTQ communities.

No drug paraphernalia sales

This policy option gives communities an additional tool to combat sales of drug paraphernalia. Under this provision, if a retailer is found to have violated state laws regarding drug paraphernalia or controlled substances, that retailer will also be in violation of the tobacco retailer license, and the penalties of the licensing ordinance will apply. For more information on this policy option, see our fact sheet, available at www.changelabsolutions.org/publications/drug-paraphernalia.

Signage requirements

ChangeLab Solutions' *Model California Ordinance for Reducing Storefront Window Signage* prohibits tobacco retailers from covering more than 15% of their windows with signs. The percentage can be adjusted to fit the needs of the community. This strategy is similar to California's Lee Law, which is intended to promote public safety in liquor stores by restricting the amount of advertising that retailers can display on their windows.

Enforcement Options

The TRL model ordinance contains mandatory penalties for violating the licensing provisions. This policy option provides additional enforcement options.

Alternatives to license suspension

The TRL model ordinance mandates suspension of a license if a retailer violates the ordinance. However, in some circumstances, a local jurisdiction may want discretion to impose a different penalty if warranted. This policy option allows local government staff to impose a fine on a retailer instead of suspending the retailer's license for the time specified in the ordinance. If your community wants to provide this discretion, mandatory minimum alternative penalties should still be specified in your ordinance. For example, this policy option provides that a fine would be available only for a first or second violation and only if the retailer admits that a violation occurred.



Limiting signage can promote public safety by ensuring that enforcement officials have a clear view into stores.

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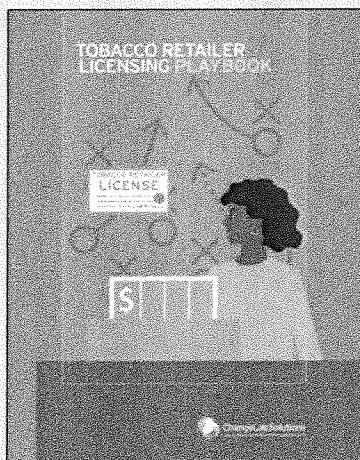


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Tobacco Retailer Licensing

An Effective Tool for Public Health

Communities are adopting tobacco retailer licensing laws as one way to combat the public health problems associated with tobacco use, to help reduce tobacco-related health disparities, and to ensure compliance with tobacco laws. In this fact sheet, we explain how tobacco retailer licensing works, why many communities are pursuing this policy, and what goes into creating and implementing a strong tobacco retailer licensing law.

What is tobacco retailer licensing (TRL)?

Licensing is a common policy tool that state and local governments use to regulate businesses like alcohol retailers, pharmacists, or restaurants. Similarly, a local government may want to license tobacco retailers in order to protect public health and safety by ensuring that retailers comply with responsible retailing practices.

Under a local TRL law, the city or county government requires all businesses that sell tobacco products to obtain a license from the government in exchange for the privilege of selling these products to consumers.¹ Local governments may require licensed retailers to pay an annual fee, which can fund administration and enforcement activities such as store inspections and compliance checks pertaining to youth purchases. Increasingly, TRL is being used to promote other innovative policy solutions, including regulating the location and density of tobacco retailers, imposing additional restrictions on the sale and promotion of tobacco products, and establishing a minimum price for certain tobacco products.²

As of June 2017, more than 150 cities and counties in California had adopted a local TRL law.³ The Center for Tobacco Policy & Organizing (The Center) classifies 133 of these as “strong,”⁴ meaning the laws have, at a minimum,

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- an annual licensing fee high enough to fund sufficient enforcement;
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Why adopt a TRL law?

Many communities adopt a TRL law because it is an effective tool for limiting the negative public health consequences of tobacco use. While this tool provides many benefits, there are three main advantages to a TRL law: First, these laws have proven effective in limiting youth access to tobacco. Second, a strong TRL law provides a framework for implementing and enforcing other tobacco control policies that may advance health equity by countering the tobacco industry's aggressive and predatory tactics that disproportionately target underserved communities. Third, strong laws with annual fees create self-financing programs that allow for regular enforcement and facilitate comprehensive local enforcement of all tobacco-related laws.

Protect youth

Despite state laws prohibiting tobacco sales to youth, a significant number of merchants continue to sell tobacco products to young people.⁶ Fortunately, strong local TRL laws have proven effective in reducing illegal tobacco sales to youth. The Center has found that local TRL is extremely effective at reducing illegal sales to underage youth: the organization surveyed 31 municipalities that have implemented and enforced a strong TRL law and found that the rates of illegal sales to youth decreased, often significantly, in all communities surveyed.⁷

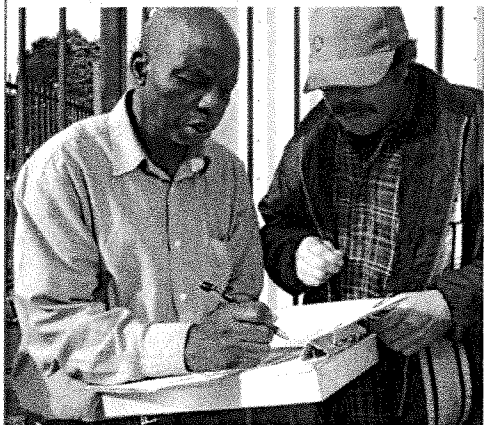
Advance health equity

One of the most effective potential uses of TRL is to reduce inequities in how tobacco products are marketed and sold in underserved communities. Research has found that the prices of tobacco products tend to be lower in neighborhoods of low socioeconomic status and in African American neighborhoods.⁸ Evidence shows that these same communities have higher rates of tobacco use and addiction, worse health outcomes, and increased health inequities.⁹ Because the health problems associated with tobacco use fall disproportionately on underserved communities, policy interventions that affect consumption, price, or marketing also have a greater impact on these populations and have the potential to address these inequities.

Establish a self-financing mechanism for comprehensive enforcement

A number of federal and California state laws already regulate tobacco sales and establish penalties for illegal sales to youth. But these laws each have separate enforcement mechanisms and penalty structures, making it difficult to enforce them at the local level. A local TRL law, on the other hand, empowers *local officials* to impose *meaningful penalties* for illegal sales to youth and enforce all existing laws—ensuring that local communities can prioritize enforcement even when state and federal authorities do not.

Another important strength of licensing is that the government can impose a licensing fee sufficient to cover enforcement costs. Because funding enforcement is often the best way to ensure compliance with a policy, ChangeLab Solutions recommends that the licensing fee be calculated to cover all enforcement activities. For more information on how to calculate a fee for a local tobacco retailer license, see our [tobacco licensing cost worksheet](#) and our [interactive licensing fee calculator](#).



An electronic cigarette with charger.

What is a tobacco product?

When people think of tobacco products, they may think of cigarettes, cigars, and chewing tobacco, but there are other products that communities may want to restrict. Our model language defines tobacco products broadly to include any product containing, made, or derived from tobacco or nicotine that is intended for human consumption (including hookah tobacco, snuff, snus, and dissolvables), as well as electronic smoking devices such as e-cigarettes and e-hookahs. This definition is written to restrict emerging tobacco industry products (eg, heat-not-burn products) without interfering with FDA-approved cessation devices—like nicotine patches.

What else can a TRL law do?

While a TRL law may be the best tool to prevent sales to youth, it can also promote other innovative policy solutions, including controlling the location and density of tobacco retailers, restricting the sale of menthol cigarettes and other flavored tobacco products, and establishing a minimum price for certain tobacco products.

Zoning:

location and density of retailers

Another common way to limit where tobacco retailers can locate is through land use laws, also known as zoning laws. For a comparison between land use laws and licensing laws, see ChangeLab Solutions' fact sheet "Licensing & Zoning: Tools for Public Health."

Regulate the location and density of retailers

Local governments can use TRL to control both the location and density of tobacco retailers in their community. A licensing law could, for example, prohibit a license for any business operating too close to a school or other area frequented by youth. Given that tobacco sales near schools and child-oriented areas have been shown to increase youth smoking,¹⁰ this policy can be used to keep tobacco retailers out of areas where youth typically congregate.

Communities can also use TRL to address inequities by limiting the number of tobacco retailers located within communities most affected by tobacco-related harm. Low-income communities, communities of color, and other underserved communities experience denser concentrations of tobacco retail outlets, which are associated with increased tobacco use, increased rates of tobacco-related disease, and decreased quit rates.¹¹ Local governments can reduce tobacco retailer density by capping the total number of licenses issued, limiting the number of tobacco retailers allowed to operate within a specified area (eg, a city council district), or specifying a minimum distance between tobacco retailers. California law limits alcohol licenses based on density; this policy applies that same rationale to tobacco retailers.

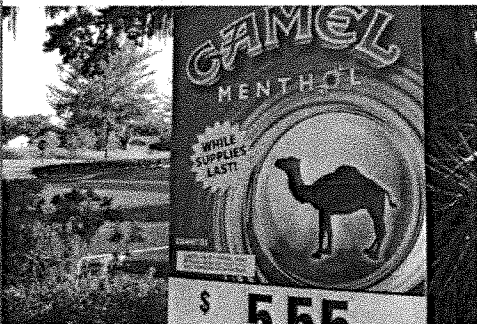


Cigarillos in grape, strawberry and blueberry flavors, sold for under a dollar a piece.

Restrict the sale of menthol cigarettes and flavored tobacco products

A TRL law can also restrict the sale of menthol cigarettes and other flavored tobacco products. Menthol and other flavored tobacco products are considered starter products that help establish long-term tobacco use, particularly among youth. Restricting the sale of all flavored tobacco products may reduce tobacco use and counter the tobacco industry's predatory targeting of these products to youth, people of color, low-income populations, and members of LGBTQ+ communities—all of whom are significantly more likely to use menthol cigarettes and other flavored tobacco products and disproportionately bear the burden of tobacco-related harm.

While the federal Tobacco Control Act banned the manufacture of flavored cigarettes, the law contains an exception for menthol cigarettes and neither federal nor California state law restrict flavored non-cigarette tobacco products. Communities can close this loophole and regulate products that are increasingly used by youth and other underserved populations. For more on this type of policy, see ChangeLab Solutions' fact sheet and model ordinance on regulating flavored tobacco products.



Menthol cigarette promotions are more pervasive in underserved communities.

Establish a minimum price for tobacco products

Several communities are using TRL laws to establish minimum prices for tobacco products such as cigarettes, little cigars, and cigars. Minimum price policies set a floor price below which a product cannot be sold. By raising the price paid for tobacco products, such policies can reduce the consumption of those products, particularly among youth. Research shows that establishing minimum pricing is one of the most promising strategies for reducing tobacco-related disparities.¹² Jurisdictions can also use TRL to implement other pricing policies such as establishing minimum package sizes for little cigars and cigars, as well as prohibiting the redemption of tobacco product discounts, coupons, and promotions. For more information on these policy options related to tobacco pricing, see our model language.

¹ In California, local tobacco retailer licensing laws are specifically authorized by the state tobacco retailer licensing law, which says that "[l]ocal licensing laws may provide for the suspension or revocation of the local license for any violation of a state tobacco control law." Cal. Bus. & Prof. Code § 22971.3.

² See generally McLaughlin I. *License to Kill?: Tobacco Retailer Licensing as an Effective Enforcement Tool*. Tobacco Control Legal Consortium, 2010. Available at: <http://publichealthlawcenter.org/sites/default/files/resources/tclc-syn-retailer-2010.pdf>.

³ Policy Evaluation Tracking System for Tobacco Control in California; Full List of Policy Jurisdictions with Tobacco Retailer Licenses (TRL). Available at: www.tlspartners.org/PETS/FullList.cfm/PolicyType=TRL.

⁴ The American Lung Association in California Center for Tobacco Policy and Organizing. *Matrix of Strong Local Tobacco Retailer Licensing Ordinances*, 2017. Available at: <http://centerfortobaccopolicy.org/wp-content/uploads/2017/06/Matrix-of-Strong-Local-TRL-Ordinances-June-2017.pdf>.

⁵ The threat of license suspension creates a greater financial deterrent to retailers than a simple fine. For many stores, especially convenience stores, tobacco sales make up a substantial portion of their revenue. Losing the authority to sell tobacco products for a month can cost retailers far more than the largest fines that can be imposed under existing California laws, like Penal Code section 308 or the STAKE Act. See Cal. Penal Code § 308 (violators can be fined \$200, \$500, or \$1000 for first, second, or third violations, respectively); Cal. Bus. & Prof. Code § 22958 (violators can be fined \$400-600 for a first violation and are subject to harsher penalties for each additional violation in a 5-year period).

⁶ California Department of Public Health, *California Tobacco Control Program. California Tobacco Facts and Figures*, 2016. Available at: www.cdph.ca.gov/Programs/CID/DCDC/CTC/Pages/FactsandFigures.aspx.

⁷ The American Lung Association in California Center for Tobacco Policy and Organizing. *Tobacco Retailer Licensing Is Effective*, 2013. Available at: <http://centerfortobaccopolicy.org/wp-content/uploads/2016/10/Tobacco-Retailer-Licensing-Is-Effective-September-2013.pdf>.

⁸ Cantrell J, Kreslake JM, Ganz O, et al. Marketing Little Cigars and Cigarettes: Advertising, Price, and Associations with Neighborhood Demographics. *American Journal of Public Health*. 2013;103(1):1902-9.

Toomey TL, Chen V, Forster J, Coerver PV, Lenk KM. Do Cigarette Prices Vary by Brand, Neighborhood, and Store Characteristics? *Public Health Reports*. 2009;124(4): 535-40.

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Henriksen L, Schleicher NC, Dauphinee AL, Fortmann SP. Targeted Advertising, Promotion, and Price for Menthol Cigarettes in California High School Neighborhoods. *Nicotine and Tobacco Research*. 2012;14(1):116-21.

⁹ Tobacco-Related Disparities. Centers for Disease Control and Prevention website. www.cdc.gov/tobacco/disparities/index.htm. Accessed February 20, 2018.

¹⁰ Henriksen L, Feighery EC, Schleicher NC, Cowling DW, Kline RS, Fortmann SP. Is Adolescent Smoking Related to the Density and Proximity of Tobacco Outlets and Retail Cigarette Advertising Near Schools? *Preventative Medicine*. 2008;47(2): 210-214. Abstract only is available at: www.sciencedirect.com/science/article/pii/S0091743308002089.

¹¹ Ackerman A, Etow A, Bartel S & Ribisl KM. Reducing the density and number of tobacco retailers: Policy solutions and legal issues. *Nicotine & Tobacco Research*. 2017;19(2): 133-140. Abstract only is available at: <https://academic.oup.com/ntr/article-abstract/19/2/133/2531681>. Reducing the Density and Number of Tobacco.

¹² Hill S, Amos A, Clifford D, Platt S. Impact of tobacco control interventions on socioeconomic inequalities in smoking: review of the evidence. *Tobacco Control*. 2014;23(e2):e89-e97. Available at: <http://tobaccocontrol.bmj.com/content/23/e2/e89#T1>.

Golden SD, Farrelly MC, Luke DA, Ribisl KM. Comparing projected impacts of cigarette floor price and excise tax policies on socioeconomic disparities in smoking. *Tobacco Control*. 2016;25(Suppl. 1):i60-i66. Available at: http://tobaccocontrol.bmj.com/content/25/Suppl_1/i60.

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The options discussed so far are just a few examples of cutting-edge policy solutions for tobacco control. Other innovative policy solutions—referred to as “plug-in” provisions—can be incorporated into a TRL law. For more information about plug-in provisions, including the ones mentioned here, see our fact sheet.

Who should handle implementation and enforcement?

It's up to individual communities to decide who will implement and enforce a TRL law. Multiple agencies might be involved: one agency may issue the license (the city manager, for example, or the agency that issues general business licenses), while another agency, such as the environmental health or police department, may monitor compliance.

There is no one right way to implement and enforce a local TRL program. That said, successful programs share some characteristics. For one thing, they are overseen by a single government agency with dedicated staff members. They also plan early for enforcement that engages all the key players. And they require a license fee that is large enough to cover the full cost of administering and enforcing the program. To assist agencies in coordinating and planning, ChangeLab Solutions has created a checklist that includes all the recommended elements of a successful program.

Can licensing be used in other ways to create a healthier retail environment?

Communities can use licensing and other strategies to improve public health in other ways by ensuring that retailers are not only complying with existing laws but also benefiting the communities they serve. For example, in neighborhoods with limited access to fresh produce and staple foods, a licensing system could require food retailers to carry these items. For more information on how public health practitioners in tobacco control, nutrition, and prevention of excessive alcohol use can work together to create a healthier retail environment, see our resources on healthy retail policy and partnerships.



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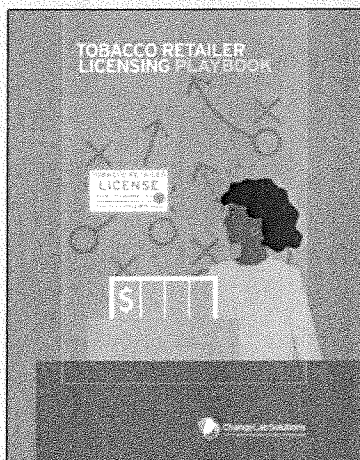


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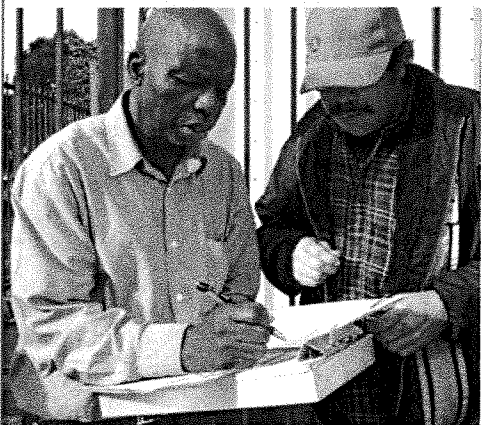


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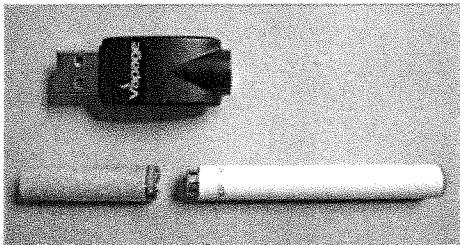
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While a TRL law may be the best tool to prevent sales to youth, it can also promote other innovative policy solutions, including controlling the location and density of tobacco retailers, restricting the sale of menthol cigarettes and other flavored tobacco products, and establishing a minimum price for certain tobacco products.

Zoning:

location and density of retailers

Another common way to limit where tobacco retailers can locate is through land use laws, also known as zoning laws. For a comparison between land use laws and licensing laws, see ChangeLab Solutions' fact sheet "Licensing & Zoning: Tools for Public Health."

Regulate the location and density of retailers

Local governments can use TRL to control both the location and density of tobacco retailers in their community. A licensing law could, for example, prohibit a license for any business operating too close to a school or other area frequented by youth. Given that tobacco sales near schools and child-oriented areas have been shown to increase youth smoking,¹⁰ this policy can be used to keep tobacco retailers out of areas where youth typically congregate.

Communities can also use TRL to address inequities by limiting the number of tobacco retailers located within communities most affected by tobacco-related harm. Low-income communities, communities of color, and other underserved communities experience denser concentrations of tobacco retail outlets, which are associated with increased tobacco use, increased rates of tobacco-related disease, and decreased quit rates.¹¹ Local governments can reduce tobacco retailer density by capping the total number of licenses issued, limiting the number of tobacco retailers allowed to operate within a specified area (eg, a city council district), or specifying a minimum distance between tobacco retailers. California law limits alcohol licenses based on density; this policy applies that same rationale to tobacco retailers.

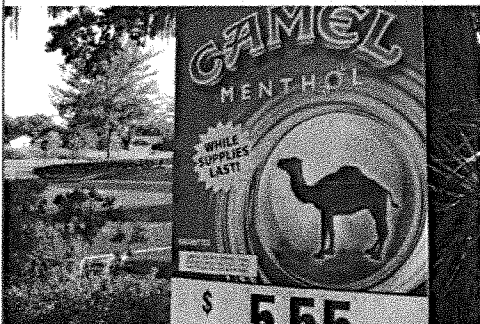


Cigarillos in grape, strawberry and blueberry flavors, sold for under a dollar a piece.

Restrict the sale of menthol cigarettes and flavored tobacco products

A TRL law can also restrict the sale of menthol cigarettes and other flavored tobacco products. Menthol and other flavored tobacco products are considered starter products that help establish long-term tobacco use, particularly among youth. Restricting the sale of all flavored tobacco products may reduce tobacco use and counter the tobacco industry's predatory targeting of these products to youth, people of color, low-income populations, and members of LGBTQ+ communities—all of whom are significantly more likely to use menthol cigarettes and other flavored tobacco products and disproportionately bear the burden of tobacco-related harm.

While the federal Tobacco Control Act banned the manufacture of flavored cigarettes, the law contains an exception for menthol cigarettes and neither federal nor California state law restrict flavored non-cigarette tobacco products. Communities can close this loophole and regulate products that are increasingly used by youth and other underserved populations. For more on this type of policy, see ChangeLab Solutions' fact sheet and model ordinance on regulating flavored tobacco products.



Menthol cigarette promotions are more pervasive in underserved communities.

Establish a minimum price for tobacco products

Several communities are using TRL laws to establish minimum prices for tobacco products such as cigarettes, little cigars, and cigars. Minimum price policies set a floor price below which a product cannot be sold. By raising the price paid for tobacco products, such policies can reduce the consumption of those products, particularly among youth. Research shows that establishing minimum pricing is one of the most promising strategies for reducing tobacco-related disparities.¹² Jurisdictions can also use TRL to implement other pricing policies such as establishing minimum package sizes for little cigars and cigars, as well as prohibiting the redemption of tobacco product discounts, coupons, and promotions. For more information on these policy options related to tobacco pricing, see our model language.

¹ In California, local tobacco retailer licensing laws are specifically authorized by the state tobacco retailer licensing law, which says that “[l]ocal licensing laws may provide for the suspension or revocation of the local license for any violation of a state tobacco control law.” Cal. Bus. & Prof. Code § 22971.3.

² See generally McLaughlin I. *License to Kill?: Tobacco Retailer Licensing as an Effective Enforcement Tool*. Tobacco Control Legal Consortium, 2010. Available at: <http://publichealthlawcenter.org/sites/default/files/resources/tclc-syn-retailer-2010.pdf>.

³ Policy Evaluation Tracking System for Tobacco Control in California, Full List of Policy Jurisdictions with Tobacco Retailer Licenses (TRL). Available at: www.tcpspartners.org/PETS/FullList.cfm?PolicyType=TRL.

⁴ The American Lung Association in California Center for Tobacco Policy and Organizing. *Matrix of Strong Local Tobacco Retailer Licensing Ordinances*, 2017. Available at: <http://center4tobaccopolicy.org/wp-content/uploads/2017/06/Matrix-of-Strong-Local-TRL-Ordinances-June-2017.pdf>.

⁵ The threat of license suspension creates a greater financial deterrent to retailers than a simple fine. For many stores, especially convenience stores, tobacco sales make up a substantial portion of their revenue. Losing the authority to sell tobacco products for a month can cost retailers far more than the largest fines that can be imposed under existing California laws, like Penal Code section 308 or the STAKE Act. See Cal. Penal Code § 308 (violators can be fined \$200, \$500, or \$1000 for first, second, or third violations, respectively); Cal. Bus. & Prof. Code § 22958 (violators can be fined \$400-600 for a first violation and are subject to harsher penalties for each additional violation in a 5-year period).

⁶ California Department of Public Health, *California Tobacco Control Program, California Tobacco Facts and Figures*, 2016. Available at: www.cdph.ca.gov/Programs/CID/DCDC/CTCB/Pages/FactsandFigures.aspx.

⁷ The American Lung Association in California Center for Tobacco Policy and Organizing. *Tobacco Retailer Licensing Is Effective*, 2013. Available at: <http://center4tobaccopolicy.org/wp-content/uploads/2016/06/Tobacco-Retailer-Licensing-Is-Effective-September-2013.pdf>.

⁸ Cantrell J, Kreslake JM, Ganz O, et al. Marketing Little Cigars and Cigarillos: Advertising, Price, and Associations with Neighborhood Demographics. *American Journal of Public Health*. 2013;103(1):1902-9.

Toomey TL, Chen V, Forster J, Coerver PV, Lenk KM. Do Cigarette Prices Vary by Brand, Neighborhood, and Store Characteristics? *Public Health Reports*. 2009;124(4):535-40.

Feighery EC, Schleicher NC, Boley Cruz T, Unger JB. An Examination of Trends in Amount and Type of Cigarette Advertising and Sales Promotions in California Stores, 2002-2005. *Tobacco Control*. 2008;17(2):93-8.

Henriksen L, Schleicher NC, Dauphinee AL, Fortmann SP. Targeted Advertising, Promotion, and Price for Menthol Cigarettes in California High School Neighborhoods. *Nicotine and Tobacco Research*. 2012;14(1):116-21.

⁹ Tobacco-Related Disparities. Centers for Disease Control and Prevention website. www.cdc.gov/tobacco/disparities/index.htm. Accessed February 20, 2018.

¹⁰ Henriksen L, Feighery EC, Schleicher NC, Cowling DW, Kline RS, Fortmann SP. Is Adolescent Smoking Related to the Density and Proximity of Tobacco Outlets and Retail Cigarette Advertising Near Schools? *Preventive Medicine*. 2008;47(2):210-214. Abstract only is available at: www.sciencedirect.com/science/article/pii/S0091743508002089.

¹¹ Ackerman A, Etow A, Bartel S & Ribisl KM. Reducing the density and number of tobacco retailers: Policy solutions and legal issues. *Nicotine & Tobacco Research*. 2017;19(2):133-140. Abstract only is available at: <https://academic.oup.com/ntr/article-abstract/19/2/133/1631691>. Reducing-the-Density-and-Number-of-Tobacco-

¹² Hill S, Amos A, Clifford D, Platt S. Impact of tobacco control interventions on socioeconomic inequalities in smoking: review of the evidence. *Tobacco Control*. 2014;23(e2):e89-e97. Available at: <http://tobaccocontrol.bmj.com/content/23/e2/e89#T1>.

Golden SD, Farrelly MC, Luke DA, Ribisl KM. Comparing projected impacts of cigarette floor price and excise tax policies on socioeconomic disparities in smoking. *Tobacco Control*. 2016;25(Suppl. 1):i60-i66. Available at: http://tobaccocontrol.bmj.com/content/25/Suppl_1/i60/.

Photos: Lydia Daniller (top of page 2), ChangeLab Solutions (bottom of page 2, top of page 3), SFCityAttorney on Flickr.com (bottom of page 3), and Flickr Creative Commons Danie Oines (page 4).

The options discussed so far are just a few examples of cutting-edge policy solutions for tobacco control. Other innovative policy solutions—referred to as “plug-in” provisions—can be incorporated into a TRL law. For more information about plug-in provisions, including the ones mentioned here, see our fact sheet.

Who should handle implementation and enforcement?

It’s up to individual communities to decide who will implement and enforce a TRL law. Multiple agencies might be involved: one agency may issue the license (the city manager, for example, or the agency that issues general business licenses), while another agency, such as the environmental health or police department, may monitor compliance.

There is no one right way to implement and enforce a local TRL program. That said, successful programs share some characteristics. For one thing, they are overseen by a single government agency with dedicated staff members. They also plan early for enforcement that engages all the key players. And they require a license fee that is large enough to cover the full cost of administering and enforcing the program. To assist agencies in coordinating and planning, ChangeLab Solutions has created a checklist that includes all the recommended elements of a successful program.

Can licensing be used in other ways to create a healthier retail environment?

Communities can use licensing and other strategies to improve public health in other ways by ensuring that retailers are not only complying with existing laws but also benefiting the communities they serve. For example, in neighborhoods with limited access to fresh produce and staple foods, a licensing system could require food retailers to carry these items. For more information on how public health practitioners in tobacco control, nutrition, and prevention of excessive alcohol use can work together to create a healthier retail environment, see our resources on healthy retail policy and partnerships.



ChangeLab Solutions is a nonprofit organization that provides legal information on matters relating to public health. The legal information provided in this document does not constitute legal advice or legal representation. For legal advice, readers should consult a lawyer in their state.

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Retail Policy and Licensure

The tobacco industry spends over \$9 billion annually advertising and promoting its products. Of this amount, more than 90 percent is spent in the retail environment (e.g., convenience stores, gas stations, grocery stores, and pharmacies), typically at the point of sale (POS). The point of sale refers to any location where [commercial tobacco](#) products are advertised, displayed or purchased, and includes areas at the cash register, as well as advertisements inside and outside retail establishments.

Tobacco companies attract and maintain consumers and potential consumers by advertising, price promotions and discounts, product placement and displays, and other marketing tactics in the retail setting. Not only are most tobacco products bought in stores, but the widespread presence of tobacco outlets, products, and advertising encourages initiation, increases impulse purchases, normalizes the presence of tobacco products in everyday life, and discourages tobacco cessation.

Reducing access to tobacco products and limiting tobacco industry presence in the retail environment is a core tobacco control strategy. One of the most effective ways to implement this strategy in the retail setting is through robust tobacco retailer licensing laws. All states and many local governments have the power to require retailers to obtain a license before selling tobacco products and to revoke or suspend a license if the retailer violates the law. Tobacco licensing laws can be an effective tobacco control tool in reducing or restricting the number, location, density, and types of tobacco retail outlets; limiting point-of-sale advertising and product placement; and requiring retailers to comply with other tobacco control measures.

This section contains information about tobacco control policy options, such as licensure, that can help limit the tobacco industry's presence and impact in the retail environment.

Featured resources are below. Other relevant resources in right sidebar (desktop/tablet), or end of page (mobile).

[Tobacco Control newsletter](#)

email address



[Location, Location, Location: Tobacco & E-cig Point of Sale \(2019\)](#)

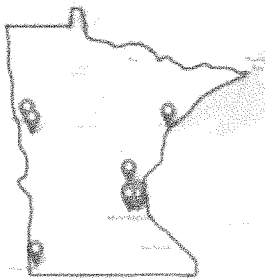
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Retailers are the primary marketing venue for tobacco products, driving sales and use. As a result, tobacco control policy has increasingly focused on retailers by, for example, limiting their number and restricting their location, as recommended by the Institute of

Medicine and the U.S. Surgeon General. This publication outlines policy and legal considerations for regulating both tobacco and electronic cigarette retailer locations to improve public health.



Tobacco Town Minnesota (2018)

This page features resource materials related to Tobacco Town Minnesota, a computational modeling project that explored the impact of menthol restrictions and retailer density reductions in six different Minnesota communities.

Related Topics

E-Cigarettes

Advertising and Marketing

Sales Restrictions

Taxation and Product Pricing

Resources

Minnesota City Retail Tobacco Licensing Ordinance (2020)

Tobacco 21: Model Policy (2019)

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Tobacco Town Minnesota

Location Location Location: Tobacco & E-Cig Point of Sale (2019)

Tobacco Town Minnesota: Modeling Menthol and Retailer Density Policies in Minnesota Communities (2018)

Minnesota County Retail Tobacco Licensing Ordinance (2018) *CURRENTLY BEING UPDATED*

Synar Compliance: E-Cigarette & T21 Laws (2017)

Using Licensing and Zoning to Regulate Retailers - Tips and Tools (2016)

Point-of-Sale Case Study: New York City (2015)

Point-of-Sale Report to the Nation - Policy Activity 2012-2014 (2015)

Point-of-Sale Report to the Nation - The Tobacco Retail & Policy Landscape 2012-2014 (2014)

Using Retailer AVCs as a Tool in Tobacco Control (2015)

Regulating Tobacco in the Retail Environment: An Overview of Local Point-of-Sale Strategies (2015)

Point-of-Sale Strategies: A Tobacco Control Guide (2014) **Subscribe to our monthly Commercial Tobacco Control newsletter**

License to Kill? Tobacco Retailer Licensing as an Effective Enforcement Tool

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Assessing Retail Environments with STARS: Standardized Tobacco Assessment for Retail Settings

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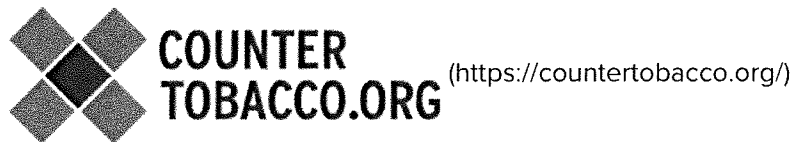
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LICENSING, ZONING, AND RETAILER DENSITY

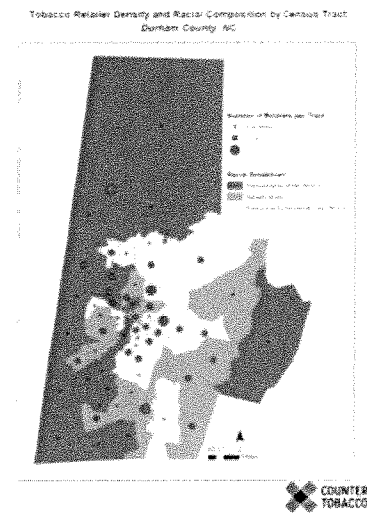
Licensing and zoning are two of the most lasting strategies to impact the density of tobacco retailers, the types of retailers that can sell tobacco, and the location of tobacco retailers.

In general, licensing laws require that businesses obtain a license to operate a certain type of business, whereas zoning regulates how land can be used. Read more on the differences between licensing and zoning (http://changelabsolutions.org/sites/default/files/Licensing%20Zoning_FINAL_20120703.pdf). Both strategies can be used to restrict the density, type, and location of tobacco retailers. This matters because retail availability of tobacco:

- **Perpetuates social norms about tobacco use.** The ubiquitous presence of tobacco retailers gives the impression that tobacco is available and accessible.

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- Increases exposure to industry point of sale advertising, marketing and promotions**
 (<http://countertobacco.org/policy/restricting-tobacco-advertising-and-promotions/>). The tobacco industry channels most of its marketing dollars into the retail environment (Read More (<http://countertobacco.org/the-war-in-the-store/>)).
- Reduces search costs for tobacco products.** Proximity to tobacco retailers is associated with higher smoking rates^[1] (<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1757087/>) and can reduce the success of quit attempts for people looking to curb their tobacco use.^[2]
 (<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3020198/>)³
 (<https://www.ncbi.nlm.nih.gov/pubmed/28432213>)
- Contributes to social and environmental inequities.** Tobacco retail outlet density is higher in low income and minority neighborhoods, fueling disparities in tobacco use and its associated health effects.^[4] (<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1470554/>), ⁵ (<http://www.ncbi.nlm.nih.gov/pubmed/20541232>), ⁶ (<http://jech.bmj.com/content/early/2017/03/01/jech-2016-208475>) Read Tobacco Retail Licensing Policy: A Health Equity Impact Assessment (<http://www.pewtrusts.org/-/media/assets/external-sites/health-impact-project/upstream-2015-tobacco-licensing-report.pdf>) for more on how licensing can help improve health equity in communities.
- Contributes to higher smoking rates.** Tobacco retail outlet density is associated with high rates of youth ^[4] (<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1470554/>), ⁵ (<http://www.ncbi.nlm.nih.gov/pubmed/20541232>), ⁸ (<http://www.ncbi.nlm.nih.gov/pubmed/17291176>), ⁹ (<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2759807/>) and adult tobacco use,^[1] (<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1757087/>), ¹⁰ (<https://linkinghub.elsevier.com/retrieve/pii/S2211335519301767>) as well as higher rates of tobacco use initiation among youth and young adults. ^[11] (<http://www.ncbi.nlm.nih.gov/pubmed/25666816>), ¹² (https://cpb-us-w2.wpmucdn.com/sites.wustl.edu/dist/e/1037/files/2011/11/AbdelMagidetal_TobaccoRetailDensityandInitiation.pdf) Recent evidence also shows that higher tobacco retailer density is associated with higher rates of smoking among pregnant women.^[17] (<https://jamanetwork.com/journals/jamapediatrics/article-abstract/2721000>) Additional evidence suggests that adolescents that live in neighborhoods with a greater density of tobacco retailers are significantly more likely to intimate use of alternative tobacco products such as cigars, hookah, and smokeless tobacco. ^[18] ([https://www.jahonline.org/article/S1054-139X\(19\)30447-1/pdf](https://www.jahonline.org/article/S1054-139X(19)30447-1/pdf))
- Increases perceived availability and accessibility of tobacco products**, especially among youth.^[2] (<http://www.ncbi.nlm.nih.gov/pubmed/16702196>) Research has found that stores where youth are more likely to shop contain up to twice as much shelf space dedicated to the three brands most popular among youth.^[3] (<http://www.ncbi.nlm.nih.gov/pubmed/15333890>)
- Increases brand recognition**, especially among youth,^[2] (<http://www.ncbi.nlm.nih.gov/pubmed/16702196>) which increases odds of smoking.^[4] (<http://www.ncbi.nlm.nih.gov/pubmed/23449398>)
- Encourages impulse purchases of tobacco products, cues cravings, and undermines quit attempts.** ^[5] (<http://www.ncbi.nlm.nih.gov/pubmed/18042190>), ⁶ (<http://www.ncbi.nlm.nih.gov/pubmed/19264731>), ⁷ (<http://tobaccocontrol.bmj.com/content/early/2015/05/29/tobaccocontrol-2015-052253.full>)



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See the infographic (http://countertobacco.org/wp-content/uploads/2017/03/Tobacco_Retailer_Licensing_Density-Infographic_FINAL_20170202.pdf) below on how to restrict tobacco retailer density and why (click to enlarge), then check out the companion factsheet from ChangeLab Solutions, “Tobacco Retailer Density: Place-Based Strategies to Advance Health and Equity. (http://changelabsolutions.org/sites/default/files/CLS-BG214-Tobacco_Retail_Density-Factsheet_FINAL_20190131.pdf)” Learn more about licensing and zoning strategies below.



(http://countertobacco.org/wp-content/uploads/2017/03/Tobacco_Retailer_Licensing_Density-Infographic_FINAL_20170202.pdf)

What is Licensing?

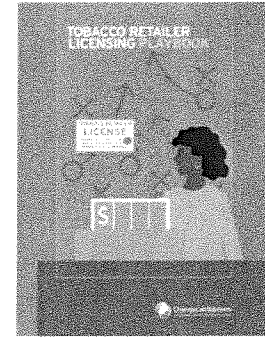
Certain types of businesses are required to purchase government-issued retail licenses that grant license-holding businesses permission to sell certain products under certain conditions. Generally, tobacco retail licensing (TRL) requires that the city or county issue businesses, new and existing, a license before they are allowed to sell tobacco products. As of 2019, 38 states (<https://chronicdata.cdc.gov/Legislation/Map-of-States-with-Laws-Requiring-Licenses-for-Over-the-Counter-Tobacco-Sales>) require a license for over-the-counter tobacco sales.

(<https://www.changelabsolutions.org/product/tobacco-retailer-licensing-playbook>)

Resource:

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To find strategies for developing, implementing, and enforcing a comprehensive TRL policy, as well as local-level examples, review ChangeLab Solution's Tobacco Retailer Licensing Playbook (<http://www.changelabsolutions.org/tobacco-retailer-licensing>).



The evidence for implementing or strengthening TRL policies

Tobacco retail licensing is an evidence-based way to reduce tobacco use, and it can be used an effective way to substantially reduce the density, type, and location of tobacco retailers.^[7]

(<http://www.ncbi.nlm.nih.gov/pubmed/25689540>) In doing so, TRL policies can help reduce disparities in how tobacco products are marketed and sold across different communities (Read more (<http://countertobacco.org/resources-tools/evidence-summaries/disparities-in-point-of-sale-advertising-and-retailer-density/>)). It is a versatile regulatory platform that can be used to:

- **Maintain a list of tobacco and e-cigarette retailers.** Licensing enables the governing body to maintain a current and comprehensive list of businesses that sell tobacco. Organizations can use this data to map tobacco retailers and monitor the number, location, and density of retailers in their community. As of December 2018, 22 states (<https://www.publichealthlawcenter.org/sites/default/files/States-with-Laws-Requiring-Licenses-for-Retail-Sales-of-ECigarettes-Dec2018.pdf>) plus the District of Columbia require a license to sell e-cigarettes or e-liquid over the counter.
- **Fund compliance monitoring programs.** Most TRLs include a yearly fee, which generates revenue to help the city or county cover the costs of inspection and enforcement of minimum age laws, tax laws, and compliance with the Family Smoking Prevention and Tobacco Control Act (<https://www.fda.gov/tobacco-products/rules-regulations-and-guidance/family-smoking-prevention-and-tobacco-control-act-overview>). Most TRLs include stipulations that require adherence to all tobacco laws. Raising the cost of an existing license fee can help ensure that monitoring and enforcement costs are sufficiently covered.
- **Reduce the density or clustering of retailers** by restricting how close to each other tobacco retailers can be located. Tobacco retail outlet density is associated with high rates of youth^[4] (<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1470554/>),⁵ (<http://www.ncbi.nlm.nih.gov/pubmed/20541232>),⁸ (<http://www.ncbi.nlm.nih.gov/pubmed/17291176>),⁹ (<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2759807/>) and adult tobacco use,^[1] (<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1757087/>),¹⁰ (<https://linkinghub.elsevier.com/retrieve/pii/S2211335519301767>) as well as higher rates of tobacco use initiation among youth and young adults.^[11] (<http://www.ncbi.nlm.nih.gov/pubmed/25666816>),¹² (https://cpb-us-w2.wpmucdn.com/sites.wustl.edu/dist/e/1037/files/2011/11/AbdelMagidetal_TobaccoRetailDensityandInitiation.pdf)
 - Canadian Case Study: Reducing the Availability of Tobacco Products at Retail: Policy Analysis (https://www.nsra-adnf.ca/cms/file/files/Reducing_Retail_Availabilty_policy_analysis_final_2011.pdf)
- **Reduce the total number of retailers** by setting moratoriums on the number of new licenses or capping the number of licenses (e.g., based on population or geographic area)

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- **When used together, capping the total number of licenses and setting a minimum distance that new tobacco retailers must be from existing retailers** can help reduce the disproportionate density of outlets in disadvantaged neighborhoods.
 - Case Study: Reducing Tobacco Retailer Density in San Francisco (<http://sanfranciscotobaccofreeproject.org/case-studies/reducing-tobacco-retailer-density-in-san-francisco/>)
 - Case Study: Reducing Retailer Density in Philadelphia (<https://countertobacco.org/resources-tools/stories-from-the-field/reducing-retailer-density-in-philadelphia/>)
- Another benefit of tobacco retailer licensing programs is the ability to **allow license suspension and revocation**. Strong TRL policies allow for the suspension and/or revocation of a store's license for violating tobacco laws (including youth access laws). This can reduce the total number of retailers and reduce density. It also increases the likelihood that retailers will adhere to regulations, with a greater consequence than a fine, which some retailers may view as the cost of doing business.
- **Restrict businesses located near schools or youth-oriented facilities from selling tobacco.** For example, communities have used licensing policies to restrict tobacco retailers within 1000 feet of schools. Studies show that high school smoking prevalence is associated with tobacco retail density near schools ^[13 (<http://tobaccocontrol.bmj.com/content/25/e2/e711>)] and stores near schools have greater exterior tobacco advertising. ^[14 (<http://www.ncbi.nlm.nih.gov/pubmed/8550368>)] Research in Missouri and New York has shown that prohibiting tobacco retailers near schools would nearly eliminate income- and race-based disparities in retailer density between neighborhoods. ^[15 (<https://academic.oup.com/ntr/article-abstract/19/2/239/2631665/Reducing-Disparities-in-Tobacco-Retailer-Density>)] Read more about tobacco retailers near schools (<http://countertobacco.org/stores-near-schools>).
- **Prohibit distribution of licenses in residential zones** to help limit tobacco retailers in areas frequented by youth. Research shows that when there are more retailers in adolescents' home neighborhoods, they are more likely to initiate tobacco use. ^{[12 (https://cpb-us-w2.wpmucdn.com/sites.wustl.edu/dist/e/1037/files/2011/11/AbdelMagidetal_TobaccoRetailDensityandInitiation.pdf)]}
- **Restrict the types of businesses that can sell tobacco.** Many communities have restricted the types of businesses, such as pharmacies (<http://www.countertobacco.org/tobacco-free-pharmacies>), that can obtain TRLs.
- **Address a variety of additional tobacco control strategies.** By including **plug-ins** (https://countertobacco.org/wp-content/uploads/2018/11/TRL_CombinedPlug-Ins_FINAL_20180814-1.docx) for more comprehensive tobacco control, tobacco retail licensing ordinances can include language to address strategies such as:
 - Minimum pack size and minimum price for cigars
 - Tobacco product sampling restrictions
 - Drug paraphernalia restrictions
 - Restricting the sale of flavored tobacco products
 - Banning the redemption of tobacco discounts, coupons, and promotions
 - Regulating the sale of e-cigarettes
 - Raising the minimum legal sales age to 21
 - ...and more

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- **Reduce sales to youth.** Evidence also shows that strong tobacco retailer licensing laws can help reduce sales to underage youth. Across 33 California communities, sales to underage youth dropped by an average of 26% (<https://center4tobaccopolicy.org/wp-content/uploads/2016/10/Tobacco-Retailer-Licensing-is-Effective-September-2013.pdf>) after implementation of a strong tobacco retailer licensing law. In Minnesota, a study found that daily smoking among young adolescents dropped by 28% in 14 communities that implemented comprehensive tobacco retailer licensing ordinances, and successful youth purchases dropped from 39% to 5%. ^[16] (<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1508321/>)
- **Prevent youth tobacco use initiation.** Strong local tobacco retailer licensing laws can also help prevent youth tobacco use initiation for both cigarettes and e-cigarettes. In California localities that had a strong tobacco retailer license, youth were 33% less likely to have initiated cigarette use and 26% less likely to initiate e-cigarette use over the course of 1.5 years compared to localities that had no licensing law or did not have a licensing fee high enough to cover the costs of enforcement.^[17] (<http://pediatrics.aappublications.org/content/early/2019/01/03/peds.2017-3536>) Another study found that in Pennsylvania, youth e-cigarette use dropped significantly following the implementation of licensing for e-cigarette retailers.^[19] (<https://www.ncbi.nlm.nih.gov/pubmed/31521511>)

Story from the Field: San Francisco's Tobacco Sales Reduction Act

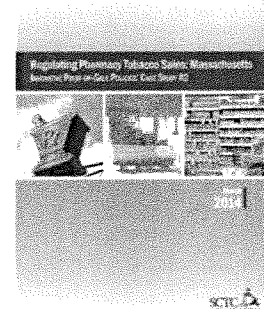
A retailer licensing policy can help a community monitor and manage the number of tobacco retailers and is a typical policy lever pulled by towns or cities to manage the number of alcohol retailers. In December 2014, San Francisco passed a landmark tobacco retailer licensing law called the Tobacco Sales Reduction Act (<http://countertobacco.org/san-francisco-passes-landmark-tobacco-sales-reduction-act/>), which sets a cap on the number of tobacco sales permits allowed in each of the city's 11 districts, aiming to reduce disparities in retailers density in lower income and minority communities. For more details on the city's strategy and lessons learned, review Reducing Tobacco Retail Density in San Francisco: A Case Study (<http://sanfranciscotobaccofreeproject.org/case-studies/reducing-tobacco-retail-density-in-san-francisco/>). Watch this video (<https://www.youtube.com/watch?v=wFg26CsdXyU>) from the youth of San Francisco's Tobacco Use Reduction Force (<http://sanfranciscotobaccofreeproject.org/wp-content/uploads/2013-Tobacco-Use-Reduction-Force-YLI-Density.pdf>) (TURF) to learn more about the law and why it is so important.

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Tobacco Use Reduction Force PSA**(<http://countertobacco.org/policy/licensing-and-zoning/>)Story from the Field: Tobacco Free Pharmacies**

In 2008, San Francisco became the first city in the U.S. to ban tobacco sales in pharmacies. In February 2014, CVS announced its decision to stop selling tobacco products (<https://cvshealth.com/thought-leadership/cvs-health-perspective/we-are-tobacco-free>), becoming the first retail pharmacy chain in the U.S. to take such action. In Massachusetts over 80 cities and towns have enacted similar bans as of February 2014. Learn more about Massachusetts' success in 'Regulating Pharmacy Tobacco Sales: Massachusetts,

(http://cphss.wustl.edu/Products/Documents/POS_MA_CaseStudy_Final_electronic.pdf)' the second case study in the Innovative Point-of-Sale Policies series from the Center for Public Health Systems Science at Washington University in St. Louis. Learn more about Tobacco Free Pharmacies (<http://countertobacco.org/policy/tobacco-free-pharmacies/>).

**Story from the Field: Licensing E-Cigarette Retailers and Vape Shops**

In April 2016, the **Washington state** legislature adopted rules (<http://publichealthlawcenter.org/resources/e-cigarette-regulations-washington>) to create a statewide licensing system for businesses that sell and distribute "vapor products," including liquid nicotine. The state estimates (<http://lcb.wa.gov/records/frequently-requested-lists>) that approximately 6,000 retailers will be affected by the new licensing rules, along with roughly 150 "vapor products" distributors.

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The rules, which are expected to take effect in fall 2016, require retailers to obtain a separate license to sell "vapor products" online. In addition, many local communities have adopted their own licensing and permit requirements for e-cigarette retailers and vape shops. For example, **San Marcos, California**, recently passed an ordinance (<http://www.san-marcos.net/home/showdocument?id=11868>) requiring any shop that sells tobacco products, including e-cigarettes and related devices, to purchase a city-issued "tobacco retail license." The city partnered with the San Marcos Prevention Coalition (<http://sanmarcospreventioncoalition.org/>) and the Vista Community Clinic (<http://www.vistacommunityclinic.org/>), which conducted surveys of local e-cigarette retailers and vape shops and determined that a number of businesses were selling these products to minors in violation of state law. San Marcos plans to use the tobacco license fees (roughly \$190 per establishment) to ensure that businesses are complying with tobacco control regulations, including restrictions on selling to underage users. **Read more.** (<http://countertobacco.org/resources-tools/stories-from-the-field/licensing-e-cigarette-retailers-and-vape-shops/>)

What is Zoning?

Most local governments use zoning for land use planning. By dividing areas into zones, local jurisdictions can control the types of businesses allowed to operate in certain zones. Zones might be designated as residential, commercial, industrial, agricultural, or mixed-use. Zoning laws can enable local regulators to keep similar land uses together, and keep incompatible land uses separated. For example, a residential zone might prohibit tobacco, alcohol, and firearm retailers.

When writing ordinances, you and your team of legal experts can tailor provisions of zoning and land use laws by adding Conditional Use Permits (CUPs), which allow certain land uses (e.g., tobacco retailing) only upon agreement of special provisions. For example, you could specify that tobacco can only be sold in certain zones if retailers agree to more stringent conditions or regulations, such as not selling flavored other tobacco products (OTPs). CUPs also give local governments the ability to make decisions about whether businesses can be allowed to operate on a case-by-case basis.

Why enact zoning regulations?

Like tobacco retailer licensing, zoning is an effective way to reduce the density, type and location of tobacco retailers. Zoning and conditional use permits can be used to:

- **Prevent tobacco retailers from operating in certain zones** (e.g., residential zones) or limiting them to certain zones (e.g., industrial zones). For example, in January 2017, Buffalo, NY (<http://tobaccofreewny.com/passing-greencode-tobacco-control/>) overhauled their city's zoning code and restricted new retailers from selling tobacco, hookah, alcohol, and vaping products in residential zones.
- **Limit the number or density of tobacco retailers in certain zones.** For example, "cap and winnow" strategies reduce the number of tobacco retailers over time through attrition

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- Independence, MO has included provisions in their Unified Development Ordinance (<http://www.ci.independence.mo.us/article/5120>) (UDO) that limits the number of tobacco stores and convenience stores without fuel sales to one per 15,000 residents, which over time will halve the number in existence at the time of the ordinance's enactment. The UDO also prohibits any new tobacco stores from locating within 500 ft of a residential district, school, church, or public park.
- Canadian Case Study: Reducing the Availability of Tobacco Products at Retail: Policy Analysis (https://www.nsra-adnf.ca/cms/file/files/Reducing_Retail_Availabilty_policy_analysis_final_2011.pdf)
- **Restrict tobacco retailers from operating in certain areas** (e.g., near youth-oriented facilities) through conditional use permits.

Best Practices for Getting Started

- ✓ Decide whether licensing or zoning strategies are best for your community (http://changelabsolutions.org/sites/default/files/Licensing%26Zoning_FINAL_20120703.pdf). The first step is deciding whether to pursue licensing or zoning, so it's important to determine policy goals and examine existing regulations. Review the Center for Tobacco Policy & Organizing's Matrix of Local Ordinances Restricting Tobacco Retailers Within a Certain Distance of Schools (<https://center4tobaccopolicy.org/wp-content/uploads/2016/10/Matrix-of-Ordinances-Restricting-Retailers-Near-Schools-Sept-2016.pdf>) to see how different localities have used different licensing and zoning schemes to restrict the location of tobacco retail outlets, and ChangeLab Solutions' Licensing and Zoning: Tools for Public Health (<http://www.publichealthlawcenter.org/sites/default/files/resources/tclc-guide-licensingandzoning-2011.pdf>) to learn more about the difference between licensing and zoning. For example, only licensing can be used as a mechanism for continued enforcement of tobacco control policies, while zoning policies might be used as part of a comprehensive effort to make neighborhoods healthier (<http://barhii.org/resources/healthy-planning-guide/>).
- ✓ Be sure to consult legal experts. The content on this site and associated resources are **no substitute for actual legal advice**.
- ✓ Find out if your state has tobacco retail licensing (<https://www.cdc.gov/statesystem/legislation.html>) so you know whether you will be implementing a new policy or strengthening an existing one
- ✓ Research existing land use regulations in your community and find out whether your community allows zoning ordinances.
- ✓ Conduct an environmental assessment to define the problem
- ✓ Collect local data in your community. Collecting data on tobacco retailer location and creating maps to illustrate the problem of tobacco retail outlet density can be a powerful tool for engaging stakeholders. You can use Counter Tobacco's Tobacco Retailer Nation Youth Engagement Activity (<http://countertobacco.org/youth-engagement-activity-center#Tobacco%20Retailer%20Nation>) to get started

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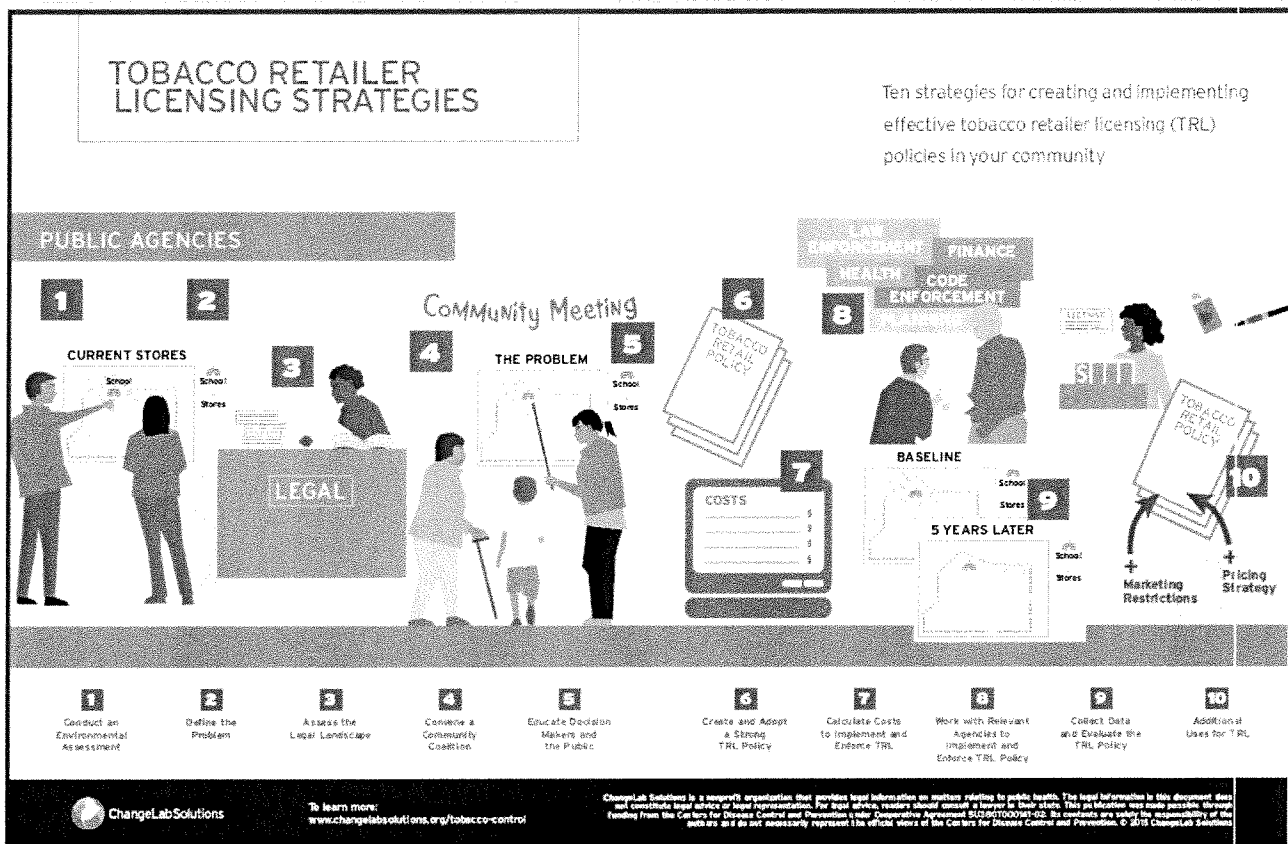
- ✓ Conduct public opinion surveys (<http://countertobacco.org/public-opinion-surveys>) to measure community support for zoning strategies.

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- ✓ Assess the legal landscape and consult legal experts. Review the following resources:
 - From the Public Health Law Center:
 - Law synopsis on tobacco retail licensing, “License to Kill?: Tobacco Retailer Licensing as an Effective Enforcement Tool (<http://www.publichealthlawcenter.org/sites/default/files/resources/tcllc-syn-retailer-2010.pdf>).”
 - Location, Location, Location: Regulating Tobacco & E-Cig Retailer Locations for Public Health – Tips & Tools (<https://publichealthlawcenter.org/sites/default/files/resources/Location-Tobacco-Ecig-Point-Of-Sale-2019.pdf>)
 - Law synopsis on land use regulation: Local Land Use Regulation for the Location and Operation of Tobacco Retailers (<http://www.publichealthlawcenter.org/sites/default/files/resources/tcllc-syn-land-2004.pdf>)
 - “Comprehensive Tobacco Retailer Licensing Ordinance (<https://www.publichealthlawcenter.org/sites/default/files/resources/Comp-Tobacco-Retailer-License.pdf>)”
 - From the Public Health and Tobacco Policy Center
 - “Tobacco Retail Licensing: Promoting Health Through Local Sales Regulations (<http://www.tobaccopolicycenter.org/documents/TobaccoRetailLicensing.pdf>)”
 - From Tobacco 21:
 - “Tobacco Retail Licensing: An Essential Tool to Reduce Youth Usage and Foster Health Equity (<https://tobacco21.org/wp-content/uploads/2020/09/TRL-BEST-PRACTICES-GUIDE-PTAF-September-2020.pdf>)”
 - From ChangeLab Solutions:
 - Tobacco Retailer Density: Place-Based Strategies to Advance Health and Equity (http://changelabsolutions.org/sites/default/files/CLS-BG214-Tobacco_Retail_Density-Factsheet_FINAL_20190131.pdf)
 - Show Me Your License: The Basics of Tobacco Retailer Licensing (http://changelabsolutions.org/sites/default/files/ShowMeYourLicense_FINAL_20180630.pdf)
 - Tobacco Retailer Licensing: An Effective Tool for Public Health (http://changelabsolutions.org/sites/default/files/TobaccoRetailerLicensing-AnEffectiveToolforPublicHealth_FINAL_20180630_0.pdf)
 - Tobacco Retailer Licensing Playbook (<http://changelabsolutions.org/publications/tobacco-retailer-licensing-playbook>) – find a strategy that works for your community.
 - Model licensing ordinance and checklist (<http://changelabsolutions.org/publications/model-TRL-Ordinance>)
 - “Plug-ins” – Licensing can be used to do more than just restrict the location and density of retailers. Think about what “plug-ins (<http://changelabsolutions.org/publications/model-TRL-Ordinance>)” to include in a licensing ordinance.
 - Case studies (<http://changelabsolutions.org/publications/case-studies-local-trl-ords>) Find lessons learned from communities in California that have effectively changed their licensing ordinances.

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- Budgeting for a Local Tobacco Retailer License Fee
(<http://www.changelabsolutions.org/publications/trl-fee-calculator-checklist>) – Learn how to assess the costs of a licensing program. Licensing fees can and should be used to fund monitoring and enforcement of the ordinance. The fee of an existing license can be raised to help cover monitoring and enforcement. Further, a recent study found that raising licensing fees can decrease the number of licenses renewed or purchased, reducing the number or density of retailers. ^[10 (<http://www.ncbi.nlm.nih.gov/pubmed/25666816>)]
- Tobacco Retail Licensing Fee Calculator (<http://changelabsolutions.org/tobacco-control/trl-fee-calculator#/page/0>) – Determine an appropriate fee that adequately supports the costs associated with implementing and enforcing a TRL system
- Model Land Use Ordinance
(<http://web.archive.org/web/20140715165650/http://changelabsolutions.org/publications/land-use-ord>) and land use ordinance checklist
(<http://web.archive.org/web/20140715165650/http://changelabsolutions.org/publications/land-use-ord>)



(<http://www.changelabsolutions.org/publications/tobacco-retailer-licensing-playbook>)

Tobacco Retailer Licensing Playbook and Playbook Strategies Poster from ChangeLab Solutions

- ✓ Consider a media campaign. For an example, see the North Carolina licensing campaign posters (<http://countertobacco.org/media-gallery/print-campaigns/>)

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For an effective licensing or zoning policy, the Public Health Law Center (<https://www.publichealthlawcenter.org/topics/tobacco-control>) recommends that the following policy elements be included:

Policy Element	Explanation
Clear definitions and concise language	As with any law, tobacco control laws must be worded clearly and concisely. Carefully avoid vague or ambiguous language.
Well-crafted implementation process	Licensing and zoning laws should specify the means by which a retailer applies for, receives and maintains permission to sell tobacco products. These provisions can include the type of forms to be filed, deadlines and fees for filing, and the ramifications of any failure to meet such requirements.
Robust enforcement options	The law should clearly describe the type of conduct it prohibits. Laws can require compliance with any and all federal, state and local laws that apply to the retailer, or could more narrowly require compliance with certain aspects of tobacco control laws, such as prohibitions against sales to minors, taxation statutes, promotional restrictions, and the like.
Reasonable penalty and appeals process	The law should explain the penalties for each violation of the law. For instance, penalties could include a graduated system of warnings and fines. Further penalties for certain violations could result in the suspension or revocation of the ability to sell tobacco products. Additional provisions could explain how penalties can be appealed.

*Table compiled using information from a Public Health Law Center (<https://www.publichealthlawcenter.org/topics/tobacco-control>) guide to Using Licensing and Zoning to Regulate Retailers (<http://publichealthlawcenter.org/sites/default/files/resources/tclc-guide-licensingandzoning-2011.pdf>). For more detailed information, example policies, and other helpful legal resources regarding licensing and zoning ordinances, visit the Public Health Law Center website. **In addition, be sure consult your legal experts, as the content on these websites is no substitute for legal advice.***

NEED GUIDANCE?



(<http://www.countertools.org>)

We're empowering communities to become healthier places, starting with the retail environment.

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Learn more at CounterTools.org (<http://www.countertools.org>)

RECENT POSTS

- Counter Tobacco Podcast Episode 21: On Your Radar – September Spotlight on Flavor Bans (<https://countertobacco.org/counter-tobacco-podcast-episode-21-on-your-radar-september-spotlight-on-flavor-bans/>)
- September 2020 News and Research Roundup (<https://countertobacco.org/september-2020-news-and-research-roundup/>)
- Highlights from the Convenience Store News 2020 Tobacco Report (<https://countertobacco.org/highlights-from-the-convenience-store-news-2020-tobacco-report/>)
- California's Ban on the Sale of Flavored Tobacco Products (<https://countertobacco.org/an-update-on-californias-ban-on-flavored-tobacco-products/>)
- Three More States Pass Tobacco 21 (<https://countertobacco.org/three-more-states-pass-tobacco-21/>)

LISTEN TO OUR PODCAST



(<https://countertobacco.org/resources-tools/counter-tobacco-podcast/>)

CATEGORIES

- Advertising Restrictions (<https://countertobacco.org/category/advertising-restrictions/>) (61)
- CDC OSH POS Webinars (<https://countertobacco.org/category/cdc-osh-pos-webinars/>) (15)
- Child-Resistant Packaging (<https://countertobacco.org/category/child-resistant-packaging/>) (5)
- Cigarettes (<https://countertobacco.org/category/cigarettes/>) (112)
- Disparities (<https://countertobacco.org/category/disparities/>) (97)
- Displays/Display Ban (<https://countertobacco.org/category/display-ban/>) (38)
- E-Cigarettes (<https://countertobacco.org/category/e-cigarettes/>) (130)
- FDA (<https://countertobacco.org/category/fda/>) (61)
- Flavors (including Menthol) (<https://countertobacco.org/category/flavors-including-menthol/>) (138)
- Health Warnings (<https://countertobacco.org/category/health-warnings/>) (49)
- Healthy Retailers (<https://countertobacco.org/category/healthy-retailers/>) (27)
- International (<https://countertobacco.org/category/international/>) (27)
- Large Cigars (<https://countertobacco.org/category/large-cigars/>) (22)
- Licensing (<https://countertobacco.org/category/licensing/>) (84)
- Little cigars/Cigarillos (<https://countertobacco.org/category/little-cigars-cigarillos/>) (62)

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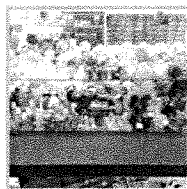
- Media Campaign (<https://countertobacco.org/category/media-campaign/>) (50)
- Minimum pack size (<https://countertobacco.org/category/minimum-pack-size/>) (15)
- Minimum price (<https://countertobacco.org/category/minimum-price/>) (29)
- Non-Tax Price Increases (<https://countertobacco.org/category/non-tax-price-increases/>) (47)
- Personal Narrative (<https://countertobacco.org/category/personal-narrative/>) (28)
- Pharmacies (<https://countertobacco.org/category/pharmacies/>) (47)
- Photo Contest (<https://countertobacco.org/category/photo-contest/>) (6)
- Podcast (<https://countertobacco.org/category/podcast/>) (20)
- Policy Advocacy (<https://countertobacco.org/category/policy-advocacy/>) (92)
- Preemption (<https://countertobacco.org/category/preemption/>) (15)
- Price Promotions (<https://countertobacco.org/category/price-promotions/>) (62)
- Product Availability (<https://countertobacco.org/category/product-availability/>) (71)
- Product Packaging (<https://countertobacco.org/category/product-packaging/>) (34)
- Product Placement (<https://countertobacco.org/category/product-placement/>) (25)
- Retailer Density (<https://countertobacco.org/category/retailer-density/>) (75)
- Self-Service (<https://countertobacco.org/category/self-service/>) (4)
- Smokeless Tobacco and SNUS (<https://countertobacco.org/category/smokeless-tobacco-and-snus/>) (42)
- Store Assessments (<https://countertobacco.org/category/store-assessments/>) (44)
- Stores Near Schools (<https://countertobacco.org/category/stores-near-schools/>) (59)
- Tobacco21 (<https://countertobacco.org/category/tobacco21/>) (99)
- Uncategorized (<https://countertobacco.org/category/uncategorized/>) (28)
- Vape Shops (<https://countertobacco.org/category/vape-shops/>) (35)
- Webinars (<https://countertobacco.org/category/webinars/>) (32)
- Youth (<https://countertobacco.org/category/youth/>) (184)

NEWSLETTER SIGNUP

Click Here (<http://eepurl.com/plC1b>)



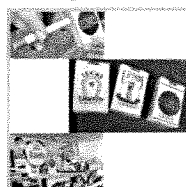
(<https://countertobacco.org/wp-content/gallery/main-galleru/walgresspos.jpg>)



(https://countertobacco.org/wp-content/gallery/main-galleru/2019_Power-Wall_Salem-OR.jpg)



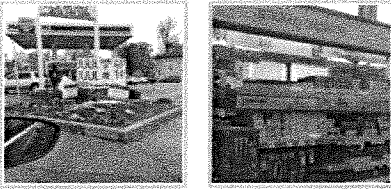
(https://countertobacco.org/wp-content/gallery/main-galleru/2019_Crown-Juul_St-George-UT-3.png)



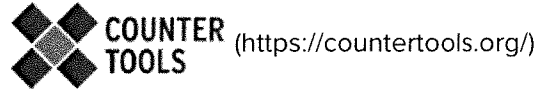
(https://countertobacco.org/wp-content/gallery/main-galleru/2019_Youth-Appeal_St-George-UT.png)

(https://countertobacco.org/wp-content/gallery/main-galleru/2019_Crown-Juul_Fort-Wayne-IN.jpg) (https://countertobacco.org/wp-content/gallery/main-galleru/2019_Ironic_Lincoln-NE.jpg)

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(<http://www.countertobacco.org/>)

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COVID-19 is an emerging, rapidly evolving situation.

Get the latest public health information from CDC: <https://www.coronavirus.gov>.

Get the latest research from NIH: <https://www.nih.gov/coronavirus>.

Find NCBI SARS-CoV-2 literature, sequence, and clinical content: <https://www.ncbi.nlm.nih.gov/sars-cov-2/>.

Full Text (PDF)



Tob Control. 2004 Sep;13(3):315-8. doi: 10.1136/tc.2003.006577.

Reaching youth at the point of sale: cigarette marketing is more prevalent in stores where adolescents shop frequently

L Henriksen¹, E C Feighery, N C Schleicher, H H Haladjian, S P Fortmann

Affiliations

PMID: 15333890 PMCID: PMC1747887 DOI: 10.1136/tc.2003.006577

Free PMC article

Abstract

Objective: Although numerous studies describe the quantity and nature of tobacco marketing in stores, fewer studies examine the industry's attempts to reach youth at the point of sale. This study examines whether cigarette marketing is more prevalent in stores where adolescents shop frequently.

Design, setting, and participants: Trained coders counted cigarette ads, products, and other marketing materials in a census of stores that sell tobacco in Tracy, California (n = 50). A combination of data from focus groups and in-class surveys of middle school students (n = 2125) determined which of the stores adolescents visited most frequently.

Main outcome measures: Amount of marketing materials and shelf space measured separately for the three cigarette brands most popular with adolescent smokers and for other brands combined.

Results: Compared to other stores in the same community, stores where adolescents shopped frequently contained almost three times more marketing materials for Marlboro, Camel, and Newport, and significantly more shelf space devoted to these brands.

Conclusions: Regardless of whether tobacco companies intentionally target youth at the point of sale, these findings underscore the importance of strategies to reduce the quantity and impact of cigarette marketing materials in this venue.

Related information

Cited in Books

MedGen

LinkOut – more resources

Full Text Sources

Europe PubMed Central

HighWire

Ovid Technologies, Inc.

PubMed Central

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Medical

MedlinePlus Health Information

Miscellaneous

NCI CPTAC Assay Portal

Escondido Police Department

Tobacco Retailer Review

Tobacco Retailer Review				
Personnel Information:			Review time:	
	Hourly Rate:	Hourly Benefits:	Total Hourly:	30 minutes
Investigations Sergeant	\$ 68.05	\$ 30.53	\$ 98.58	\$ 49.29
Investigations Detective	\$ 52.22	\$ 25.40	\$ 77.62	\$ 38.81
Cost per detail:				\$ 88.10
Number of retailers:				140
Total for all retailers:				\$ 12,333.82

Summary of Tobacco Grant	
Overtime funded by Grant:	\$72,533

Overtime details include:

- 16 Shoulder tap Details
- 16 Minor Decoy Details
- 5 Enforcement Operations
- 6 Retailer Education Classe

No funding is provided for retailer licensing review

RESOLUTION NO. 2020-148

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AMENDING THE FEE SCHEDULE TO
INCLUDE FEES, RATES, AND CHARGES
FOR A TOBACCO RETAIL LICENSE

WHEREAS, the City of Escondido charges user fees (“User Fees”) for services and permits (“Services”); and

WHEREAS, Government Code Section 66000, *et seq.*, grants the City of Escondido the authority to establish and charge User Fees in connection with certain public services that are provided to businesses and individuals; and

WHEREAS, that concurrently with this Resolution, the City Council is taking a number of actions in furtherance of the Project, as generally described by the October 28, 2020, City Council staff report. No single component of the series of actions made in connection with the Project shall be effective unless and until it is approved by an ordinance or resolution and is procedurally effective in the manner provided by state law. Therefore, this Resolution shall become effective and operative on the day immediately subsequent to the date that Ordinance No. 2020-29 becomes effective; and

WHEREAS, the City Council adopted a Tobacco Retail License Ordinance and fees need to be established for applications that qualify for a Tobacco Retail License; and

WHEREAS, the proposed fee to apply for and obtain or renew a Tobacco Retail License Permit shall be established by resolution of the City Council; and

WHEREAS, pursuant to State law, the City Council has conducted and concluded a duly noticed public hearing with respect to the rates, fees, and charges prior to the adoption of this Resolution; and

WHEREAS, the City Council desires at this time and deems it to be in the best public interest to amend the fee schedule to include fees, rates, and charges for a Tobacco Retail License.

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

1. That the above recitations are true.
2. The City Council finds that providing City Services is of special benefit to applicants both separate and apart from the general benefit to the public; and therefore, in the interests of fairness to the general public, the City desires to better recover the costs of providing these Services from applicants who have sought the City's Services by revising its schedule of fees.
3. The fee to apply for and obtain or renew a Tobacco Retailer's Permit shall be established by resolution of the City Council. The fee shall be calculated so as to recover no more than the total cost of permit administration, including but not limited to receiving, reviewing and processing the application and the information contained therein, issuing the permit, administering the permit program. Through the adoption of this Resolution, the City Council reserves to right to amend the fee in a manner prescribed by law to increase the fee to recover the total cost of enforcement, including retailer education, retailer inspection and compliance checks, documentation of

violations, and sanction and prosecution of violators, but shall not exceed the cost of the regulatory program.

4. That the City Council amends the fee schedule to include an \$88.00 charge to apply for or to renew a Tobacco Retail License.

5. Pursuant to California Government Code Section 66017, the fees adopted by this Resolution shall be in full force and effect and shall be collected beginning July 1, 2021.

6. Environmental Exemption. The adoption of this Resolution is exempt from the California Environmental Quality Act ("CEQA," Public Resources Code Sections 21000 *et seq.*), because it approves and sets forth a procedure for determining fees for the purpose of meeting the operating expenses of City departments, as set forth in Public Resources Code Section 21080(b)(8)(A).

ORDINANCE NO. 2020-29

AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF ESCONDIDO, CALIFORNIA, TO AMEND
ESCONDIDO MUNICIPAL CODE CHAPTER 16,
ARTICLE 3, BUSINESS LICENSED FOR
REVENUE AND REGULATION, BY ADDING
DIVISION 6, TOBACCO PRODUCT RETAIL
LICENSING

WHEREAS, California Penal Code Section 308 prohibits the sale or furnishing of cigarettes, tobacco products and smoking paraphernalia to minors, as well as the purchase, receipt, or possession of tobacco products by minors; and

WHEREAS, California Business and Professions Code Section 22956 requires that tobacco retailers check the identification of tobacco purchasers who reasonably appear to be under 21 years of age; and

WHEREAS, Chapter 22A, Smoking Regulations, of the Escondido Municipal Code regulates access to and use of tobacco products; and

WHEREAS, California Business and Professions Code Section 22971.3 authorizes local authorities to adopt tobacco retailer licensing laws to provide for the suspension and revocation of the local tobacco retailer license for any violation of a state tobacco control law; and

WHEREAS, the City of Escondido ("City") has a substantial interest in promoting compliance with federal, state and local laws intended to regulate tobacco sales and use to youth; and

WHEREAS, studies have shown that local tobacco retail licensing programs coupled with a strong enforcement program substantially reduces youth access to tobacco; and

WHEREAS, the City intends to require compliance with state drug paraphernalia laws as a condition of obtaining and maintaining the local tobacco retail license; and

WHEREAS, the City seeks to align tobacco retail license expiration dates with the business license expiration date to allow efficient renewal processing; and

WHEREAS, the City will not charge a fee for any tobacco retail licenses issued before July 1, 2021; and such no fee licenses will expire with the expiration of the associated business license beginning on July 1, 2021; and

WHEREAS, to ensure adequate time to implement tobacco retail licensing procedures, this ordinance shall be effective on July 1, 2021.

NOW, THEREFORE, IT IS HEREBY RESOLVED and the City Council of the City of Escondido DOES HEREBY ORDAIN as follows:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. That Escondido Municipal Code, Chapter 16, Licenses and Business Regulation Generally, Article 3, Business Licensed for Revenue and Regulation, is amended by adding Division 6, Tobacco Product Retail Licensing, as described in Exhibit "A" and incorporated herein.

SECTION 3. SEPARABILITY. If any section, subsection sentence, clause, phrase or portion of this ordinance is held invalid or unconstitutional for any reason by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions.

SECTION 4. That as of the effective date of this ordinance, July 1, 2021, all ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 5. That the City Clerk is hereby directed to certify to the passage of this ordinance and to cause the same or a summary to be published one time within 15 days of its passage in a newspaper of general circulation, printed and published in the County and circulated in the City of Escondido.

Chapter 16
LICENSES AND BUSINESS REGULATIONS GENERALLY
ARTICLE 3
BUSINESSES LICENSED FOR REVENUE AND REGULATION
DIVISION 6
TOBACCO RETAILER LICENSE

Sec. 16-201. Tobacco Retailer License Required.

It shall be unlawful for any person to act as a tobacco retailer in the city without a valid tobacco retailer license issued pursuant to this division.

Sec. 16-202. Definitions.

For the purpose of this Division, the following words and phrases shall have the meanings ascribed to them in this section:

- (a) *Advertising* display means a sign, signboard, billboard, poster, banner or other communication displayed at a business establishment, and used to call attention or promote products. It does not include printed material on the container of a product offered for sale at a retail establishment.
- (b) *Applicant* means the Person applying for a license for a business to conduct tobacco retail sales pursuant to this division.
- (c) *Hearing Officer* means the city employee designated by the city manager to serve as described in the division.
- (d) *Licensee* means any proprietor holding a tobacco retailer license issued by the city pursuant to the provisions of this Article.
- (e) *Owner* means any of the following individuals:
 - (1) The sole practitioner of a sole proprietorship operating a business establishment.
 - (2) Any Person who is a member of an entity operating a business establishment.
 - (3) Any person identified as an owner on the tobacco product retail license application.

(e) *Person* shall mean any individual, firm, association, business, trust, organization, corporation, partnership, company, or any other entity recognized by law as the subject of rights or duties.

(f) *Self-service display* means the open display or storage of tobacco products or tobacco paraphernalia in a manner that is physically accessible to the general public without the assistance of the retailer or their agent. A vending machine is a form of self-service display.

(g) *Tobacco paraphernalia* means any item designed for the consumption, use, or preparation of a tobacco product.

(h) *Tobacco product* shall have the meaning as defined in California Business & Professions Code Section 22950.5 including electronic devices used to deliver nicotine or other vaporized liquids to a person inhaling from the device.

(i) *Tobacco retailer* means any person who sells, offers for sale, or offers to exchange for any form of consideration tobacco products or tobacco paraphernalia.

Sec. 16-203. Application Process.

(a) An applicant shall submit a separate application for each physical location seeking to sell or offer to exchange for any form of consideration any tobacco product or tobacco paraphernalia. The owner, or an authorized representative, shall be sign the application.

(b) All applications shall be submitted on a form supplied by the city and shall contain the following information:

(1) The name, address, and telephone number of each owner.

(2) The business name, mailing address, retail location (if different), telephone number and email address.

(3) Whether or not any applicant, an owner, or the business has previously been issued a license pursuant to this division that is or was at any time suspended or revoked and, if so, the dates of the suspension period or the date of revocation.

(4) Notice that owners are strictly liable for the actions of their employees and agents when engaged in tobacco retailing.

(5) Such other information as the city manager deems necessary for the administration or enforcement of this division.

(c) If the owner is a legal entity other than a natural person, the owner shall authorize, in writing, at least one of its officers or partners to act as its behalf.

(d) Upon receipt of the completed application, the police chief or designee shall have up to thirty (30) days to complete a background investigation.

Sec. 16-204. License Issuance.

(a) A tobacco product retailer license shall be issued by the city to any tobacco retailer meeting the following:

(1) The operation, as proposed by the applicant, would comply with all applicable laws and all requirements listed in this division.

(2) The applicant has provided all information, assurances, or documentation required by this division, has not failed to reveal any fact material to qualification, and has not supplied information that is not true or misleading as to a material fact pertaining to the qualification criteria.

(3) Payment of a tobacco retailer license fee as authorized by the city council.

(4) Successful completion of a background check indicating no administrative, civil or criminal violations of any law regulating tobacco use or sales including any charge obtained following the reduction of a tobacco specific charge including but limited to California Penal Code Section 415. Investigators shall use a preponderance of the evidence standard to assess whether a violation of any tobacco related law occurred.

(b) Notwithstanding subsection (a), the city shall not issue a tobacco retailer license if the owner has a suspended, or revoked license or if ongoing proceedings may result in a suspended or revoked license, or if the tobacco retailer had any violations of law related to tobacco product or tobacco paraphernalia sales to a person under twenty-one years of age within twelve months of the application.

(c) The city shall provide notice to the applicant of the decision to approve or deny the application for a tobacco retailer license. If the city denies an application, the city shall provide notice stating the reasons for denial, the effective date of the decision, and the right to appeal the decision.

Sec. 16-205. License Renewal and Expiration.

(a) Effective July 1, 2020, a tobacco retailer license renewal shall align with the renewal date for the business' city business license.

(b) A tobacco retail license that is not timely renewed pursuant to this division shall be automatically suspended by operation of law. Automatic reinstatement shall occur upon payment of the license fee so long as no violations of this division have occurred during the suspension period.

(c) A tobacco product retailer's license shall automatically renew upon payment of the annual license fee, unless the city has grounds to deny license renewal.

(d) The City has the authority to deny license renewal license for any of the following reasons:

(1) Any of the grounds for suspension or revocation exist.

(2) The license is suspended or revoked at the time of the application.

(3) The tobacco product retailer has not been in regular and continuous operation in the four months prior to the renewal application.

(4) The tobacco product retailer fails to or is unable to renew any required state licenses.

(5) The tobacco product retailer has failed to pay the renewal fee established pursuant this division prior to the date on which the license is to be automatically renewed.

(6) The tobacco product retailer fails to ensure that all city records generated pursuant to this division are accurate and up to date prior to the automatic renewal.

(e) The chief of police is authorized to make all decisions concerning the issuance of a renewal license. In making the decision, the chief of police is authorized to impose additional conditions on a renewal license if it is determined to be necessary to ensure compliance with state or local laws and regulations or to preserve the public health, safety or welfare. Any appeals shall in accordance with the procedure included in this division.

Sec. 16-206. License Nontransferable.

A tobacco product retailer's license is nontransferable.

Sec. 16-207. License Fee.

The fee to issue or to renew a tobacco product retailer's license shall be established from time to time by resolution of the city council. The fee shall be calculated to recover the cost of administration and enforcement of this division. Fees are nonrefundable except as may be required by law.

Sec. 16-208. Tobacco Product Retailer Operating Requirements and Prohibitions.

(a) Compliance with All Laws Required. In the course of tobacco product retailing or in the operation of the tobacco product retailing establishment for which a license is issued, it shall be a violation of this division for a licensee, or any of the licensee's agents or employees, to violate any local, state, or federal law applicable to tobacco products, tobacco paraphernalia, or tobacco product retailing.

(b) Fixed Location Required. No person shall engage in tobacco product retailing at other than a fixed location. A separate tobacco retail license is required at each business location.

(c) Display of License. Each tobacco product retailer's license shall be prominently displayed in a publicly visible location at the tobacco retailing location.

(d) Positive Identification Required. No person engaged in tobacco retailing shall sell or transfer a tobacco product or tobacco paraphernalia to another person who appears to be under the age of 21 years without first examining the identification of the recipient to confirm that the recipient is at least the minimum age under state law to purchase and possess the tobacco product or tobacco paraphernalia.

(e) Self-Service Displays Prohibited. Tobacco retailing by means of a self-service display is prohibited.

(f) Location of Tobacco Product Advertising Displays. Tobacco product retailers shall be prohibited from placing or maintaining, or causing to be placed or maintained, any advertising display containing tobacco products below four feet from the floor. This prohibition shall not apply to commercial establishments where access to the premises by persons under twenty-one (21) years of age is prohibited by law.

(g) Drug Paraphernalia. It shall be a violation of this division for any licensee or any of the licensee's agents or employees to violate any local, state, or federal law regulating controlled substances or drug paraphernalia, except that conduct authorized pursuant to state law shall not be a violation of this division

(h) Change in Information. A tobacco retailer shall immediately inform the City in writing of any change in the information submitted on an application for a tobacco retailer license within ten (10) days of a change. Any change in ownership shall require a new application.

Sec. 16-209. Suspension or Revocation of License.

(a) Suspension or Revocation of License for Violation. In addition to any other penalty authorized by law, a tobacco product retailer's license may be suspended or revoked if any court of competent jurisdiction determines, or the chief of police finds, based on a preponderance of the evidence that the licensee, or any of the licensee's agents, officers, partners, representatives, managers, or employees, has violated any of the requirements, conditions, or prohibitions of this division, or has pleaded guilty, "no contest" or its equivalent, or admitted to a violation of any law in any way associated with tobacco retail sales.

(1) Upon a finding by the chief of police of a first violation of this division at a tobacco retail location, the licensee may receive a warning by the department.

(2) Upon a finding by the chief of police of a second violation of this division at a location within any 60-month period, the license may be suspended for 90 days.

(3) Upon a finding by the chief of police of a third violation of this division at a location within any 60-month period, the license may be suspended for one year.

(4) Upon a finding by the chief of police of a fourth violation of this division at a location within any 60-month period, the license shall be revoked.

(b) Notwithstanding subsection (a)(1), the chief of police need not issue a warning when multiple violations occur within a thirty (30) day period or for any unauthorized tobacco product or tobacco paraphernalia sales.

(c) Any appeal shall be made in accordance with the procedure included in this division.

(d) If a license issued under this division is suspended or revoked, all tobacco products and tobacco paraphernalia at the suspended or revoked tobacco product retailer's location shall be removed from public view for the duration of the suspension or revocation. The tobacco product retailer additionally shall not display any advertisement relating to tobacco products or tobacco paraphernalia that promotes the sale or distribution of such products from the tobacco product retailer's location.

Sec. 16-212. Enforcement.

(a) In addition to any other remedy, any person violating any provision of this division shall be guilty of a misdemeanor for each day a violation continues.

(b) Any violation of this division may be remedied by a civil action brought by the city attorney. The city may recover reasonable attorney fees and costs of suit in any civil action brought by the city attorney to remedy any violation of this chapter.

(c) Violations of this division are hereby declared to be public nuisances subject to abatement by the city.

(d) In addition to criminal sanctions and other remedies set forth in this division, administrative penalties may be imposed pursuant to Chapter 1A of this code against any person violating any provision of this division.

(e) Tobacco product retailing without a valid license – ineligibility for license. In addition to any other penalty authorized by law, if the chief of police finds based on a preponderance of evidence, after notice and an opportunity to be heard, that any person has engaged in tobacco product retailing at a location without a valid tobacco product retailer's license, either directly or through the person's agents or employees, the person

shall be ineligible to apply for, or to be issued, a tobacco product retailer's license for up to sixty (60) months.

(f) The remedies specified in this section are cumulative and in addition to any other remedies available under state or local law for a violation of this code.

Sec. 16-213. Denial, Suspension and Revocation – Appeals.

(a) A tobacco retail license applicant or licensee aggrieved by the decision of the city in denying, suspending, or revoking a tobacco retail license may appeal the decision by submitting a written appeal to the city clerk within ten (10) calendar days from the date of service of the notice of denial, suspension, or revocation. Service is complete upon mailing a notice by the chief of police. The written appeal shall contain:

(1) A brief statement in ordinary and concise language of the specific action protested, together with any material facts claimed to support the contentions of the appellant;

(2) A brief statement in ordinary and concise language of the relief sought, and the reasons why it is claimed the protested action should be reversed or otherwise set aside;

(3) The signatures of all parties named as appellants and their official mailing addresses; and

(4) The verification (by declaration under penalty of perjury) of at least one appellant as to the truth of the matters stated in the appeal.

(b) The appeal hearing shall be conducted by a hearing officer.

(c) Upon receipt of any appeal filed pursuant to this section, the city clerk shall transmit said appeal to the hearing officer who shall calendar it for a hearing. The hearing officer shall give the parties at least fifteen (15) calendar days written notice of the time and place of the hearing either by causing a copy of such notice to be delivered to the appellant personally or by mailing a copy thereof, postage prepaid, addressed to the appellant at the address shown on the appeal. Upon good cause, the hearing officer may grant one extension for the date of the hearing not to exceed fifteen (15) days from the original date set for the hearing.

(d) Only those matters or issues specifically raised by the appellant in the notice of appeal shall be considered in the hearing of the appeal.

(e) Failure of any person to file a timely appeal in accordance with the provisions of this section shall constitute an irrevocable waiver of the right to an administrative hearing and a final adjudication of the notice and order, or any portion thereof.

(f) Following the hearing on the appeal by the hearing officer, the decision of the hearing officer may be appealed to the city manager or his or her designee. A decision of the city manager or his or her designee shall be the final decision of the city.

(g) During a period of license suspension or revocation appeal, the tobacco retail licensee shall remove from public view all tobacco products and tobacco paraphernalia at the tobacco retail location.

Sec. 16-214. Hearings – Generally.

(a) At the time set for hearing, the hearing officer shall proceed to hear the testimony of material witnesses, the appellant, and other competent persons, including members of the public, respecting those matters or issues specifically listed by the appellant in the notice of appeal.

(b) The proceedings at the hearing shall be recorded. Either party may provide a certified shorthand reporter to maintain a record of the proceedings at the party's own expense.

(c) The hearing officer may, upon the request of the appellant or upon the request of the city, grant continuances from time to time for good cause shown, or upon his or her own motion.

Sec. 16-215. Conduct of Hearing.

(a) Hearings need not be conducted in accordance to the technical rules relating to evidence and witnesses. California Government Code section 11513, subsections (a), (b) and (c), or as such section may be amended from time to time, shall apply to hearings under this division.

(b) Oral evidence shall be taken only upon oath or affirmation.

(c) Irrelevant and unduly repetitious evidence shall be excluded.

(d) Each party shall have these rights, among others:

(1) To call and examine witnesses on any matter relevant to the issues of the hearing.

(2) To introduce documentary and physical evidence.

(3) To cross-examine opposing witnesses on any matter relevant to the issues of the hearing.

(4) To impeach any witness regardless of which party first called the witness to testify.

- (5) To rebut evidence presented against the party.

Sec. 16-216. Form and Contents of Decision of Hearing Officer - Appeal to City Manager - Finality of Decision.

- (a) If it is shown, by a preponderance of the evidence, that one or more bases exist to deny, suspend, or revoke the tobacco retail license, the hearing officer shall affirm the city's decision to deny, suspend, or revoke the tobacco retail license. The decision of the hearing officer shall be in writing and shall contain findings of fact and a determination of the issues presented.
- (b) The decision of the hearing officer shall inform the appellant that the decision may be appealed to the city manager by filing a written appeal with the hearing officer within ten days of receipt of the decision of the hearing officer. The written appeal shall be forwarded to the city manager upon receipt.
- (c) Within fifteen (15) days of receipt of the written appeal, the city manager shall review the record of the hearing and issue a written decision to grant or deny the appeal. A decision of the city manager shall be final. The city manager shall provide appellant with a copy of his or her decision and that the time for judicial review is governed by California Code of Civil Procedure section 1094.6, or as such section may be amended from time to time. Copies of the decision shall be delivered to the parties personally or sent by certified mail to the address shown on the appeal. The decision shall be final when signed by city manager and served as provided in this section.



CITY COUNCIL STAFF REPORT

Current Business Item No. 9

October 28, 2020

File No. 0490-10

SUBJECT: Economic Update

DEPARTMENT: City Treasurer

RECOMMENDATION:

It is requested that the City Council receive a presentation on the current Economic conditions and revenue generating ideas.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Douglas W. Schultz, City Treasurer

10/21/20 4:15 p.m.

CITY COUNCIL STAFF REPORT

Current Business Item No. 10

October 28, 2020

File No. 0600-10, A-2340

SUBJECT: Proposed Rate Increase from Escondido Disposal, Inc. for Annual CPI Increase to Solid Waste and Recycling Rates, and Fees for Residential and Commercial Collections

DEPARTMENT: Utilities Department, Wastewater Division, Recycling and Waste Reduction

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2020-130, amending the rates for Residential and Commercial Solid Waste and Recycling Services. Effective January 1, 2021, a 1.3057% increase will apply to residential and commercial collection services. The increase is equivalent to the previous year's increase in the Consumer Price Index ("CPI"), as allowed by the Franchise Agreement between the City of Escondido ("City") and Escondido Disposal, Inc. ("EDI"). The increase also applies to the Commingled Organics rate that will be charged when the organics recycling program begins.

FISCAL ANALYSIS:

The San Diego CPI for All Urban Consumers increased by 1.3057% from the first half of 2019 to the first half of 2020 (from 298.147 to 302.040). Pending City Council approval of the proposed rate increase, solid waste and recycling rates and fees will increase by the same percentage. The Franchise Fee paid to the City by EDI is a fixed percentage (11.50%) of the total fees collected from customers for solid waste and recycling services, so the City's Franchise Fee revenue will also increase with the CPI.

The City will therefore collect an additional \$0.03 per month per customer in Franchise Fees for Basic Residential Services, and an additional \$0.01 per month per customer for Commingled Organics when that program begins.

For Basic Commercial Services, the Franchise Fee will increase by \$0.17 per customer per month.

The above-described Franchise Fees are revenue for the City's General Fund. Increases in Base Rates for residential and commercial services will be detailed in the Background Section of this report. These Base Rates are distinct from the Franchise Fee and are retained by EDI.

PREVIOUS ACTION:

On June 19, 2019, the City Council approved the Franchise Agreement ("Agreement") between the City, Escondido Disposal, Inc., and Escondido Resource Recovery, divisions of Refuse Services, Inc.

The Agreement specifies rates to be charged for solid waste and recycling services. The Agreement establishes initial maximum rates paid by the ratepayers, and authorizes the contractor to increase rates annually. Rates may increase by a percentage of the previous year's CPI increase. The City Council must approve, by resolution, the proposed annual increases submitted by EDI for these rates to take effect.

The rate increases in the table below were requested by EDI and approved by the City Council for basic residential and commercial collection services over the last five years.

Date	Residential Increase	Commercial Increase
January 2017	1.9757%	1.9757%
January 2018	3.2766%	2.519%
January 2019	2.62%	1.46%
January 2020	2.7824%	2.7824%
Proposed January 2021	1.3057%	1.3057%

BACKGROUND:

On September 25, 2020, the City received notice from Escondido Disposal, Inc., requesting an increase in the solid waste and recycling rates in accordance with Section 13.2(A) of The City of Escondido Waste and Recycling Franchise Agreement. The rate increases are set by the 1.3057% change in the CPI between the first half of 2019 and the first half of 2020. Pending approval of the rate increases by the City Council, Residential and Commercial rate increase notices will be mailed to customers in November 2020. Under the proposed CPI rate increase for residential accounts, the total monthly rate for curbside trash and recycling collection will increase by \$0.27 per month, from \$21.61 to \$21.88. Current commercial rates will be increased by the same change in CPI. A typical commercial rate for a 3-yard container serviced one time per week will increase \$1.43 per month, from \$111.56 to \$112.99. The last rate amendment occurred in 2020, and increased rates by 2.7824%. The proposed 1.3057% increase will become effective January 1, 2021, and apply to all residential and commercial collection rates and services as presented in Exhibit "1" (attached to Resolution No. 2020-130).

Household Hazardous Waste ("HHW") fees and AB 939 fees were established in 1994. AB 939 is an Assembly bill enacted into law that authorizes collection of fees to fund recycling and waste reduction programs required by the California Integrated Waste Management Act of 1989. HHW Waste fees

Proposed Rate Increase from EDI for Residential and Commercial Collections

October 28, 2020

Page 3

were last increased on January 1, 2006, from \$0.35 to \$0.52 per month. AB939 fees were last increased on January 1, 2019, from \$0.52 per month to \$0.63 per month. No increases in either AB 939 or HHW fees are being requested at this time, so the HHW fee will remain \$0.52 per month and the AB 939 fee will remain at \$0.63 per month.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Christopher McKinney, Deputy City Manager/Director of Utilities

10/21/2020 2:44 p.m.

ATTACHMENTS:

1. Resolution No. 2020-130
2. Resolution No. 2020-130 – Exhibit “1” – Solid Waste and Recycling Service Fees

RESOLUTION NO. 2020-130

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AMENDING THE CITY OF ESCONDIDO
WASTE AND RECYCLING FRANCHISE
AGREEMENT WITH EDCO REFUSE
SERVICES, INC.

WHEREAS, in June 2019 the City of Escondido (“City”) approved a Waste and Recycling Franchise Agreement (the “Agreement”) with Escondido Resource Recovery and Escondido Disposal, Inc., Divisions of EDCO Refuse Services, Inc. (“EDI”) to provide residential, commercial, and industrial trash and recycling collection services; and

WHEREAS, Section 13 of the Agreement allows for an annual increase in the base rates by an amount not to exceed the percentage increase in the Consumer Price Index (“CPI”) for the previous year; and

WHEREAS, such base rate increases will be considered by the City Council upon receipt of written notice of the proposed increase, with notice coming no later than 60 days prior to the effective date of the proposed increase; and

WHEREAS, EDI requested an increase in the residential and commercial rates and fees to be effective January 1, 2021, and this request was made in writing on September 25, 2020; and

WHEREAS, revised residential and commercial rates and fees were last approved on November 20, 2019, with a January 1, 2020 effective date; and

WHEREAS, the proposed revised residential and commercial rates and fees, to be effective January 1, 2021, and the calculation of the increased percentage in the Consumer Price Index is attached as Exhibit "1"; and

WHEREAS, notice of the residential and commercial rates revised for the allowed annual CPI increase are being mailed to all affected customers in Escondido in November 2020; and

WHEREAS, the Director of Utilities recommends approval of the proposed increase in Solid Waste Disposal and Recycling rates and fees for residential and commercial accounts, effective January 1, 2021.

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

1. That the above recitations are true.
2. The Residential and Commercial Solid Waste Disposal Organics and Recycling Rates set forth in Exhibit "1" of the Agreement attached to this Resolution and incorporated by this reference, will supersede all prior rates and fees for services as set forth in Exhibit "1."
3. The Residential and Commercial Solid Waste Disposal Organics and Recycling Rates set forth in Exhibit "1" will be effective for all changes on or after January 1, 2021, unless otherwise specified in writing.



September 25, 2020

Ms. Laura Robinson
Recycling Program Coordinator – City of Escondido
475 N. Spruce Street
Escondido, CA 92025

RE: **Solid Waste & Recycling Service Fees for CY 2021**

Dear Laura:

Escondido Disposal Inc. (EDI) is honored to serve the City of Escondido. As we consider rate adjustments for the coming year, there are three (3) attachments for your review. First attachment is the proposed rate schedule for all residential customers. The second is the proposed rate schedule for all commercial customers. The final attachment summarized changes in the San Diego area Consumer Price Index (CPI), which per our agreement, is the basis for all rate adjustments for CY 2021.

To determine any rate adjustment for residential customers, the San Diego CPI for the first half of 2019 was compared to the first half of 2020. The 2020 index increased to 302.040 points as compared to the 2019 index of 298.147. The difference between the old base index and the new base index is 3.893 or 1.3057%. As a result, EDI is requesting to increase current residential rates by 1.3057% or **\$0.27/month**. The increase is entirely related to the increase in CPI. For CY 2021, both the city franchise fee rate, AB 939 fee, and HHW fee will remain unchanged.

It is important to note that the Commingled Organics rate will also be increased by CPI to **\$3.44/month**, but will not be applied until the organics recycling program commences. EDI is hoping to roll out this service on January 1st, the same time these new rates would apply, however, should there be any delays in the organics program roll out, the Commingled Organics component will be delayed as well.

Current commercial rates will also be increased by the same change in the CPI. As a result, a typical commercial rate for a 3-yard container serviced one time per week will be adjusted to increase by 1.3057% or **\$1.43/month**. For commercial customers, the city franchise fee rate, AB 939 fee, and HHW fee will remain unchanged.

“We’ll Take Care of It”

1021 W. Mission Ave. • Escondido, California 92025
(760) 745-3203 • Fax: (760) 745-9740 • escondidodisposal.com • Printed on Recycled Paper

Please review the attached information and call me with any question or concerns. As noted above, both residential and commercial increases will be effective on January 1, 2021.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jim Ambroso', with a large, stylized initial 'J' and a long horizontal flourish extending to the right.

Jim Ambroso
General Manager

(3 Attachments)

Solid Waste Disposal, Recycling and Commingled Recycling Franchise Agreement
Attachment A - Residential Rates
Effective 1/1/2021

Last 12 month period for which statistics are available is the first half of 2019 compared to the first half of 2020 in the San Diego area

All Urban Consumers (all items), base period of 1982-84 = 100

Current CPI 302.040 (first half of 2020)
Previous CPI 298.147 (first half of 2019)

Change 3.893 points

CPI Percentage change 1.3057%

BASIC RESIDENTIAL RATE

	Current Per Month	Proposed 1/1/2021	
Base Rate	\$ 18.11	\$ 18.35	
Franchise Fee	\$ 2.35	2.38	
AB939	\$ 0.63	0.63	
HHW	\$ 0.52	0.52	
Total Rate - Residential Service	\$ 21.61	\$ 21.88	Per month
Total Rate - W/Commingled Organics		\$ 25.32	Per month

Residential Rate with Anaerobic Digestion of Commingled Organics

	Current Per Month	Proposed 1/1/2021	
Base Rate	\$ 3.00	\$ 3.04	
Franchise Fee	\$ 0.39	0.40	11.50%
Total Rate - Anaerobic Digestion	\$ 3.39	\$ 3.44	

MISCELLANEOUS

	Current Per Month	Proposed 1/1/2021	
Bulk item	\$ 12.59	\$ 12.75	per item
Tires (under 17") Rim Diam.	\$ 3.76	\$ 3.81	/each
(17" - 23") Rim Diam.	\$ 15.11	\$ 15.31	/each
(Over 23") Rim Diam.	\$ 251.51	\$ 254.79	/each
Refrigerator, freezer, air conditioner	\$ 50.32	\$ 50.98	/each
Bags (under 25 lbs.)	\$ 1.27	\$ 1.29	/each

MOBILE HOME CURB SERVICE RATE

Service	21.61	\$ 21.88	Per month
W/Commingled Organics		\$ 25.32	Per month

ADDITIONAL CART

Trash	\$ 4.40	\$ 4.46	Per additional cart (3 month minimum)
Recycling		\$ -	Per additional cart

AUTOMATED Overage CHARGES

\$ 12.59	\$ 12.75	Trip charge
\$ 1.28	\$ 1.30	Per bag

GREEN WASTE CART RENTAL 3.41 \$ 3.45 additional 4th cart and above

City of Escondido
Commercial Rates Effective 1/1/21
CONSUMER PRICE INDEX CALCULATION

Last 12 month period for which statistics are available is the first half of 2019 compared to the first half of 2020 in the San Diego area

All Urban Consumers (all items), base period of 1982-84 = 100

Current CPI 302.040 (first half of 2020)
Previous CPI 298.147 (first half of 2019)

Change 3.893 points

Percentage change 1.3057%

BASIC COMMERCIAL RATE

	Current 1/1/2020	Proposed 1/1/2021	
3yard 1/week	\$ 96.75	\$ 98.01	
Franchise Fee	\$ 12.57	\$ 12.74	11.50%
AB939	\$ 1.72	\$ 1.72	
HHW	\$ 0.52	\$ 0.52	
Total	\$ 111.56	\$ 112.99	

PERMANENT BINS

<u>BIN SIZE</u>	<u>1 x WK</u>	<u>2 x WK</u>	<u>3 x WK</u>	<u>4 x WK</u>	<u>5 x WK</u>	<u>6 x WK</u>
1 1/2 YARD	\$ 76.42	\$ 128.79	\$ 181.21	\$ 233.62	\$ 286.01	\$ 338.43
3 YARD	\$ 112.99	\$ 198.06	\$ 283.15	\$ 368.19	\$ 453.26	\$ 538.29
4 YARD	\$ 147.45	\$ 262.39	\$ 377.40	\$ 492.37	\$ 607.34	\$ 722.31

EXTRA DUMP CHARGES FOR PERMANENT BINS

	<u>1 1/2 YARD</u>	<u>3 YARD</u>	<u>4 YARD</u>
Per Bin Dump	\$ 22.04	\$ 32.59	\$ 40.81

T-BINS

Customer is allowed to keep bin for 1 week

\$ 99.98 \$ 119.95

GREENS T-BIN

\$ 89.17 \$ 110.36

CONSTRUCTION BINS

<u>BIN SIZE</u>	<u>1 x WK</u>	<u>2 x WK</u>	<u>3 x WK</u>	<u>4 x WK</u>	<u>5 x WK</u>
1 1/2 YARD	\$ 110.23	\$ 173.86	\$ 237.51	\$ 301.15	\$ 364.78
3 YARD	\$ 156.17	\$ 283.45	\$ 410.80	\$ 538.08	\$ 665.39
4 YARD	\$ 178.66	\$ 348.43	\$ 518.13	\$ 687.91	\$ 857.64

City of Escondido
Commercial Rates Effective 1/1/21
CONSUMER PRICE INDEX CALCULATION

NOTE: ALL CONSTRUCTION BINS HAVE A ONE TIME DELIVERY FEE OF: \$ **37.26**

EXTRA DUMP CHARGES FOR CONSTRUCTION BINS

	<u>1 1/2 YARD</u>	<u>3 YARD</u>	<u>4 YARD</u>
Per Bin Dump	\$ 28.75	\$ 37.10	\$ 47.54

OFF-RD BINS

<u>BIN SIZE</u>	<u>1 x WK</u>	<u>2 x WK</u>	<u>3 x WK</u>	<u>4 x WK</u>	<u>5 x WK</u>
1 1/2 YARD	\$ 133.99	\$ 256.54	\$ 379.06	\$ 501.64	\$ 624.17
3 YARD	\$ 154.43	\$ 297.38	\$ 440.35	\$ 583.32	\$ 726.28
4 YARD	\$ 168.04	\$ 324.65	\$ 481.26	\$ 637.91	\$ 794.52

NOTE: ALL OFF ROAD BINS HAVE A ONE TIME DELIVERY FEE OF: \$ **37.26**

EXTRA DUMP CHARGES FOR OFF ROAD BINS

	<u>1 1/2 YARD</u>	<u>3 YARD</u>	<u>4 YARD</u>
	\$ 28.75	\$ 39.12	\$ 47.55

MATRIX FOR 3 YARD AND 4 YARD BINS

THESE RATES BELOW HAVE BEEN INCREASED BY 1.3057%

3 YARD BINS

<u># OF BINS</u>	<u>DUMPS PER WEEK</u>					
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
1	\$ 112.99	\$ 198.06	\$ 283.15	\$ 368.19	\$ 453.26	\$ 538.29
2	\$ 225.98	\$ 396.12	\$ 566.30	\$ 736.38	\$ 906.52	\$ 1,076.58
3	\$ 338.97	\$ 594.18	\$ 849.45	\$ 1,104.57	\$ 1,359.78	\$ 1,614.87
4	\$ 451.96	\$ 792.24	\$ 1,132.60	\$ 1,472.76	\$ 1,813.04	\$ 2,153.16
5	\$ 564.95	\$ 990.30	\$ 1,415.75	\$ 1,840.95	\$ 2,266.30	\$ 2,691.45
6	\$ 677.94	\$ 1,188.36	\$ 1,698.90	\$ 2,209.14	\$ 2,719.56	\$ 3,229.74
7	\$ 790.93	\$ 1,386.42	\$ 1,982.05	\$ 2,577.33	\$ 3,172.82	\$ 3,768.03
8	\$ 903.92	\$ 1,584.48	\$ 2,265.20	\$ 2,945.52	\$ 3,626.08	\$ 4,306.32
9	\$ 1,016.91	\$ 1,782.54	\$ 2,548.35	\$ 3,313.71	\$ 4,079.34	\$ 4,844.61
10	\$ 1,129.90	\$ 1,980.60	\$ 2,831.50	\$ 3,681.90	\$ 4,532.60	\$ 5,382.90

4 YARD BINS

<u># OF BINS</u>	<u>DUMPS PER WEEK</u>					
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
1	\$ 147.45	\$ 262.39	\$ 377.40	\$ 492.37	\$ 607.34	\$ 722.31
2	\$ 294.90	\$ 524.78	\$ 754.80	\$ 984.74	\$ 1,214.68	\$ 1,444.62
3	\$ 442.35	\$ 787.17	\$ 1,132.20	\$ 1,477.11	\$ 1,822.02	\$ 2,166.93
4	\$ 589.80	\$ 1,049.56	\$ 1,509.60	\$ 1,969.48	\$ 2,429.36	\$ 2,889.24
5	\$ 737.25	\$ 1,311.95	\$ 1,887.00	\$ 2,461.85	\$ 3,036.70	\$ 3,611.55
6	\$ 884.70	\$ 1,574.34	\$ 2,264.40	\$ 2,954.22	\$ 3,644.04	\$ 4,333.86
7	\$ 1,032.15	\$ 1,836.73	\$ 2,641.80	\$ 3,446.59	\$ 4,251.38	\$ 5,056.17
8	\$ 1,179.60	\$ 2,099.12	\$ 3,019.20	\$ 3,938.96	\$ 4,858.72	\$ 5,778.48
9	\$ 1,327.05	\$ 2,361.51	\$ 3,396.60	\$ 4,431.33	\$ 5,466.06	\$ 6,500.79
10	\$ 1,474.50	\$ 2,623.90	\$ 3,774.00	\$ 4,923.70	\$ 6,073.40	\$ 7,223.10

Multi- Family Recycling Fee per month per dwelling unit \$ **1.06**

City of Escondido
Commercial Rates Effective 1/1/21
CONSUMER PRICE INDEX CALCULATION

COMPACTOR / DOB RATES

COMPACTORS:

"C"	\$	233.36	\$	51.36	Per Ton Landfill fees
"D"	\$	238.20	\$	51.36	Per Ton Landfill fees
"F"	\$	249.54	\$	51.36	Per Ton Landfill fees
"P"	\$	210.63	\$	51.36	Per Ton Landfill fees

<u>DOB'S</u>	<u>Haul</u>	<u>Disposal (6 tons)</u>	<u>Sub-total</u>	<u>Del Charge</u>	<u>Total</u>
14 YARD (8' X 16' X 3')	\$ 242.07	\$ 308.16	\$ 550.23	\$ 57.14	\$ 607.37
25 YARD (8' X 18' X 5')	\$ 242.07	\$ 308.16	\$ 550.23	\$ 57.14	\$ 607.37
38 YARD (8' X 22' X 6')	\$ 242.07	\$ 308.16	\$ 550.23	\$ 57.14	\$ 607.37
<u>GREENS DOB:</u>	\$ 262.15	\$ 226.73	\$ 488.88	\$ 63.49	\$ 552.37
<u>C&D DOB</u>	\$ 242.07	+ Tip Fee		\$ 57.14	
<u>SCRAP METAL DOB</u>	\$ 260.12	\$ 145.39	\$ 405.51	\$ 63.49	\$ 469.00
<u>CARDBOARD DOB</u>	\$ 260.12	\$ -	\$ 260.12	\$ 63.49	\$ 323.61

STEAM CLEAN:	\$	36.72	Per hour
UNABLE TO SERVICE:	\$	87.06	
STANDBY TIME:	\$	3.41	Per minute
DOB DEL. CHARGE:	\$	57.14	(One time charge)
Container Rental	\$	4.08	Per day starting with the 8th day (temporary boxes)
	\$	4.08	Per day starting with the 13th day (permanent boxes 3 months or more)

DOB - MANIFESTED WASTE:

	<u>Haul</u>	<u>Disposal (6 tons)</u>	<u>Sub-total</u>	<u>Del Charge</u>	<u>Total</u>
14 YARD (8' X 16' X 3')	\$ 242.07	\$ 419.77	\$ 661.84	\$ 57.14	\$ 718.98
25 YARD (8' X 18' X 5')	\$ 242.07	\$ 419.77	\$ 661.84	\$ 57.14	\$ 718.98
38 YARD (8' X 22' X 6')	\$ 242.07	\$ 419.77	\$ 661.84	\$ 57.14	\$ 718.98
MANIFEST FEE:		\$	65.42		
SPECIAL HANDLING:		\$	65.42		
PORTAL TO PORTAL CHARGE:		\$	127.13	Per hour	

RECYCLE BIN RATES

	<u>1 x WK</u>	<u>2 x WK</u>	<u>3 x WK</u>	<u>4 x WK</u>	<u>5 x WK</u>
1 1/2 YARD	\$ 46.83	\$ 97.02	\$ 147.17	\$ 197.36	\$ 247.52
3 YARD	\$ 58.54	\$ 108.71	\$ 158.88	\$ 209.08	\$ 259.26
4 YARD	\$ 75.25	\$ 125.45	\$ 175.62	\$ 225.80	\$ 275.99

City of Escondido
Commercial Rates Effective 1/1/21
CONSUMER PRICE INDEX CALCULATION

EXTRA DUMP CHARGES FOR OFF-ROAD RECYCLING BINS

	<u>1 1/2 YARD</u>	<u>3 YARD</u>	<u>4 YARD</u>
\$	23.41	\$ 34.68	\$ 43.36

<u>95 GALS</u>	<u>Commercial Recycling Carts</u>	<u>SERVICE</u>	<u>RATE/MO OR FEE</u>	
950T	Extra Dump		\$ 9.19	Fee
950N	Newspaper	1 X WK	\$ 20.92	Per month
950G	Glass	1 X WK	\$ 20.92	Per month
950P	Plastic & Aluminum	1 X WK	\$ 20.92	Per month
950GR	Green Waste	1 X WK	\$ 3.56	Per month Per Cart

COMPACTOR BIN FORMULA

Less bin rental	\$ 544.67	- \$18 =	\$ 526.67
Divide by 4.333 weeks	\$ 526.67	/ 4.333 =	\$ 121.55
Divide by # of days pick up	\$ 121.55	/ 6 =	\$ 20.26
Multiply by 3 to 1 ratio	\$ 20.26	x 3 =	\$ 60.78
Multiply by # of days pick up	\$ 60.78	x 6 =	\$ 364.68
Multiply by 52 weeks	\$ 364.68	x 52 =	\$ 18,963.36
Divide by 12 months	\$ 18,963.36	/ 12 =	\$ 1,580.28

COMPACTOR PER DUMP FORMULA

FOR EXTRA DUMPS			
Rate less bin rental	\$ 115.29	- \$18 =	\$ 97.29
Divide by 4.333	\$ 97.29	/ 4.333	\$ 22.45
Multiply by 3 to 1 ratio	\$ 22.45	x 3 =	\$ 67.35
Add'l overhead labor cost			\$ 24.90
Total per dump			<u>\$ 92.25</u>

<u>COMPACTOR BOX RENTAL</u>	Large Compactors	\$ 152.47	Per month
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ROLL OUT FEE SCHEDULE:

ANYTHING UNDER 25 FEET IS FREE; OVER IS \$.06 PER FOOT

i.e. Roll out 100 ft @ 2/Week is figured as follows:

Per Foot Charge		\$ 0.060000
Days Dumped Per Week (2)	100 ft - 25 ft = 75 ft x 2	150 feet
Weekly Charge	Weekly Charge	\$ 9.00
Annual Charge	\$ 9.00 x 52 =	\$ 468.00
Monthly Charge for Roll-Out 2X week	\$ 468.00 / 12 =	\$ 39.00

MISCELLANEOUS COMMERCIAL FEES

Locking Lids	\$ 6.64	Per Month
Balanced Lids	\$ 7.97	Per Month
Enclosure Cleaning	\$ 59.86	Minimum-subject to estimate
Brakes	\$ 66.50	1 time charge
Bar Locks	\$ 40.37	1 time charge
Extra Keys	\$ 1.99	each
Locks	\$ 20.61	each
Lock & Unlock Charge (Barlock Bins)	\$ 1.33	for each lock/unlock (x per wk service)

City of Escondido
Commercial Rates Effective 1/1/21
CONSUMER PRICE INDEX CALCULATION

Commercial Commingled Organics

Bins & Carts

1st Bin Size	<u>Frequency</u>			Extra Pickup
	<u>1</u>	<u>2</u>	<u>3</u>	
Cart (65 gl)	\$ 92.15	\$ 184.29	\$ 276.43	\$ 36.87
Cart (96 gl)	\$ 103.92	\$ 207.84	\$ 311.77	\$ 41.57
1.5 CY	\$ 168.54	\$ 337.09	\$ 505.62	\$ 67.42

Each Additional Bin Size	<u>Frequency</u>		
	<u>1</u>	<u>2</u>	<u>3</u>
Cart (65 gl)	\$ 87.54	\$ 175.07	\$ 262.60
Cart (96 gl)	\$ 98.72	\$ 197.44	\$ 296.17
1.5 CY	\$ 160.11	\$ 320.24	\$ 480.35

CPI for All Urban Consumers (CPI-U)
Original Data Value

Series Id: CUURS49ESA0
 Not Seasonally Adjusted
 Series Title: All items in San Diego-Carlsbad, CA, all urban
 Area: San Diego-Carlsbad, CA
 Item: All items
 Base Period: 1982-84=100
 Years: 2010 to 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2010													245.464	244.242	246.686
2011													252.910	252.451	253.368
2012													256.961	256.637	257.285
2013													260.317	258.955	261.679
2014													265.145	265.251	265.039
2015													269.436	267.346	271.526
2016													274.732	272.628	276.837
2017											285.961		283.012	281.561	284.464
2018	288.331		290.810		289.243		295.185		295.883		293.858		292.547	290.076	295.018
2019	295.761		297.226		300.303		299.333		301.033		301.520		299.433	298.147	300.718
2020	302.564		302.589		301.317		305.611							302.040	



FUTURE CITY COUNCIL AGENDA ITEMS

Updated October 22, 2020

AGENDA ITEMS AND CITY COUNCIL MEETING DATES ARE SUBJECT TO CHANGE.
CHECK WITH THE CITY CLERK'S OFFICE AT (760) 839-4617

November 4, 2020
NO MEETING

November 11, 2020
NO MEETING (Veterans' Day)

November 18, 2020
6:00 p.m.

CONSENT CALENDAR

Off-Cycle Budget Adjustment for a New Building Development Technician
(M. Strong)

The specific request is for a new Building Development Technician to assist with the heavier workload from increased development activity, to provide proper electronic plan coordination and routing, and better support "public facing" services.

PUBLIC HEARINGS

Adoption of Proposed Changes to City User Fees
(C. Holmes)

The City is authorized to adopt and implement fees, rates, and charges for municipal services to recover the costs of staff time, administrative costs, and related expenses. The proposed adjustments to the City inventory of fees have been calculated based on cost recovery strategies and are recommended in order to recoup costs associated with the services being delivered.

HUD FY 2020-2021 Annual Action Plan Substantial Amendment
(M. Strong)

This is a required Public Hearings for City Council to review and approve a substantial amendment to the HUD FY 2020-2021 Annual Action Plan. The \$1.37m substantial amendment recognizes recently unallocated CDBG funds and reallocates funds in order to meet low-moderate needs in the community, including the replacement of playground equipment, installation of new LED lighting at Jesmond Dene Park, outdoor improvements at the Park Avenue Community Center, roof repairs at the History Center, and improvements to an educational building owned by Urban Corps.

	Master and Precise Development Plan, Tentative Subdivision Map, and Grading Exemption for Development of Nutmeg Homes South Portion (SUB 20-0007) (M. Strong) <i>At a public hearing on November 20, 2019, City Council voted to approve a Master and Precise Development Plan, Tentative Subdivision Map, and Grading Exemption for 37 townhomes on the north portion of the Nutmeg Homes project site. At the same hearing, City Council approved/adopted a General Plan Amendment and Rezone for the full project site (north and south portions), a Specific Alignment Plan for Nutmeg Street and Centre City Parkway, and a Final Environmental Impact Report for the full site. The applicant is now seeking approval of a new Master and Precise Development Plan and Tentative Subdivision Map for 97 units on the south portion, as well as a Grading Exemption for a 36'-tall retaining wall.</i>
CURRENT BUSINESS	
	Adopt Resolution Updating the Salary Plans for the Unclassified Clerical/Technical Group, Salary Bands for the Management Group, the Unclassified Service Schedule List, and the Part-Time Hourly Compensation Plan (J. Perpetua) <i>Pursuant to Government Code sections 20636 and 20636.1, California Code of Regulations section 570.5 and the Escondido Municipal Code sections 19-8 and 19-9, the City is required to update positions and salaries within the Management and Unclassified Clerical/Technical Groups, as well as maintain an updated listing of all unclassified employee titles. In addition, the Part-Time Pay Plan is being adjusted to reflect the January 1, 2021 changes to minimum wage.</i>
	Approval For Use of the Proposition 68 Per Capita Grant In the Amount of \$271, 303 to Fund A "John Masson Memorial Bike Park" In Jesmond Dene Park (J. Axelrod) <i>The California Department of Parks and Recreation's Office of Grants and Local Services (OGALS) has awarded the City of Escondido \$271,303 in Prop 68 Per Capita grant funds. It is requested that the City Council adopt Resolution No. 2020-151, approving the application for Per Capita grant funds to be used to fund the construction of a bike park in Jesmond Dene Park. Additionally, it is requested that the City Council approve the naming of the bike park after the late Councilmember Masson. John Masson was a strong advocate for active recreation in Escondido. The naming of the bike park in his honor, is a fitting tribute to his years of service to the community.</i>
	Washington Park Skate Spot Update (J. Axelrod)
FUTURE AGENDA ITEMS	

Weekly Activity Report



October 22, 2020

COVID-19 UPDATES



Escondido Nonprofit Named Nonprofit of the Year

The Assistance League of Inland North County was named nonprofit of the year by Assembly Member Marie Waldron. For the last five years, legislators from across California have chosen a winning nonprofit in their district, and there are over 72,000 nonprofits in California alone. The Assistance League of Inland North County strives to improve the lives of children and adults in need through hands on programs that are developed and funded by an all-volunteer membership, and they currently have over 150 volunteers. Learn more about the program [here](#).



Parking Enforcement

Full enforcement of parking regulations, including citations will resume on November 15. The Escondido Police Department is currently issuing warnings for all parking violations until that time. Restarting parking enforcement will allow for increased turnover on busy streets and will allow for easier accessibility for patrons and residents.



New Mural at the Center for the Arts Entrance

There is a new mural on the footbridge entrance to the Center for the Arts that was painted by a local artist, Katie Gaines. The new art piece is in conjunction with the new World of Frida exhibition that is now on display at the Center. Learn more about the World of Frida [here](#).



Visit Escondido Newsletter

The October issue of the Visit Escondido newsletter is out now. This issue features a spotlight on local craft breweries, and recommendations for visiting. Learn about our Escondido breweries and upcoming fall events [here](#).

October Economic Development Business Newsletter

This issue covers Women in Small Business Month, Halloween Tips and More! Read it [here](#).

Go Paperless for a Chance to Win!

Register for paperless billing and/or enroll in AutoPay for your City of Escondido Utility Bill by December 15, 2020 for a chance to WIN an iPad mini or one of two \$50 Amazon gift cards!

Go to ols.escondido.org for official rules.



POLICE DEPARTMENT UPDATES:

DUI Crash Results in Arrest of Teen

On October 11, officers responded to the 500 block of Stanley Avenue regarding a car crash. Officers discovered that three teens had crashed into a field rolling their car onto the side. The three teens crawled out of the car and attempted to run away. Responding officers and some helpful residents were able to corral all three. The driver was arrested for DUI and had alcohol on him. All three teens were eventually released to their parents.



Parolee Brandishes Weapon at City Employee

On October 13, a City of Escondido employee was at the Carl's Jr on the corner of Mission Ave and Quince St and a male subject was blocking the entrance into the drive thru. He flashed a gesture at the city worker and then brandished what appeared to be an assault rifle. The police were called and the male was detained without incident. Officers observed what looked like the muzzle of a rifle barrel protruding from his jacket. It turned out to be a crossbow with the bow portion removed. The subject was on parole and was released from prison the previous week. After only one week out on parole, he found himself back in jail for violating his parole conditions. Fortunately, no one was injured.



Crash Causes Large Diesel Spill

On October 13, a large semi-truck collided with a pickup truck in the intersection of Ash St and Mission Ave. The semi-truck's 120-gallon diesel tank was ruptured, spilling approximately 40 gallons of diesel fuel into the roadway. Escondido Police and Fire, along with Public Works and San Diego Fire Hazmat, assisted in multi-hour clean up.



Arson Destroys Historic Outhouse at Grape Day Park

On October 15, Escondido Police and Fire units responded to Grape Day Park regarding a structure fire. Sadly, the historic outhouse behind the Museum Complex buildings was completely destroyed. The buildings are currently maintained by the Escondido History Center and fortunately no other structures were damaged. Arson is the suspected cause and a suspicious male teenager was seen leaving the area. It is unknown if he played a role in the fire, which is currently under investigation.



Community Tools:

- www.arjis.org For crime data/mapping, Megan's Law info, etc.
- www.myneighborhoodupdate.net Search for Escondido, CA to see radio call information.

Events:

Escondido Police Attend Countywide De-Escalation Training

In April of 2019, the San Diego County District Attorney's office released a comprehensive study of 25 years of Officer Involved Shootings in the County. One notable statistic was that 79% of subjects shot by the police suffered from mental illness, many of whom were also under the influence of drugs. The DA's office reached out to defensive tactics/firearms instructors, PERT, UCSD Medical Center, and other experts to help develop a Crisis Intervention and De-escalation training. The goal of the training is to see if the number of officer involved shootings can be lowered, particularly within the mental health population. After a little over a year of collaborative efforts, every police officer in the county is participating in the training. Over the past two weeks, Escondido Police officers and other department personnel attended the training to help give them better tools when responding to crisis driven events.

DUI Checkpoint Nets 5 Arrests

On October 11, the Escondido Police Department conducted a DUI Checkpoint at Ash St and El Norte Pkwy. Checkpoint locations are selected based on a history of crashes and DUI arrests. The primary purpose of checkpoints is not to make arrests, but to promote public safety by deterring drivers from driving while impaired. As businesses continue to reopen, including restaurants and bars, impaired driving remains a top traffic safety concern. Although the focus is more on education and awareness, five drivers were arrested for DUI during the checkpoint.

Tip of the Week:

Please remember that DUI does not mean just alcohol. Drugs and some medications can also impair your ability to drive. Please help keep Escondido safe by driving responsibly.

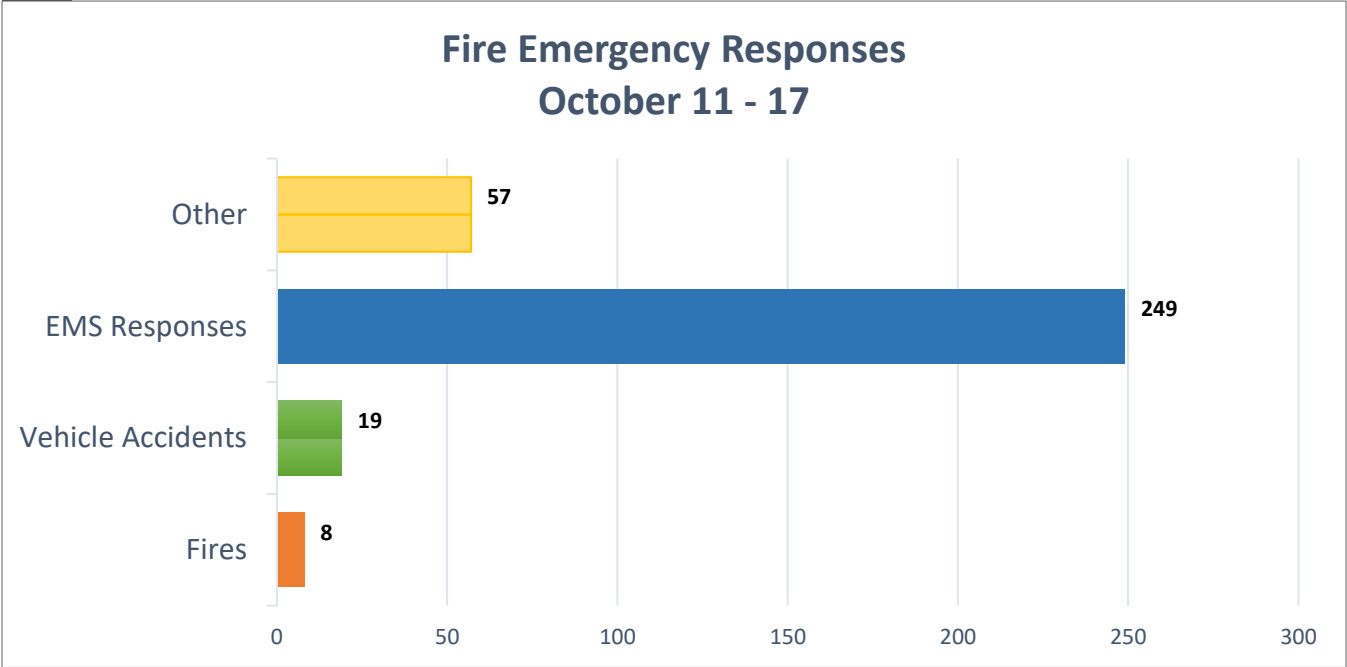
FIRE DEPARTMENT UPDATES:

On Friday, October 16, the Fire Department responded to a residential structure fire at Via Rancho Parkway and Bernardo Lane. Upon arrival, firefighters found a fully involved garage fire that had extended into the home. Although one pet cat perished in the fire, fortunately the residents and all other pets were uninjured. The California Fire Foundation’s Supplying Aid to Victims of Emergency (SAVE) program, provided assistance to the family for immediate essential needs.



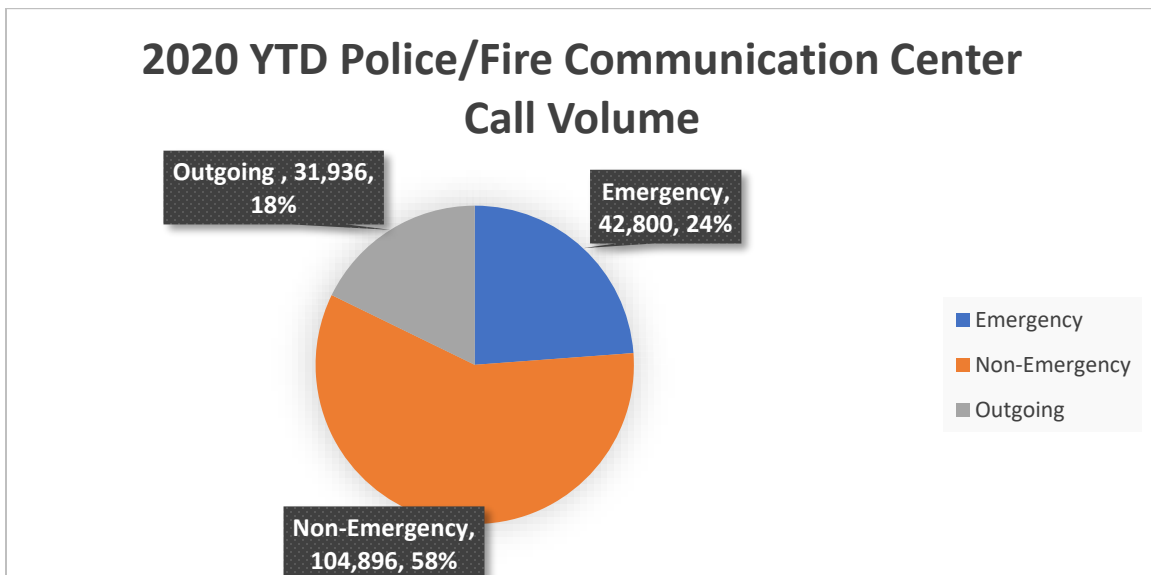
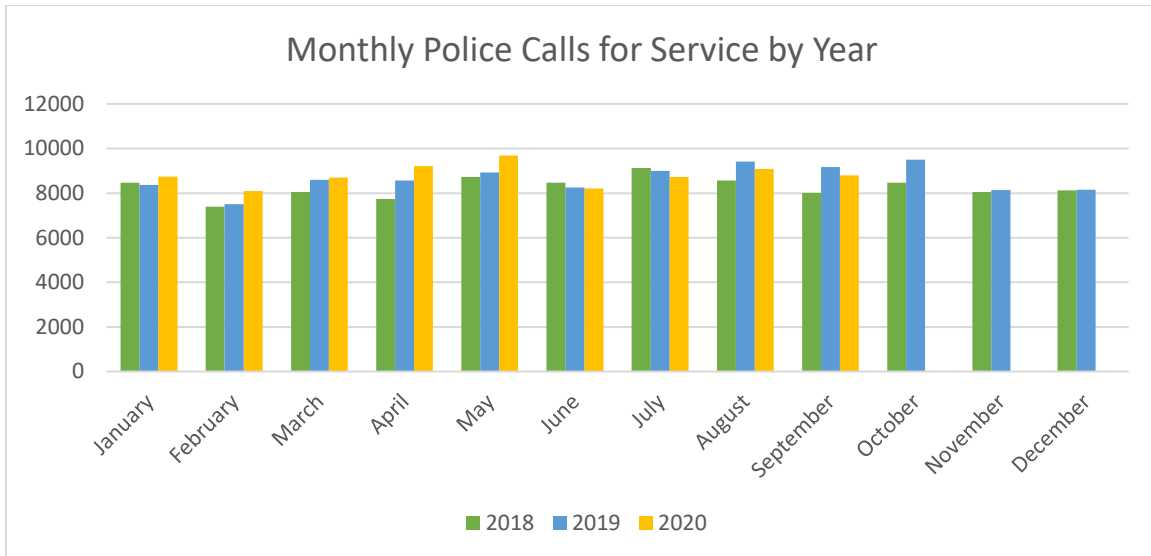
BY THE NUMBERS

Fire:

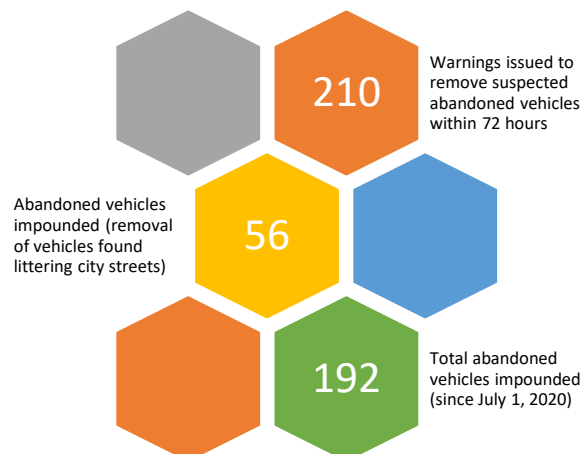


Total Emergency Responses (Year to Date)	11,780
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Police:

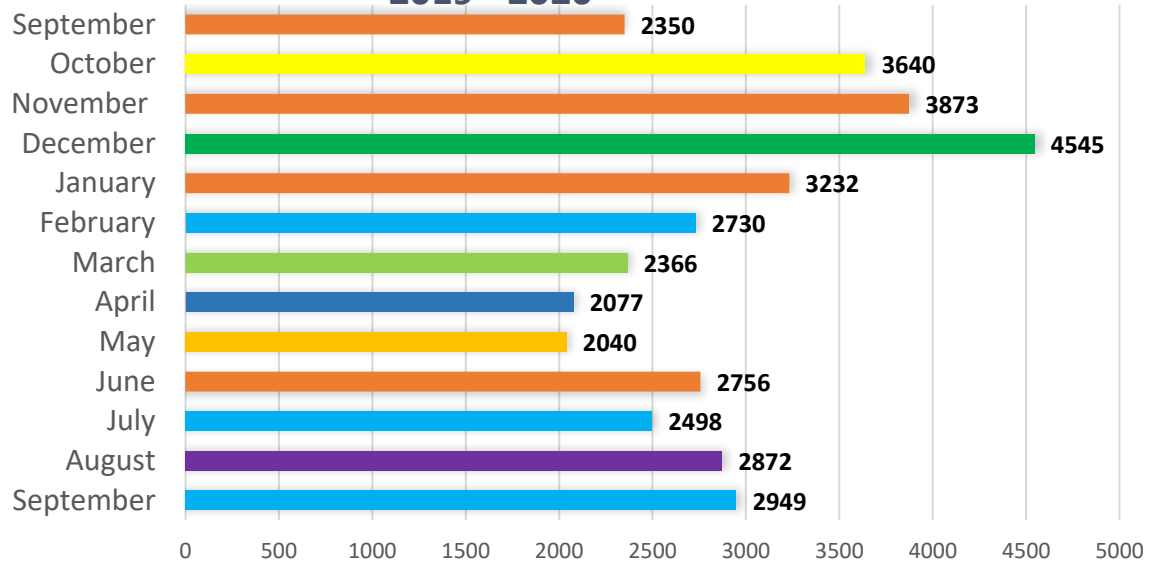


September Abandoned Vehicle Data

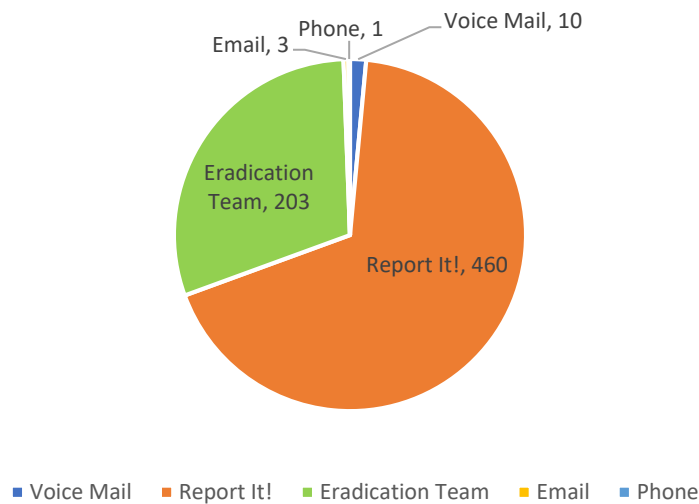


Public Works:

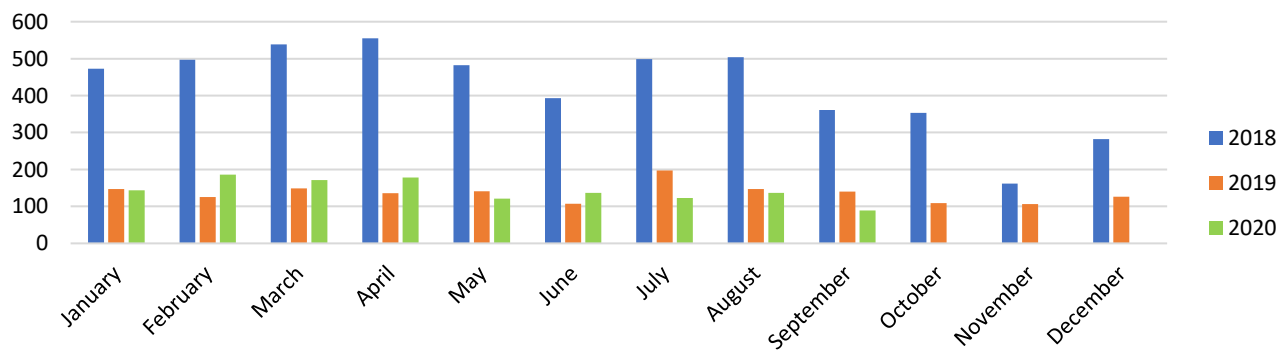
Number of Graffiti Tags Removed 2019 - 2020



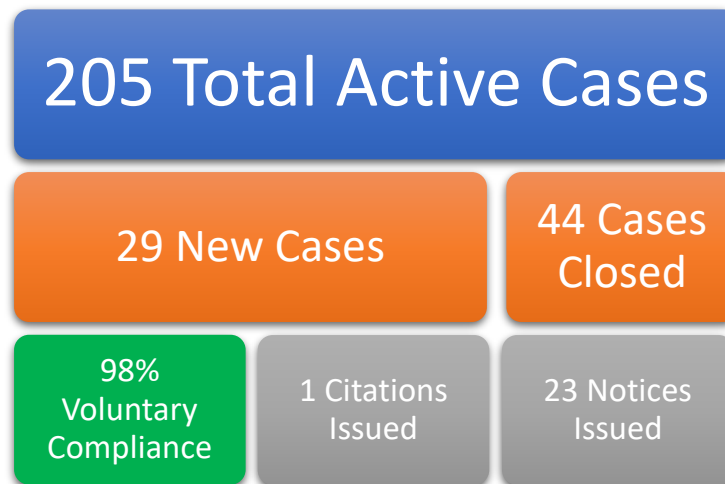
How Graffiti Was Reported - September 2020



NUMBER OF SHOPPING CARTS REMOVED

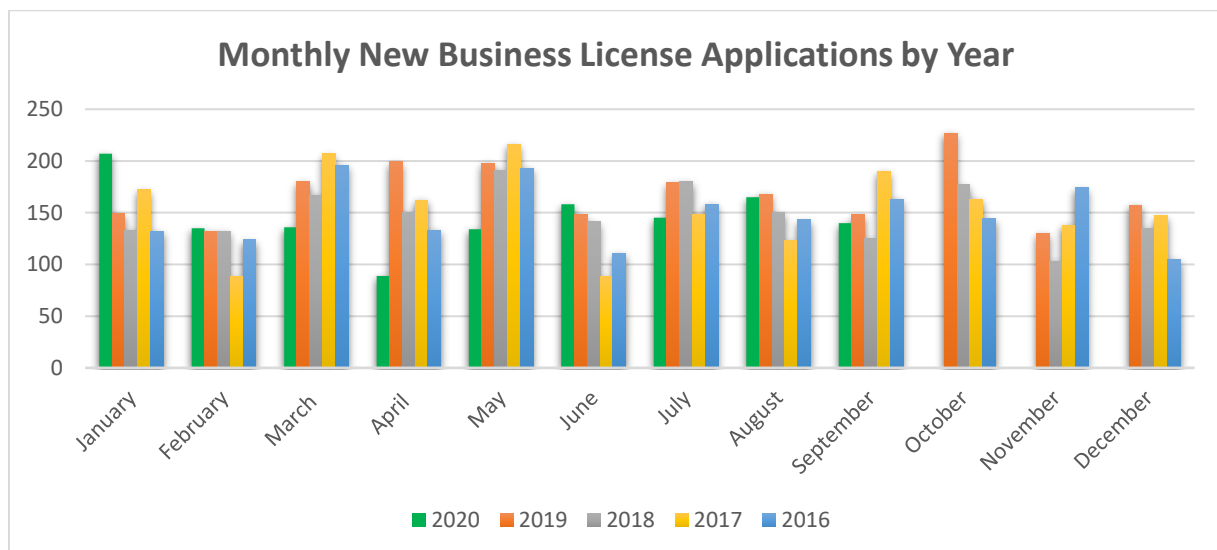


Code Enforcement:



Total Code Cases (Year To Date)	2,310
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Business Licenses:



Graffiti Restitution:

Collected Past Week	Collected Year to Date
\$0	\$9,204.17

COMMUNITY DEVELOPMENT & ENGINEERING

Building Permits and Inspections:

1. The counter staff conducted in person meetings with 155 applicants and was able to process 164 applications and issue 103 permits.
2. The total permit valuation for the week was \$3,691,856.00.
3. The inspection staff completed 202 building inspections.

Development and Capital Projects Update:

Curious what's happening with development projects around the city? See below for milestone activities that have happened since last week. Skip to the bottom of this section for a list of projects that are in progress but do not have an update this week. 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. 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. City staff is currently reviewing the application.

Housing:

2. Henry Ranch (Builder: Joe Martin, Trumark Homes) - An approved development of 97 single-family residential homes on 74.35 acres at the eastern terminus of Lincoln Avenue. The developer, Trumark, has nearly completed onsite water, storm drain and sewer utilities. Offsite work for the new traffic signal is on-going.
3. Nutmeg Condo General Plan Amendment (Developer: Jim Simmons, CCI) - 137 townhome condo units on both sides of Nutmeg between I-15 and Centre City Parkway. The northern portion of the project was approved by the City Council in November 2019. The applicant is now requesting plan approvals for the southern portion. The southern portion was reviewed and approved by the Planning Commission at their meeting on October 13, 2020. City Council is the final decision-maker for this project. It is anticipated that this project will be presented to City Council on November 18, 2020.
4. Jack's Creek TR 951 and SUB 17-0026 – (Developer New Pointe Development). A 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 contractor has completed the grading for 10 of the 12 new home pads. On-site improvements have started for the new water and sewer mains. Water quality testing has started for the water main. Once all testing passes, the new water main will be tied into the City's water main system.
5. Hacienda De Vega Redevelopment – (Developer: Tony Cassolato) A proposed residential condominium development consisting of 42 three-story attached townhomes

on 1.75 acres. The project was reviewed and considered by the Planning Commission at their meeting on September 22, 2020. With a 4-2 vote, the Planning Commission is recommending City Council approval of the project. City Council is the final decision-maker for this project. This project will be considered by the City Council at their October 21, 2020 meeting.

6. Palomar Heights (Developer: Ninia Hammond, Integral Communities) – Demolition and redevelopment of the old Palomar Hospital site with 510 multi-family units with 10,000 SF of commercial. The project was reviewed and considered by the Planning Commission at their meeting on September 22, 2020. With a 4-2 vote, the Planning Commission is recommending City Council approval of the project, with the added condition that inclusionary housing be considered as part of the project. City Council is the final decision-maker for this project. A public hearing date has not been set. A project webpage containing draft documents and plans can be accessed at the following link: <https://www.escondido.org/palomarheights.aspx>
7. 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. Work is continuing for the new round-about located at Country Club and Golden Circle, the scope of work includes new road realignment, curb, gutter, driveways. Electronic message boards have been placed to alert the public of work activity and a new alignment. Rough grading is ongoing for Villages III. Lennar is looking to receive phase 4 and 5 building permits and begin model home construction in Village III soon.
8. Pradera (Developer: Moses Kim, Lennar Homes) – This is approved project consists of a 70-unit single-family development located at the northeastern corner of Ash Street and Lehner Avenue. The water main work included the construction and installation a 12” water main, 779 feet in length, along Conway Drive, between Lehner Drive and Rincon Avenue.
9. Escondido Gateway, also called Rowan (Developer: Carolyn Hillgren, Lyon Living) - This is an approved residential project involving 126 residential units on the same site as the former Police Station across the street from the Escondido Transit Center at 700 W. Grand. All contract work has now been completed. The applicant recently approached staff to install new vehicular access gates to control resident and guest access on to the property. This request requires an amendment to the Master and Precise Development Plan, which will be tentatively scheduled for Planning Commission review on November 10, 2020. The Planning Commission is the final decision-maker for this type of request.
10. Iwashita Apartments (Developer: Iwashita Development) – A seven-story, mixed-use project at 322 S. Escondido Boulevard for 172 units. A resubmittal of the application was received on October 14, 2020. The request is invoking recent changes in State Density Bonus Law to allow for an additional density and building height concessions. The new proposal includes 290 units and nine-stories, with a ground floor day care use. City staff is currently conducting a review of the resubmitted application.

City Projects or Other Capital Improvement Projects:

11. 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. As part of these projects, approximately 37 miles of existing pipe in more populated areas will be replaced and approximately 13 miles of existing pipe in less populated areas will be strength tested. Approximately 5.4 miles of replacement and 2.7 miles of strength testing is expected to occur in Escondido from 2020-2024. Installation of the 16" gas main is currently in the county portion of Bear Valley Parkway. SDG&E and their contractor has started isolating, blowing down/purging and installing isolation caps on the newly installed 16" gas main. The area of the work is along the Midway corridor and at the intersection of La Honda and El Norte. A preconstruction meeting for Phase II will be held within the next few weeks.
12. Laurel Valley Wall Replacement - The contractor, Urban Corp, has completed the demolition of the existing stucco wall and has now started the installation of the new vinyl wall. This wall is located in the City's LMD Zone 9. The scope of work will include the removal of the existing damaged stucco wall and the placement of a new vinyl fence.
13. Spruce Street/Transit Center Pedestrian Bridge Project – The contractor, Palm Engineering, has completed the grading of the channel walls and planting of slopes. All contract work has been completed.
14. Lake Wohlford Replacement Dam – With the Environmental Impact Report certified by the City Council on September 23, 2020, City staff is coordinating additional permit review by the responsible agencies (e.g. California Department of Fish and Wildlife). City staff had a meeting with the respective agencies on October 19, 2020 to provide a project overview and to discuss the permitting process.

Ongoing Projects – Nothing New This Week:

Projects that do not have any changes or updates this week will be listed here to indicate that they're still in progress. When an update occurs, the project will appear above in the Development and Capital Projects section.

Commercial / Office / Industrial:

15. Raising Cane's Restaurant – (Developer: Ada Fermin, PM Design Group) 1280 W. Valley Parkway – An approved demolition of vacant, former Coco's restaurant building and construction of new 3,744 SF drive-through restaurant for Raising Cane's.
16. Carvana – (Developer: Jo Ryan, Carvana) 559 N. Hale Avenue – An approved vending machine car dealership. The project consists of an approximately 5,800 SF, eight-(8) tier glass and steel tower structure up to 75 feet in height.

17. 7-Eleven Gas and Convenience Store – (Developer: Golcheh Group) 900 W. Mission Ave. – A proposal to relocate a 7-Eleven from the northeastern corner of Mission/Rock Springs to the northwestern corner and add a gas station.
18. 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.
19. The Ritz Theater “The Grand” (Developer: New Venture Church) 301 E. Grand Avenue – An approved renovation of the existing Ritz Theater and adjacent commercial building to provide for a variety of assembly uses including performing arts, religious services, café, offices and classroom studios.
20. Burros and Fries - (MPA Architects) 1107 E. Valley Parkway – An approved 5,224 square foot commercial building, with associated landscaping and parking. The building includes a 1,850 square foot drive-through restaurant (Burros and Fries) and 3,374 square feet of additional retail space.

Housing:

21. Villa Portofino (Developer: Chris Post, ATC Design Group) 15 apartment units in a three-story building with parking garage at 2690 S. Escondido Blvd.
22. Canyon Grove Estates Tract 932 (Developer: John Vance, Shea Homes) – This is an approved residential project for 179-lot single-family residential development on the north side of Vista Avenue east of Conway Drive.
23. Interfaith Recuperative Care Facility – (Developer: Interfaith) 555 North Center City Parkway – Conversion of the existing lodging facility (America’s Best Value Inn) and construction of new residential care facility designed to provide quality emergency housing, services, and supervision to at-risk individuals, homeless, etc.
24. Harvest Hills, formerly called Safari Highlands Ranch (Developer: Jeb Hall, Concordia Homes) - 550 residential subdivision, east of Rancho San Pasqual. A project webpage containing draft documents and plans can be accessed at the following link:
<https://www.escondido.org/safari-highlands-ranch-specific-plan.aspx>
25. North Avenue Estates (Developer: Casey Johnson) – This is an approved residential project for 34 lots at North Avenue/Conway Drive.
26. 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. 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>
27. Oak Creek (Builder: KB Homes) – this is an approved residential project for 65 single-family residential lots on approximately 44 acres at Felicita Road and Hamilton Lane.

28. Del Prado (Developer: Kerry Garza, Touchstone Communities) – An approved 113-unit townhome-style Planned Development located at the southwestern corner of Brotherton Road and the Centre City Parkway frontage road.
29. Casa Mercado Apartments (Developer: Paul Mayer, Pemcor) – A four-story, 120-unit apartment complex on 2.31 acres on Second Avenue and Pine Street.
30. Fig Apartments (Developer Claude Marengo) – A 15-unit, three-story, multi-family residential apartment complex consisting of three stories on 0.59 acres.
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 SF vacant parcel in the historic District of the Downtown.
32. 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.
33. Apollo Residential Care (NOAA Group) – An approved Conditional Use Permit for an assisted living and memory care facility, with 78 units accommodating 99 beds at 3141 East Valley Parkway.

City Projects or Other Capital Improvement Projects:

34. Membrane-Filtration Reverse Osmosis Facility/MFRO (Developer: City of Escondido Utilities Department) located at 901 W. Washington.
35. Storm Drain Pipe Lining and Rehabilitation Project Phase II - This project was awarded at the September 16, 2020 City Council meeting. The work consists of construction including: storm drain cleaning, inspection, CCTV, repairing and grouting of voids, point repairs, grouting of existing flow line, cured in place piping lining, storm drain structure floor repairs, post CCTV and inspection, overall rehabilitation of existing corrugated metal pipe storm drain systems.
36. El Norte Parkway Improvements – The project includes widening of El Norte Parkway at the flood control channel by the installation of a new bridge, construction of new median islands from Valley Parkway to Washington Avenue, landscaping and a drip irrigation system, a bike/pedestrian signal at the flood control channel, along with roadway resurfacing. A project webpage containing draft documents and plans has been added to the Engineering Department's website at the following link:
<https://www.escondido.org/el-norte-parkway-bridge-and-median-improvements-1.aspx>.

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