



DECEMBER 9, 2015

CITY COUNCIL CHAMBERS

3:30 P.M. Closed Session; 4:30 P.M. Regular Session

201 N. Broadway, Escondido, CA 92025

MAYOR

Sam Abed

DEPUTY MAYOR

Michael Morasco

COUNCIL MEMBERS

Olga Diaz

Ed Gallo

John Masson

CITY MANAGER

Clay Phillips

CITY CLERK

Diane Halverson

CITY ATTORNEY

Jeffrey Epp

DIRECTOR OF COMMUNITY DEVELOPMENT

Jay Petrek

DIRECTOR OF PUBLIC WORKS

Ed Domingue

ELECTRONIC MEDIA:

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

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

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

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



Council Meeting Agenda

December 9, 2015

3:30 P.M. Meeting

Escondido City Council

CALL TO ORDER

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

ORAL COMMUNICATIONS

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

CLOSED SESSION: (COUNCIL/SUCCESSOR AGENCY/RRB)

I. CONFERENCE WITH LEGAL COUNSEL-- EXISTING LITIGATION (Government Code 54956.9(d)(1))

Case Name: Kevin Stowe v. City of Escondido, et al.
Case No: 37-2014-00040886-CU-WM-NC

ADJOURNMENT



Council Meeting Agenda

**December 9, 2015
4:30 P.M. Meeting**

Escondido City Council

CALL TO ORDER

MOMENT OF REFLECTION:

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

FLAG SALUTE

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

ORAL COMMUNICATIONS

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

CONSENT CALENDAR

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

1. **AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/SUCCESSOR AGENCY/RRB)**
2. **APPROVAL OF WARRANT REGISTER (Council/Successor Agency)**
3. **APPROVAL OF MINUTES: Regular Meeting of November 18, 2015**

4. **ASSISTANCE LEAGUE OF INLAND NORTH COUNTY DONATION OF AUTOMATIC ELECTRONIC DEFIBRILLATORS -**

Request Council approve authorizing the Escondido Police Department to accept 17 donated Automatic Electronic Defibrillators (AED) from the Assistance League of Inland North County.

Staff Recommendation: **Approval (Police Department: Craig Carter)**

5. **SAN DIEGO COUNTY CAL-ID GRANT AND BUDGET ADJUSTMENT -**

Request Council approve authorizing the Police Department to accept a five-year San Diego County Cal-ID Grant from the County of San Diego Remote Access Network (RAN); authorize the Chief of Police or his designee to execute grant documents on behalf of the City; and approve budget adjustments needed to spend grant funds.

Staff Recommendation: **Approval (Police Department: Craig Carter)**

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

Request Council approve revising the rates for Residential and Commercial Solid Waste and Recycling Services. Effective February 8, 2016, a 0.789% increase would apply to all residential collection services. Effective February 1, 2016, a 0.789% increase would apply to all commercial collection services.

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

RESOLUTION NO. 2015-210

7. **ANNUAL FINANCIAL REPORT ON CAPITAL FUNDS FUNDED BY DEVELOPER FEES PER GOVERNMENT CODE SECTION 66006 -**

Request Council receive and file the annual financial report on Capital Funds funded by Developer Fees per Government Code Section 66006.

Staff Recommendation: **Receive and File (Finance Department: Sheryl Bennett)**

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

Request Council approve the June 2015 Investment Policy.

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

RESOLUTION NO. 2015-140

9. **TREASURER'S INVESTMENT REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2015 -**

Request Council receive and file the Quarterly Investment Report.

Staff Recommendation: **Receive and File (City Treasurer's Office: Kenneth C. Hugins)**

10. GROUND LEASE AGREEMENT WITH AMERICAN HERITAGE CHARTER SCHOOLS AT 2269 EAST VALLEY PARKWAY -

Request Council approve authorizing the Real Property Manager and City Clerk to execute a Ground Lease Agreement with American Heritage Charter Schools at 2269 East Valley Parkway and authorize a First Amendment to the Lease Agreement with Heritage Digital Academy at 2255 East Valley Parkway.

Staff Recommendation: **Approval (City Manager's Office: Joyce Masterson/Debra Lundy)**

A) RESOLUTION NO. 2015-214 B) RESOLUTION NO. 2015-216

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

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

11. CITY COUNCIL MEMBER AND MAYOR COMPENSATION -

Approved on December 2, 2015 with a vote of 3/1/1 (Diaz voting no, Masson abstained)

ORDINANCE NO. 2015-24 (Second Reading and Adoption)

PUBLIC HEARINGS

12. PLOT PLAN AND FINAL ENVIRONMENTAL IMPACT REPORT FOR A GROCERY STORE AND RESTAURANT AT CENTERPOINTE 78, A NEW 3.7-ACRE SHOPPING CENTER (ADM 13-0127 / ENV 13-0009) -

Request Council approve a Plot Plan for a new commercial establishment to include a 43,681-SF grocery store and a 3,200-SF drive-thru restaurant, and certify a Final Environmental Impact Report.

Staff Recommendation: **Approval (Community Development Department: Jay Petrek)**

RESOLUTION NO. 2015-203

CURRENT BUSINESS

13. 2014 ASSISTANCE TO FIREFIGHTERS GRANT -

Request Council approve accepting a grant award of \$498,518 (90% Federal share) in Federal grant funding from the Federal FY2014 Assistance to Firefighters Grant Program; approve funding \$49,852 (10% matching share) with General Capital Funds; authorize the Fire Chief to execute grant documents on behalf of the City; and authorize the necessary budget adjustments to track spending of these grant funds.

Staff Recommendation: **Approval (Fire Department: Michael Lowry)**

14. 2015-2016 CITY COUNCIL ACTION PLAN - FISCAL MANAGEMENT -

Request Council approve amending the City's Fund Balance policy to establish the appropriate General Fund target Reserve based on a risk-based analysis as recommended by the Government Finance Officers Association.

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

RESOLUTION NO. 2015-215

15. BUDGET ADJUSTMENT REQUEST FOR THE ESCONDIDO-VISTA WATER TREATMENT PLANT DISINFECTION AND ELECTRICAL SYSTEM UPGRADES PROJECT -

Request Council approve a budget adjustment in the amount of \$1,144,000 to Capital Improvement Program (CIP) No. 701001 from CIP No. 704201 (80%) and CIP Reimbursement (20%) to cover the costs of potential changes required to complete construction of the Escondido-Vista Water Treatment Plant Disinfection and Electrical System Upgrades Project. This budget adjustment will transfer 9% of the permitted 10% contingency to the project budget.

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

16. HALE AVENUE RESOURCE RECOVERY FACILITY PHASE III PRIMARY TREATMENT BUILDING AND ODOR CONTROL MODIFICATIONS PROJECT: BID AWARD FOR CONSTRUCTION, BUDGET ADJUSTMENT, AND AWARD OF CONSULTING AGREEMENTS FOR CONSTRUCTION MANAGEMENT, ENGINEERING SUPPORT DURING CONSTRUCTION, AND ELECTRICAL INSPECTION SERVICES -

Request Council approve authorizing the Mayor and City Clerk to execute the Public Improvement Agreement with J.F. Shea Construction, Inc., the lowest responsive and responsible bidder, in the amount of \$10,927,580 for construction; authorize the Mayor and City Clerk to execute the Consulting Agreement with Tran Consulting Engineers in the amount of \$119,210 for Engineering Services during construction; authorize the Mayor and City Clerk to execute the Consulting Agreement with Arcadis in the amount of \$754,796 for Construction Management Services; authorize the Mayor and City Clerk to execute a Consulting Agreement with Rockwell Construction Services in the amount of \$210,000 for Specialized Electrical Inspections; and approve a budget adjustment in the amount of \$8,189,266.

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

A) RESOLUTION NO. 2015-190 B) RESOLUTION NO. 2015-191 C) RESOLUTION NO. 2015-192 D) RESOLUTION NO. 2015-193

17. VALIANO SEWER FACILITIES DEVELOPMENT MEMORANDUM OF UNDERSTANDING AND TRAFFIC MITIGATION FUNDING AGREEMENT -

Request Council approve a Sewer Facilities Development Memorandum of Understanding and a Traffic Mitigation Funding Agreement with Eden Hills Project Owner, LLC.

Staff Recommendation: **Approval (City Manager's Office: Graham Mitchell)**

RESOLUTION NO. 2015-209

WORKSHOP

18. EL NIÑO PREPARATION -

Due to the strong forecast of significant rain events this winter and the numerous inquiries from our citizens, staff will give a presentation on the efforts the City has taken so far, future efforts, resources available to our citizens, and actions our citizens can take to prepare for these anticipated events.

Staff Recommendation: **Receive and File (Public Works Department: Ed Domingue)**

FUTURE AGENDA

19. FUTURE AGENDA -

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

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

COUNCIL MEMBERS SUBCOMMITTEE REPORTS

CITY MANAGER'S UPDATE/BRIEFING

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

- **CITY MANAGER'S UPDATE -**

ORAL COMMUNICATIONS

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

ADJOURNMENT

UPCOMING MEETING SCHEDULE

Date	Day	Time	Meeting Type	Location
December 16	-	-	No Meeting	-
December 23	-	-	No Meeting	-
December 30	-	-	No Meeting	-
January 6	-	-	No Meeting	-

TO ADDRESS THE COUNCIL

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

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

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

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

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

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

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

LIVE BROADCAST

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

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

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

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

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



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

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

CITY OF ESCONDIDO
November 18, 2015
3:30 P.M. Meeting Minutes
Escondido City Council

CALL TO ORDER

The Regular Meeting of the Escondido City Council was called to order at 3:30 p.m. on Wednesday, November 18, 2015 in the Council Chambers at City Hall with Mayor Abed presiding.

ATTENDANCE:

The following members were present: Councilmember Olga Diaz, Councilmember Ed Gallo, Councilmember John Masson, Deputy Mayor Michael Morasco, and Mayor Sam Abed. Quorum present.

ORAL COMMUNICATIONS

CLOSED SESSION: (COUNCIL/SUCCESSOR AGENCY/RRB)

MOTION: Moved by Councilmember Gallo and Seconded by Deputy Mayor Morasco to recess to Closed Session. Motion carried unanimously.

I. CONFERENCE WITH LEGAL COUNSEL-- EXISTING LITIGATION (Government Code 54956.9(d)(1))

Case Name: Shannon Dennis v. City of Escondido
Case No: 37-2014-00013400-CU-WT-NC

II. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code §54956.8)

- a. **Property:** 2269 East Valley Parkway
City Negotiator: Debra Lundy, Real Property Manager
Negotiating Parties: American Heritage Charter Schools
Under Negotiation: Price and Terms of Agreement
- b. **Property:** A parcel on the north side of West Valley Parkway between City Hall and the California Center for the Arts, Escondido, APN 229-372-20
City Negotiator: Graham Mitchell, Assistant City Manager
Negotiating Parties: City of Escondido and Craig Clark
City of Escondido and Atwater Infrastructure Partners, LLC
Under Negotiation: Price and Terms of Agreement

c. **Property:** 3507 East Valley Parkway
 City Negotiator: Debra Lundy, Real Property Manager
 Negotiating Parties: Toscano, Jose J. Sr. Family Trust
 Under Negotiation: Price and Terms of Agreement

ADJOURNMENT

Mayor Abed adjourned the meeting at 4:32 p.m.

MAYOR

CITY CLERK

MINUTES CLERK

CITY OF ESCONDIDO
November 18, 2015
4:30 P.M. Meeting Minutes

Escondido City Council

CALL TO ORDER

The Regular Meeting of the Escondido City Council was called to order at 4:39 p.m. on Wednesday, November 18, 2015 in the Council Chambers at City Hall with Mayor Abed presiding.

MOMENT OF REFLECTION:

Sharon Allison led the Moment of Reflection.

FLAG SALUTE

Mayor Abed led the Flag Salute.

ATTENDANCE:

The following members were present: Councilmember Olga Diaz, Councilmember Ed Gallo, Councilmember John Masson, Deputy Mayor Michael Morasco, and Mayor Sam Abed. Quorum present.

Also present were: Clay Phillips, City Manager; Jeffrey Epp, City Attorney; Jay Petrek, Community Development Director; Ed Domingue, Director of Public Works; Diane Halverson, City Clerk; and Michael Thorne, Minutes Clerk.

ORAL COMMUNICATIONS

Beverly Sieker, San Marcos, stated that the East Valley Parkway Business Group is focusing improvements on the Jo-Ann fabric shopping center and requested Council aid with a Facade Grant.

Kenneth Kestner, Escondido, noted issues he is having with the City and requested assistance filing paperwork.

CONSENT CALENDAR

Mayor Abed removed items 8, 9, and 13 from the Consent Calendar for discussion.

MOTION: Moved by Councilmember Masson and seconded by Councilmember Diaz to approve the following Consent Calendar items with the exception of items 8, 9, and 13. Motion carried unanimously.

1. **AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/SUCCESSOR AGENCY/RRB)**
2. **APPROVAL OF WARRANT REGISTER (Council/Successor Agency)**
3. **APPROVAL OF MINUTES: A) Regular Meeting of October 28, 2015 B) Regular Meeting of November 4, 2015**

4. FISCAL YEAR 2013 STATE AND COMMUNITY CORRECTIONS POLICE GRANT - ADDITIONAL FUNDS AND BUDGET ADJUSTMENT -

Request Council approve authorizing the Police Department to accept additional Fiscal Year 2013 State and Community Corrections Police Grant funds in the amount of \$69,400; authorize the Chief of Police or his designee to execute grant documents on behalf of the City; and approve budget adjustments needed to spend grant funds. (File No. 0480-70)

Staff Recommendation: **Approval (Police Department: Craig Carter)**

5. STATE OF CALIFORNIA 9-1-1 FOR KIDS FUNDING AND BUDGET ADJUSTMENT -

Request Council approve authorizing the Escondido Police Department to accept \$2,601.90 in funds from the State of California 9-1-1 Emergency Communications Office; authorize the Chief of Police or his designee to execute grant documents on behalf of the City; and approve budget adjustments needed to spend grant funds. (File No. 0480-70)

Staff Recommendation: **Approval (Police Department: Craig Carter)**

6. FISCAL YEAR 2015-16 STATE OF CALIFORNIA CITIZENS' OPTIONS FOR PUBLIC SAFETY (COPS) PROGRAM GRANT AND BUDGET ADJUSTMENT -

Request Council approve authorizing the Escondido Police Department to accept a Fiscal Year 2015-16 Citizens' Options for Public Safety (COPS) Program Grant in the amount of \$230,235; approve grant expenditures consistent with guidelines in AB 1913; authorize the Chief of Police or his designee to execute grant documents on behalf of the City; and approve budget adjustments needed to spend grant funds. (File No. 0480-70)

Staff Recommendation: **Approval (Police Department: Craig Carter)**

7. FINAL MAP, ESCONDIDO TRACT 934, LOCATED AT 1207 NORTH GAMBLE STREET -

Request Council approve the Final Map for Tract 934, a Five Lot Residential Subdivision located at 1207 North Gamble Street. (File No. 0800-10)

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

8. NOTICE OF COMPLETION FOR FISCAL YEAR 2014-15 STREET MAINTENANCE PROJECT -

Request Council approve and accept the public improvements and authorize staff to file a Notice of Completion for the Fiscal Year 2014-15 Street Maintenance Project. (File No. 0600-10 [A-3152])

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

Matt Souttere, Engineering, presented the staff report, utilizing a PowerPoint presentation.

MOTION: Moved by Councilmember Masson and seconded by Councilmember Diaz to approve and accept the public improvements and authorize staff to file a Notice of Completion for the Fiscal Year 2014-15 Street Maintenance Project. Motion carried unanimously.

9. EMPLOYMENT AGREEMENTS - CITY MANAGER AND CITY ATTORNEY -

Request Council approve authorizing the Mayor and City Clerk to execute, on behalf of the City, an Employment Agreement with Graham Mitchell to serve as the City Manager, and a First Amendment to the Employment Agreement with Jeffrey Epp to continue serving as the City Attorney. (File No. 0600-10 [A-1997] [A-3168])

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

RESOLUTION NO. 2015-205

Robroy Fawcett, Escondido, stated that the City Manager and City Attorney salaries are too high.

MOTION: Moved by Deputy Mayor Morasco and seconded by Councilmember Diaz to approve authorizing the Mayor and City Clerk to execute, on behalf of the City, an Employment Agreement with Graham Mitchell to serve as the City Manager, and a First Amendment to the Employment Agreement with Jeffrey Epp to continue serving as the City Attorney and adopt Resolution No. 2015-205. Motion carried unanimously.

10. AUTHORIZING A RIGHT-OF-WAY APPLICATION TO THE UNITED STATES DEPARTMENT OF INTERIOR FOR THE SAN PASQUAL UNDERGROUNDING PROJECT -

Request Council approve authorizing the City Manager or Director of Utilities to execute an application and other documents required for the San Pasqual Undergrounding Project. (File No. 0690-40)

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

RESOLUTION NO. 2015-198

11. ACCEPTANCE OF DONATION FOR KIT CARSON PARK HOCKEY ARENA -

Request Council approve a donation of floor tiles for one of the Kit Carson Park hockey arenas. The proposed donation at the estimated cost for materials of \$60,000 will be made by San Diego Sports Foundation. (File No. 0150-20)

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

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

12. MODIFICATION TO THE MASTER AND PRECISE DEVELOPMENT PLAN FOR WESTFIELD NORTH COUNTY (PHG 15-0026) -

Approved on November 4, 2015 with a vote of 5/0 (File No. 0800-40)

ORDINANCE NO. 2015-20R (Second Reading and Adoption)

13. EXTENSION OF THE ERTC DEVELOPMENT AGREEMENT (PHG 15-0017) -

Approved on November 4, 2015 with a vote of 4/0/1 (Masson abstained) (File No. 0800-40)

ORDINANCE NO. 2015-21 (Second Reading and Adoption)

Robroy Fawcett, Escondido, noted defects in ERTC grading and that restrictions are causing a lack of development.

MOTION: Moved by Councilmember Gallo and seconded by Councilmember Diaz to approve extending the term of the existing Development Agreement (Planning Case No. 2001-01-DA/CZ/GPA/SPA) between JRM-ERTC I, a California limited partnership, and the City of Escondido for an additional ten years for the development of the Escondido Research and Technology Center and public benefits and adopt Ordinance No. 2015-21. Ayes: Abed, Diaz, Gallo, and Morasco. Noes: None. Abstained: Masson. Motion carried.

PUBLIC HEARINGS

14. MASTER AND PRECISE DEVELOPMENT PLAN AND TENTATIVE PARCEL MAP FOR THE DEVELOPMENT OF A MIXED-USE PROJECT IN THE PD-MU ZONE (PHG 15-0009, SUB 15-0008) -

Request Council approve the Master and Precise Development Plan and Tentative Parcel Map; adopt the environmental determination; approve the project as originally conditioned, which would eliminate the one condition requiring installation of an elevator that was added by the Planning Commission; and approve revising the financial details of the project and reaffirm the commitment of Affordable Housing funds. (File No. 0800-40)

Staff Recommendation: **Approval (Community Development Department: Jay Petrek)**

A) RESOLUTION NO. 2015-194 B) RESOLUTION NO. 2015-204

C) ORDINANCE NO. 2015-23 (First Reading and Introduction)

Jay Petrek, Director of Community Development, and Karen Youel, Housing Staff, presented the staff report, utilizing a PowerPoint presentation.

William Leach, Project Manager for Solutions for Change, thanked City staff and the Council for past support and noted the goals of Solutions for Change.

MOTION: Moved by Councilmember Gallo and seconded by Councilmember Diaz to approve the Master and Precise Development Plan and Tentative Parcel Map; adopt the environmental determination; approve the project as originally conditioned, which would eliminate the one condition requiring installation of an elevator that was added by the Planning Commission; and approve revising the financial details of the project and reaffirm the commitment of Affordable Housing funds and adopt Resolution No. 2015-194, Resolution No. 2015-204 and introduce Ordinance No. 2015-23. Motion carried unanimously.

FUTURE AGENDA

15. FUTURE AGENDA -

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

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

COUNCIL MEMBERS SUBCOMMITTEE REPORTS

Councilmember Gallo reported on North County Transit District's renewal of Executive Director and In House Attorney Contracts; San Diego County Water Authority data shows continuous water reductions.

Councilmember Diaz reported she will attend the San Dieguito River Park meeting on Friday, November 20; reported on the success of the Escondido Tamale Festival.

CITY MANAGER'S UPDATE/BRIEFING

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

- **CITY MANAGER'S UPDATE -**

ORAL COMMUNICATIONS

ADJOURNMENT

Mayor Abed adjourned the meeting at 5:37 p.m.

MAYOR

CITY CLERK

MINUTES CLERK

CITY COUNCIL

For City Clerk's Use:

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APPROVED

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DENIED

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 4

Date: December 9, 2015

TO: Honorable Mayor and Members of the City Council

FROM: Craig Carter, Chief of Police

SUBJECT: Assistance League of Inland North County Donation of Automatic Electronic Defibrillators

RECOMMENDATION:

It is requested that City Council authorize the Escondido Police Department to accept 17 donated automatic electronic defibrillators (AED) from the Assistance League of Inland North County.

FISCAL ANALYSIS:

Automatic electronic defibrillators (AED) will be donated to the Escondido Police Department. This will have no impact on the General Fund Budget.

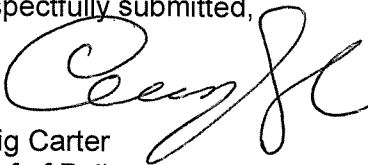
PREVIOUS ACTION:

None

BACKGROUND:

The Assistance League of Inland North County has offered to purchase 17 automatic electronic defibrillators (AED) units to donate to the Escondido Police Department. This donated equipment is valued at approximately \$20,000. Accepting this donation will allow police officers immediate access to life saving equipment.

Respectfully submitted,


Craig Carter
Chief of Police

CITY COUNCIL

For City Clerk's Use:

☐

APPROVED

☐

DENIED

Reso No. _____

File No. _____

Ord No. _____

Agenda Item No.: 5
Date: December 9, 2015

TO: Honorable Mayor and Members of the City Council
FROM: Craig Carter, Chief of Police
SUBJECT: San Diego County Cal-ID Grant

RECOMMENDATION:

It is requested that City Council authorize the Police Department to accept a five-year San Diego County Cal-ID Grant from the County of San Diego Remote Access Network (RAN); authorize the Chief of Police or his designee to execute grant documents on behalf of the City; and approve budget adjustments needed to spend grant funds.

FISCAL ANALYSIS:

Funds will be used to pay salary expenses for a Forensic Technician. This will have no impact on the General Fund Budget.

PREVIOUS ACTION:

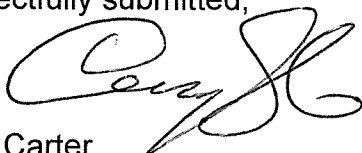
On April 18, 2012, City Council approved a five-year, County of San Diego Cal-ID Grant. Grant funds covered salary and benefit expenses for one full-time Forensic Technician.

BACKGROUND:

The San Diego County Cal-ID Remote Access Network (RAN) Board currently provides grant monies to cover salary and benefit expenses for one, full-time, grant-funded Forensic Technician position for the Escondido Police Department. The current grant will be exhausted on June 30, 2017.

The RAN Board awarded the Escondido Police Department a second Cal-ID Grant that will cover salary and benefit expenses for an additional full-time Forensic Technician position. Per grant requirements, the Forensic Technician's primary job duties must include analysis of latent fingerprints and other forensic print evidence for the Escondido Police Department Crime Laboratory. Grant funds will renew annually and must not exceed \$86,000 per year. The new Cal-ID Grant has a five year term that will start on January 1, 2016 and end on June 30, 2020.

Respectfully submitted,



Craig Carter
Chief of Police



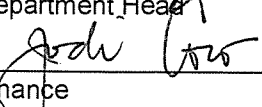
CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST

Date of Request: December 1, 2015
Department: Police
Division: Administration
Project/Budget Manager: Lisa Rodelo X4905
Name Extension
Council Date (if applicable): December 9, 2015
(attach copy of staff report)

For Finance Use Only	
Log #	<u>BA 12-03</u>
Fiscal Year	<u>2016</u>
☐	Budget Balances
☐	General Fund Accts
☐	Revenue
☐	Interfund Transfers
☐	Fund Balance

Project/Account Description	Account Number	Amount of Increase	Amount of Decrease
Revenue	4127-451-New Number	\$430,000	
Police Grants	451-New Number	\$430,000	

Explanation of Request:
A budget adjustment is needed to spend grant funds for salary and overhead.

		APPROVALS		
	<u>12/1/15</u>			
Department Head	Date	City Manager	Date	
	<u>12/1/15</u>			
Finance	Date	City Clerk	Date	

Distribution (after approval): Original: Finance

CITY COUNCIL

For City Clerk's Use:

☐

APPROVED

☐

DENIED

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 6

Date: December 9, 2015

TO: Honorable Mayor and Members of the City Council

FROM: Ed Domingue, Director of Public Works/City Engineer
Laura Robinson, Program Coordinator

SUBJECT: Proposed Rate Increase from Escondido Disposal (EDI) for Annual CPI Increase to Solid Waste and Recycling Rates and Fees for Residential and Commercial Collections

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2015-210 to revise the rates for Residential and Commercial Solid Waste and Recycling Services. Effective February 8, 2016, a 0.789% percent increase would apply to all residential collection services. Effective February 1, 2016, a 0.789% percent increase would apply to all commercial collection services.

FISCAL ANALYSIS:

The increase in solid waste and recycling rates for residential and commercial accounts will result in an approximate one percent increase in the franchise fees received by the General Fund. Residential rates will increase by \$0.14 per month. Commercial rates will increase by varying amounts, depending on individual service levels.

PREVIOUS ACTION:

On October 6, 1999, the Council approved a contract with Escondido Disposal, Inc., and Escondido Resource Recovery, divisions of Refuse Services, Inc., specifying rates to be charged for solid waste and recycling services. The contract established initial maximum rates paid by the ratepayers and gave the contractor the right to increase the maximum rates annually according to the change in the previous year's Consumer Price Index (CPI).

The contract specifies that if the Escondido ratepayers' effective mean rate (the rate not including AB939, Household Hazardous Waste and Franchise fees) is not within the lowest 25% percent being charged in San Diego County, the City has the right to propose that EDI adjust its proposed rates to fall within the lowest 25% percent.

In accordance with these contract specifications, the following rate increases have been granted to EDI for basic residential and commercial collection services:

Date	Residential Increase	Commercial Increase
July 2001	6.8%	6.8%
July 2002	3.6%	3.6%
July 2003	2.1%	4.0%
July 2004	2.9%	3.4%
January 2006	1.13%	3.97%
January 2007	0%	3.38%
March 2007	2.4%	0%
January 2008	0%	1.316%
January 2009	0%	4.39%
April 2009	1.045%	0%
January 2012	1.29%	0.895%
January 2013	1.66%	0%
January 2015	2.43%	2.43%
Proposed January 2016	0.789%	0.789%

Household Hazardous Waste fees and AB939 fees were established in 1994 at \$0.25 and \$0.21 per month, respectively. On July 1, 2003, Household Hazardous Waste fees were increased from \$0.25 to \$0.35 per month. On January 1, 2006, Household Hazardous Waste fees were increased from \$0.35 to \$0.52 per month. No increases in either the AB939 or Household Hazardous Waste Fees are being requested at this time. The franchise fee also remains at 10 percent of gross receipts. These fees apply equally to both residential and commercial collections and all solid waste and recycling services.

BACKGROUND:

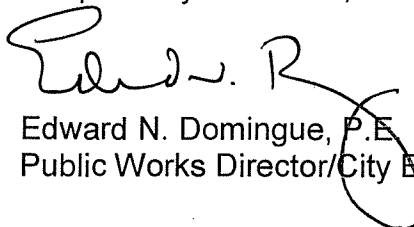
On August 23, 2015 the City received notification from Escondido Disposal, Inc. (EDI) regarding an increase in the solid waste and recycling rates in accordance with Section 8 (C) of the Solid Waste Disposal and Recycling Franchise Agreement. The rate increases are based on the 0.7898 percent change in the CPI between the first half of 2014 and the first half of 2015 (Attachment A) after adjustments to keep the Escondido ratepayers' effective mean rate within the lowest 25% percent in San Diego County. After review and discussion, it was determined that the contractual CPI formula allows for a 0.789% percent residential rate increase effective February 8, 2016 and a 0.789 percent commercial rate increase, effective February 1, 2016. Utility bill inserts noticing the residential rate increase are included in the December 2015 residential utility bill mailings.

Under the proposed CPI rate increase of 0.789% percent for residential accounts, the total monthly rate for curbside trash and recycling collection will increase by \$0.14 per month from \$18.71 to \$18.85. The residential effective mean rate (the rate not including AB939, Household Hazardous Waste and Franchise fees) for the same service is currently \$16.18 and is proposed to increase to \$16.31. The last residential rate increase was in 2015 and was 2.43% percent.

Under the proposed CPI rate increase of 0.789% percent for commercial accounts, the total monthly rate for a three-yard permanent bin collected once per week will increase by \$0.78 per month from \$98.56 to \$99.34. The commercial effective mean rate for the same service is currently \$88.05 and is proposed to increase to \$88.75. The last commercial rate increase was in 2015 and was 2.43% percent.

The proposed 0.789% percent residential rate increase for CPI will become effective February 8, 2016 and the proposed 0.789% percent commercial rate increase for CPI will become effective February 1, 2016 and applies to all residential collection rates and services as presented in Attachment A.

Respectfully submitted,


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


Laura Robinson
Program Coordinator

ATTACHMENT "A"

CONSUMER PRICE INDEX CALCULATION

CPI: 0.7898%

Last 12 month period for which statistics are available is the first half of 2014 compared to the first half of 2015 in the San Diego area

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

Current CPI	267.346 (first half of 2015)
Previous CPI	265.251 (first half of 2014)
Change	2.095 points
Percentage change	0.7898%

BASIC RESIDENTIAL RATE

Actual Residential Rate Increase: 0.7898%

	Current 1/1/2015	Proposed Effective 2/8/2016
Base	\$ 16.18	\$ 16.31
Franchise Fee	1.80	1.81
AB939	0.21	0.21
HHW	0.52	0.52
Total	\$ 18.71	\$ 18.85

MISCELLANEOUS

Bulk item	11.36 per item
Tires (under 17") Rim Diam.	3.40 /each
(17" - 23") Rim Diam.	13.63 /each
(Over 23") Rim Diam.	227.03 /each
Refrigerator, freezer, a.c.	45.42 /each
Bags (under 25 lbs.)	1.14 /each

RESIDENTIAL RATE

Service 18.85 Per month

MOBILE HOME RATE

Service 18.85 Per month

ADDITIONAL CART

Trash 3.97 Per additional cart (3 month minimum)
Recycling 0.00 Per additional cart

AUTOMATED OVERAGE CHARGES

11.36 Trip charge
1.15 Per bag

GREEN WASTE CART RENTAL 3.09

BASIC COMMERCIAL RATE

Actual Commercial Rate Increase: 0.7898%

	Current 1/1/2015	Proposed Effective 2/1/2016
3yard 1/week	\$ 88.05	\$ 88.75
Franchise Fee	9.78	9.86
AB939	0.21	0.21
HHW	0.52	0.52
Total	\$ 98.56	\$ 99.34

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	66.79	112.13	157.55	202.95	248.34	293.74
3 YARD	99.34	173.83	248.31	322.76	397.25	471.69
4 YARD	130.02	231.10	332.22	433.35	534.43	635.55

EXTRA DUMP CHARGES FOR PERMANENT BINS

	<u>1 1/2 YARD</u>	<u>3 YARD</u>	<u>4 YARD</u>
Per Bin Dump	19.33	28.59	35.77

T-BINS

87.02 104.40

Customer is allowed to keep bin for 1 week

GREENS T-BIN

77.62 96.05

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	95.93	151.32	206.73	262.11	317.50
3 YARD	135.93	246.72	357.55	468.32	579.14
4 YARD	155.50	303.28	450.97	598.73	746.47

NOTE: ALL CONSTRUCTION BINS HAVE A ONE TIME DELIVERY FEE OF \$31.01**EXTRA DUMP CHARGES FOR CONSTRUCTION BINS**

	<u>1 1/2 YARD</u>	<u>3 YARD</u>	<u>4 YARD</u>
Per Bin Dump	25.02	34.05	41.38

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	116.62	223.29	329.93	436.60	543.28
3 YARD	134.41	258.84	383.26	507.72	632.15

4 YARD	146.25	282.58	418.88	555.23	691.53
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NOTE: ALL OFF ROAD BINS HAVE A ONE TIME DELIVERY FEE OF \$32.44

EXTRA DUMP CHARGES FOR OFF ROAD BINS

<u>1 1/2 YARD</u>	<u>3 YARD</u>	<u>4 YARD</u>
25.02	34.05	41.39

MATRIX FOR 3 YARD AND 4 YARD BINS

3 YARD BINS

<u># OF BINS</u>	<u>DUMPS PER WEEK</u>					
	1	2	3	4	5	6
1	99.34	173.83	248.31	322.76	397.25	471.69
2	198.68	347.66	496.62	645.52	794.50	943.38
3	298.02	521.49	744.93	968.28	1,191.75	1,415.07
4	397.36	695.32	993.24	1,291.04	1,589.00	1,886.76
5	496.70	869.15	1,241.55	1,613.80	1,986.25	2,358.45
6	596.04	1,042.98	1,489.86	1,936.56	2,383.50	2,830.14
7	695.38	1,216.81	1,738.17	2,259.32	2,780.75	3,301.83
8	794.72	1,390.64	1,986.48	2,582.08	3,178.00	3,773.52
9	894.06	1,564.47	2,234.79	2,904.84	3,575.25	4,245.21
10	993.40	1,738.30	2,483.10	3,227.60	3,972.50	4,716.90

4 YARD BINS

<u># OF BINS</u>	<u>DUMPS PER WEEK</u>					
	1	2	3	4	5	6
1	130.02	231.10	332.22	433.35	534.43	635.55
2	260.04	462.20	664.44	866.70	1,068.86	1,271.10
3	390.06	693.30	996.66	1,300.05	1,603.29	1,906.65
4	520.08	924.40	1,328.88	1,733.40	2,137.72	2,542.20
5	650.10	1,155.50	1,661.10	2,166.75	2,672.15	3,177.75
6	780.12	1,386.60	1,993.32	2,600.10	3,206.58	3,813.30
7	910.14	1,617.70	2,325.54	3,033.45	3,741.01	4,448.85
8	1,040.16	1,848.80	2,657.76	3,466.80	4,275.44	5,084.40
9	1,170.18	2,079.90	2,989.98	3,900.15	4,809.87	5,719.95
10	1,300.20	2,311.00	3,322.20	4,333.50	5,344.30	6,355.50

COMPACTOR / DOB RATES

COMPACTORS:

"C"	209.26 + \$44.78 Ton Landfill fees
"D"	213.60 + \$44.78 Per Ton Landfill fees
"F"	223.75 + \$44.78 Per Ton Landfill fees

"P" 188.88 + \$44.78 Per Ton Landfill fees

<u>DROP OFF BINS:</u>	<u>Haul</u>	<u>Disposal</u> (6 tons)	<u>Sub-total</u>	<u>Del Charge</u>	<u>Total</u>
14 YARD (8' X 16' X 3')	210.70	\$268.68	\$479.38	49.74	\$529.12
25 YARD (8' X 18' X 5')	210.70	\$268.68	\$479.38	49.74	\$529.12
38 YARD (8' X 22' X 6')	210.70	\$268.68	\$479.38	49.74	\$529.12
<u>GREENS DOB:</u>	226.41	\$197.34	\$423.75	55.25	\$479.00
<u>SCRAP METAL DOB</u>	226.41	\$126.55	\$352.96	55.25	\$408.21
<u>CARDBOARD DOB</u>	226.41	\$0.00	\$226.41	55.25	\$281.66

STEAM CLEAN: 31.96 Per hour
 UNABLE TO SERVICE: 75.78
 STANDBY TIME: 2.97 Per minute
 DOB DEL. CHARGE: 49.74 (One time charge)

Container Rental 3.55 Per day starting with the 8th day
 (temporary boxes)
 3.55 Per day starting with the 13th day
 (permanent boxes 3 months or more)

DOB - MANIFESTED WASTE:

	<u>Haul</u>	<u>Disposal</u> (6 tons)	<u>Sub-total</u>	<u>Del Charge</u>	<u>Total</u>
14 YARD (8' X 16' X 3')	210.70	\$365.35	\$ 576.05	49.74 \$	625.79
25 YARD (8' X 18' X 5')	210.70	\$365.35	\$ 576.05	49.74 \$	625.79
38 YARD (8' X 22' X 6')	210.70	\$365.35	\$ 576.05	49.74 \$	625.79
MANIFEST FEE:			56.95		
SPECIAL HANDLING:			56.95		
PORTAL TO PORTAL CHARGE:			110.65 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	40.76	84.44	128.10	171.79	215.44
3 YARD	50.96	94.63	138.29	181.98	225.65
4 YARD	65.50	109.18	152.85	196.53	240.20

EXTRA DUMP CHARGES FOR OFF-ROAD RECYCLING BINS

1 1/2 YARD 3 YARD 4 YARD

20.38 30.17 37.73

<u>95 GALS</u>	<u>Commercial Recycling Carts</u>	<u>SERVICE</u>	<u>CHARGE</u>
950T	Extra Dump		8.00 Fee
950N	Newspaper	1 X WK	18.21 Per month
950G	Glass	1 X WK	18.21 Per month
950P	Plastic & Aluminum	1 X WK	18.21 Per month
950GR	Green Waste	1 X WK	3.09 Per month/Cart

Multi- Family Recycling Fee \$0.98 per month per dwelling unit

COMPACTOR BIN FORMULA

Less bin rental	474.07 - \$18 =	\$	456.07
Divide by 4.333 weeks	\$ 456.07 / 4.333 =	\$	105.26
Divide by # of days pick up	\$ 105.26 / 6 =	\$	17.54
Multiply by 3 to 1 ratio	\$ 17.54 x 3 =	\$	52.62
Multiply by # of days pick up	\$ 52.62 x 6 =	\$	315.72
Multiply by 52 weeks	\$ 315.75 x 52 =	\$	16,417.44
Divide by 12 months	16,417.44 / 12 =	\$	1,368.12

COMPACTOR PER DUMP FORMULA

FOR EXTRA DUMPS

Rate less bin rental	\$ 100.35 - \$18 =	\$	82.35
Divide by 4.333	\$ 82.35 / 4.333	\$	19.01
Multiply by 3 to 1 ratio	\$ 19.01 x 3 =	\$	57.03
Add'l overhead labor cost			21.71
Total per dump		\$	<u>78.74</u>

COMPACTOR BOX RENTAL

Large Compæ \$ 132.71 Per month

ROLL OUT FEE SCHEDULE:

ANYTHING UNDER 25 FEET IS FREE; OVER IS \$.05 PER FOOT

i.e. Roll out 100 ft is figured as follows:

100 ft - 25 ft = 75 ft x 2 (number of days dumped per week) = 150 x \$.054098 (per foot charge)
 \$8.10 (weekly charge) x 52 (weeks per year) = \$421.20 (yearly charge / 12 (months per year)
 \$35.10 (monthly charge) then add to regular charges. Minimum charge is \$1.01 per month.

MISCELLANEOUS COMMERCIAL FEES

Locking Lids	5.79 Per Month
Balanced Lids	6.94 Per Month
Enclosure Cleaning	52.10 Minimum-subject to estimate
Brakes	57.89 1 time charge
Bar Locks	35.14 1 time charge
Extra Keys	1.73 each
Locks	17.94 each
Lock & Unlock Charge (Barlock Bins)	1.16 for each lock/unlock (x per wk service)

RESOLUTION NO. 2015-210

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING AN ANNUAL CONSUMER
PRICE INDEX INCREASE IN THE RATES
FOR RESIDENTIAL AND COMMERCIAL
SOLID WASTE AND RECYCLING SERVICES
PROVIDED BY REFUSE SERVICES, INC.**

WHEREAS, in October, 1999, the City entered into a Solid Waste Disposal and Recycling Franchise Agreement (the "Agreement") with Escondido Resource Recovery and Escondido Disposal, Inc., Divisions of Refuse Services, Inc., to provide residential, commercial and industrial trash, and recycling collection services; and

WHEREAS, Section 8(C) of the Agreement grants an annual increase in the rates not to exceed the percentage increase in the Consumer Price Index for the year, upon receipt of written notice of the proposed increase; and

WHEREAS, Escondido Disposal has requested in a letter dated and received August 23, 2015, an increase in the residential rates fees to be effective February 8, 2016, and commercial rates to be effective February 1, 2016; and

WHEREAS, revised residential and commercial rates and fees were last approved on January 7, 2015, with a March 1, 2015 effective date for the residential fees and a January 7, 2015, effective date for the commercial fees; and

WHEREAS, the proposed revised residential and commercial rates and fees, to be effective February 8, 2016, and February 1, 2016, respectively, and the calculation of the increased percentage in the Consumer Price Index are attached; and

WHEREAS, residential and commercial rates revised for the allowed annual CPI increase are being noticed in utility bill inserts to all affected customers in Escondido in December 2015; and

WHEREAS, the Public Works Director/City Engineer recommends approval of the proposed increase in Solid Waste Disposal and Recycling rates and fees for residential accounts, effective February 8, 2016, and commercial accounts, effective February 1, 2016;

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

1. That the above recitations are true.
2. That the City Council hereby accepts the recommendation of the Public Works Director/City Engineer.
3. That the Mayor and City Clerk are authorized to adopt, on behalf of the City, an increase in the rates and fees for Solid Waste Disposal and Recycling Services for residential accounts effective February 8, 2016, and commercial accounts effective February 1, 2016. A copy of the contractual CPI formula is attached as Exhibit "A" and is incorporated by this reference.

CONSUMER PRICE INDEX CALCULATION

CPI: 0.7898%

Last 12 month period for which statistics are available is the first half of 2014 compared to the first half of 2015 in the San Diego area

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

Current CPI 267.346 (first half of 2015)

Previous CPI 265.251 (first half of 2014)

Change 2.095 points

Percentage change 0.7898%

BASIC RESIDENTIAL RATE

Actual Residential Rate Increase: 0.7898%

	Current 1/1/2015	Proposed Effective 2/8/2016
Base	\$ 16.18	\$ 16.31
Franchise Fee	1.80	1.81
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Total	\$ 18.71	\$ 18.85

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Bulk item	11.36 per item
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(Over 23") Rim Diam.	227.03 /each
Refrigerator, freezer, a.c.	45.42 /each
Bags (under 25 lbs.)	1.14 /each

RESIDENTIAL RATE

Service 18.85 Per month

MOBILE HOME RATE

Service 18.85 Per month

ADDITIONAL CART

Trash 3.97 Per additional cart (3 month minimum)
Recycling 0.00 Per additional cart

AUTOMATED OVERAGE CHARGES

11.36 Trip charge
1.15 Per bag

GREEN WASTE CART RENTAL 3.09

BASIC COMMERCIAL RATE

Actual Commercial Rate Increase: 0.7898%

	Current 1/1/2015	Proposed Effective 2/1/2016
3yard 1/week	\$ 88.05	\$ 88.75
Franchise Fee	9.78	9.86
AB939	0.21	0.21
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Total	\$ 98.56	\$ 99.34

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>
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4 YARD	130.02	231.10	332.22	433.35	534.43	635.55

EXTRA DUMP CHARGES FOR PERMANENT BINS

	<u>1 1/2 YARD</u>	<u>3 YARD</u>	<u>4 YARD</u>
Per Bin Dump	19.33	28.59	35.77

T-BINS

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Customer is allowed to keep bin for 1 week

GREENS T-BIN

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CONSTRUCTION BINS

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3 YARD	135.93	246.72	357.55	468.32	579.14
4 YARD	155.50	303.28	450.97	598.73	746.47

NOTE: ALL CONSTRUCTION BINS HAVE A ONE TIME DELIVERY FEE OF \$31.01**EXTRA DUMP CHARGES FOR CONSTRUCTION BINS**

	<u>1 1/2 YARD</u>	<u>3 YARD</u>	<u>4 YARD</u>
Per Bin Dump	25.02	34.05	41.38

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	116.62	223.29	329.93	436.60	543.28
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4 YARD	146.25	282.58	418.88	555.23	691.53
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NOTE: ALL OFF ROAD BINS HAVE A ONE TIME DELIVERY FEE OF \$32.44

EXTRA DUMP CHARGES FOR OFF ROAD BINS

<u>1 1/2 YARD</u>	<u>3 YARD</u>	<u>4 YARD</u>
25.02	34.05	41.39

MATRIX FOR 3 YARD AND 4 YARD BINS

3 YARD BINS

<u># OF BINS</u>	<u>DUMPS PER WEEK</u>					
	1	2	3	4	5	6
1	99.34	173.83	248.31	322.76	397.25	471.69
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4	397.36	695.32	993.24	1,291.04	1,589.00	1,886.76
5	496.70	869.15	1,241.55	1,613.80	1,986.25	2,358.45
6	596.04	1,042.98	1,489.86	1,936.56	2,383.50	2,830.14
7	695.38	1,216.81	1,738.17	2,259.32	2,780.75	3,301.83
8	794.72	1,390.64	1,986.48	2,582.08	3,178.00	3,773.52
9	894.06	1,564.47	2,234.79	2,904.84	3,575.25	4,245.21
10	993.40	1,738.30	2,483.10	3,227.60	3,972.50	4,716.90

4 YARD BINS

<u># OF BINS</u>	<u>DUMPS PER WEEK</u>					
	1	2	3	4	5	6
1	130.02	231.10	332.22	433.35	534.43	635.55
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3	390.06	693.30	996.66	1,300.05	1,603.29	1,906.65
4	520.08	924.40	1,328.88	1,733.40	2,137.72	2,542.20
5	650.10	1,155.50	1,661.10	2,166.75	2,672.15	3,177.75
6	780.12	1,386.60	1,993.32	2,600.10	3,206.58	3,813.30
7	910.14	1,617.70	2,325.54	3,033.45	3,741.01	4,448.85
8	1,040.16	1,848.80	2,657.76	3,466.80	4,275.44	5,084.40
9	1,170.18	2,079.90	2,989.98	3,900.15	4,809.87	5,719.95
10	1,300.20	2,311.00	3,322.20	4,333.50	5,344.30	6,355.50

COMPACTOR / DOB RATES

COMPACTORS:

"C"	209.26 + \$44.78 Ton Landfill fees
"D"	213.60 + \$44.78 Per Ton Landfill fees
"F"	223.75 + \$44.78 Per Ton Landfill fees

"P" 188.88 + \$44.78 Per Ton Landfill fees

<u>DROP OFF BINS:</u>	<u>Haul</u>	<u>Disposal</u> (6 tons)	<u>Sub-total</u>	<u>Del Charge</u>	<u>Total</u>
14 YARD (8' X 16' X 3')	210.70	\$268.68	\$479.38	49.74	\$529.12
25 YARD (8' X 18' X 5')	210.70	\$268.68	\$479.38	49.74	\$529.12
38 YARD (8' X 22' X 6')	210.70	\$268.68	\$479.38	49.74	\$529.12
<u>GREENS DOB:</u>	226.41	\$197.34	\$423.75	55.25	\$479.00
<u>SCRAP METAL DOB</u>	226.41	\$126.55	\$352.96	55.25	\$408.21
<u>CARDBOARD DOB</u>	226.41	\$0.00	\$226.41	55.25	\$281.66

STEAM CLEAN: 31.96 Per hour
 UNABLE TO SERVICE: 75.78
 STANDBY TIME: 2.97 Per minute
 DOB DEL. CHARGE: 49.74 (One time charge)

Container Rental 3.55 Per day starting with the 8th day
 (temporary boxes)
 3.55 Per day starting with the 13th day
 (permanent boxes 3 months or more)

DOB - MANIFESTED WASTE:

	<u>Haul</u>	<u>Disposal</u> (6 tons)	<u>Sub-total</u>	<u>Del Charge</u>	<u>Total</u>
14 YARD (8' X 16' X 3')	210.70	\$365.35	\$ 576.05	49.74 \$	625.79
25 YARD (8' X 18' X 5')	210.70	\$365.35	\$ 576.05	49.74 \$	625.79
38 YARD (8' X 22' X 6')	210.70	\$365.35	\$ 576.05	49.74 \$	625.79
MANIFEST FEE:			56.95		
SPECIAL HANDLING:			56.95		
PORTAL TO PORTAL CHARGE:			110.65 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	40.76	84.44	128.10	171.79	215.44
3 YARD	50.96	94.63	138.29	181.98	225.65
4 YARD	65.50	109.18	152.85	196.53	240.20

EXTRA DUMP CHARGES FOR OFF-ROAD RECYCLING BINS

1 1/2 YARD 3 YARD 4 YARD

20.38

30.17

37.73

<u>95 GALS</u>	<u>Commercial Recycling Carts</u>	<u>SERVICE</u>	<u>CHARGE</u>
950T	Extra Dump		8.00 Fee
950N	Newspaper	1 X WK	18.21 Per month
950G	Glass	1 X WK	18.21 Per month
950P	Plastic & Aluminum	1 X WK	18.21 Per month
950GR	Green Waste	1 X WK	3.09 Per month/Cart

Multi- Family Recycling Fee \$0.98 per month per dwelling unit

COMPACTOR BIN FORMULA

Less bin rental	474.07 - \$18 =	\$	456.07
Divide by 4.333 weeks	\$ 456.07 / 4.333 =	\$	105.26
Divide by # of days pick up	\$ 105.26 / 6 =	\$	17.54
Multiply by 3 to 1 ratio	\$ 17.54 x 3 =	\$	52.62
Multiply by # of days pick up	\$ 52.62 x 6 =	\$	315.72
Multiply by 52 weeks	\$ 315.72 x 52 =	\$	16,417.44
Divide by 12 months	16,417.44 / 12 =	\$	1,368.12

COMPACTOR PER DUMP FORMULA

FOR EXTRA DUMPS

Rate less bin rental	\$ 100.35 - \$18 =	\$	82.35
Divide by 4.333	\$ 82.35 / 4.333	\$	19.01
Multiply by 3 to 1 ratio	\$ 19.01 x 3 =	\$	57.03
Add'l overhead labor cost			21.71
Total per dump		\$	<u>78.74</u>

COMPACTOR BOX RENTAL

Large Compæ \$ 132.71 Per month

ROLL OUT FEE SCHEDULE:

ANYTHING UNDER 25 FEET IS FREE; OVER IS \$.05 PER FOOT

i.e. Roll out 100 ft is figured as follows:

100 ft - 25 ft = 75 ft x 2 (number of days dumped per week) = 150 x \$.054098 (per foot charge)

\$8.10 (weekly charge) x 52 (weeks per year) = \$421.20 (yearly charge / 12 (months per year)

\$35.10 (monthly charge) then add to regular charges. Minimum charge is \$1.01 per month.

MISCELLANEOUS COMMERCIAL FEES

Locking Lids	5.79 Per Month
Balanced Lids	6.94 Per Month
Enclosure Cleaning	52.10 Minimum-subject to estimate
Brakes	57.89 1 time charge
Bar Locks	35.14 1 time charge
Extra Keys	1.73 each
Locks	17.94 each
Lock & Unlock Charge (Barlock Bins)	1.16 for each lock/unlock (x per wk service)

CITY COUNCIL

For City Clerk's Use:

☐ **APPROVED** ☐ **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 7
Date: December 9, 2015

TO: Honorable Mayor and Members of the City Council

FROM: Sheryl Bennett, Director of Administrative Services
Joan Ryan, Assistant Director of Finance

SUBJECT: Annual Financial Report on Capital Funds funded by Developer Fees per Government Code Section 66006

RECOMMENDATION:

City Council receives and files the report.

FISCAL ANALYSIS:

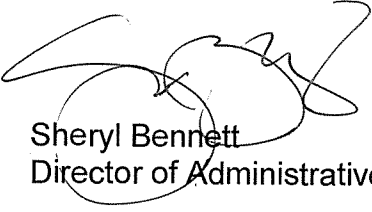
No impact.

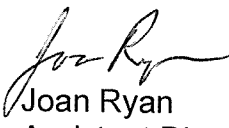
BACKGROUND:

The California Government Code Section 66006 requires local agencies to annually report certain financial information on capital funds funded by developer fees. The fiscal year ended June 30, 2015 information is included for your consideration and acceptance.

The attached report provides the information required by the Government Code for the five development fees which fall under this disclosure requirement. No refunds have been made nor are any required. The report does not show the future plans for monies in the funds. More information on these funds and all other capital project funds are available in the Five Year Capital Improvement Program which was adopted by Council for fiscal years 2015/16- 2019/20 and in the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015, which will be provided to you near the end of December.

Respectfully submitted,


Sheryl Bennett
Director of Administrative Services


Joan Ryan
Assistant Director of Finance

CITY OF ESCONDIDO
Financial Information Report
Capital Funds Funded by Developer Fees and Subject to Gov. Code Sec. 66006
Fiscal Year Ended June 30, 2015

This report contains information on the City of Escondido's Capital Funds Funded by Developer Fees. These fees collected from developers are subject to the Government Code Section 66000 et seq., which governs the administration of development fees paid by developers for the public facilities and infrastructure needed to serve the new development. In order to be in compliance with the government code, fees are accounted for in separate funds to ensure that the fees are spent on the specific purpose for which they were collected. This report is organized by the fund that each developer fee is collected in and includes the following information:

- 1) A brief description of the type of fee collected in each fund.
- 2) The amount of the fee.
- 3) The beginning and ending balances in each fund.
- 4) The amount of fees collected, interest earned, and transfers/loans.
- 5) A description of the public improvements that the fees were spent on, along with the total percentage of the cost of the public improvement that was funded with the fees.
- 6) A description of each interfund transfer or loan made from each fund, along with the date the loan will be repaid and the rate of interest.
- 7) The estimated date when projects will commence if sufficient funds have been collected to complete a project.
- 8) The amount of refunds made pursuant to the code, if applicable.

For the fiscal year ended June 30, 2015 there were no refunds of developer fees pursuant to the code. For more information regarding timelines, future uses, and history on the capital projects designated by the City Council in these funds, see the City of Escondido's Five Year Capital Improvement Program and Budgets, which are available on the City of Escondido's website or at the City Clerk's reference desk.

PARK DEVELOPMENT FUND	Beginning Fund Balance	Developer Fee Revenue	Interest Earned	Other Revenue & Transfers-In	Capital Expenditures & Transfers-Out	Ending Fund Balance
FUND 109	\$ 1,553,166	\$ 367,481	\$ 17,427	\$ -	\$ (287,268)	\$ 1,650,806

Park Fee: \$4,129 per Dwelling Unit, \$1,098 per Dwelling Unit for Multi Family Development located in the Downtown Specific Plan Area

Purpose: To ensure that the park land and recreational facility standards established by the City are met with respect to the additional needs created by such development.

Capital Expenditures and Transfers Out:

<u>Project No.</u>	<u>Expenditure Description</u>	<u>Expenditures</u>	<u>FYE 2015 Appropriation Balance</u>	<u>Fees as a % of Total Project's Funding</u>
503501	El Caballo Environmental F	-	40,000	100%
503401	Grape Day Park Master Plan	61,176	27,197	100%
501403	Grape Day Park Play Equipment	25,678	92,229	52%
501302	Jesmond Dene Ballfield Lights	165,145	23,237	100%
501404	Jim Stone Pool	-	214,715	24%
501405	Kit Carson Play Equipment	-	255,001	100%
501406	Kit Carson Park Adult Softball Concessions	22,073	112,211	100%
501501	Kit Carson Park Parking Lot Lights & Security	13,196	1,000,109	100%
503502	Kit Carson Park Sports Field Master Plan	-	100,000	100%
504301	Park Avenue Community Center	-	40,000	100%
504501	Washington Park Tennis Courts	-	50,000	100%
Total Expenditures and Appropriations:		287,268	1,954,699	

CITY OF ESCONDIDO
Financial Information Report
Capital Funds Funded by Developer Fees and Subject to Gov. Code Sec. 66006
Fiscal Year Ended June 30, 2015

TRAFFIC IMPACT FUND	Beginning Fund Balance	Developer Fee Revenue	Interest Earned	Other Revenue & Transfers-In	Capital Expenditures & Transfers-Out	Ending Fund Balance
FUND 120	\$ 2,338,174	\$ 302,525	\$ 17,451	\$ -	\$ (1,229)	\$ 2,656,921

Local Traffic Fee: Residential - \$285/Average Daily Trip (ADT), Non-residential - \$42/Average Daily Trip (ADT)
 *(See City Fee Guide for Development Projects Traffic fee schedule for additional details)

Purpose: To ensure that the traffic and transportation facility standards established by the City are met with respect to the additional needs created by such development.

Regional Traffic (RTCIP) Fee: \$2,254 per Residential Dwelling Unit

Purpose: To ensure local agency participation in circulation improvements to allow quality of life standards to be achieved and allow new development to proceed.

Capital Expenditures and Transfers Out:

Project No.	Expenditure Description	Expenditures	FYE 2015 Appropriation Balance	Fees as a % of Total Project's Funding
661001	Citracado, West Valley to Harmony Grove	-	1,576,050	8%
661405	E Valley Pkwy & Valley Center Rd	1,229	965,056	13%
661406	El Norte Pkwy Bridge at Escondido Creek	-	406,015	10%
Total Expenditures and Appropriations:		1,229	\$ 2,947,121	

Interfund Loans:

During the fiscal year ended 1985, per CDC resolution 85-7, the traffic impact fund established a loan to the Community Development Commission (CDC) to provide funding to construct certain capital improvements as described in the Redevelopment Plan. The initial loan amount was \$200,000 and has accrued interest of \$821,870 to date, bringing the current balance to \$1,021,870. The Successor Agency to the CDC has come up with a schedule to repay the loan and accrued interest by 2035.

PUBLIC ART FUND	Beginning Fund Balance	Developer Fee Revenue	Interest Earned	Other Revenue & Transfers-In	Capital Expenditures & Transfers-Out	Ending Fund Balance
FUND 130	\$ 333,082	\$ 64,877	\$ 3,436	\$ 60	\$ (50,240)	\$ 351,215

Public Art Fee: \$0.30 per sq. ft. of building area
 \$0.15 per sq. ft. of building area (first 1,800 sq. ft. exempt) for Multi Family Development located in the Downtown Specific Plan Area

Purpose: To fund a program designed to promote the arts in public places. The program provides art education and experiences which enhance economic vitality, commemorates local values, history and progress, develops community pride and identity and improves the general welfare and quality of life in the city and is intended to mitigate adverse impacts to those resources and opportunities which are caused by new development.

Other Revenue and Transfers In:

Other Revenue Description	
Donation for Queen Califia Art	60
Total Other Revenue and Transfers In:	\$60

Capital Expenditures and Transfers Out:

Project No.	Expenditure Description	Expenditures	FYE 2015 Appropriation Balance	Fees as a % of Total Project's Funding
421301	Escondido Creek Art	-	63,335	100%

CITY OF ESCONDIDO
Financial Information Report
Capital Funds Funded by Developer Fees and Subject to Gov. Code Sec. 66006
Fiscal Year Ended June 30, 2015

420119	Niki de Saint Phalle Art	25,670	76,173	86%
420019	Public Art - Administration	23,020	270	100%
427201	Public Art - Maintenance Program	1,550	59,155	100%
421001	Public Art - Pedestrian Pathfinders	-	150,115	100%
Total Expenditures and Appropriations:		\$ 50,240	\$ 349,048	

STORM DRAIN FUND	Beginning Fund Balance	Developer Fee Revenue	Interest Earned	Other Revenue & Transfers-In	Capital Expenditures & Transfers-Out	Ending Fund Balance
FUND 227	\$ 167,667	\$ 91,059	\$ 2,028	\$ -	\$ (5,589)	\$ 255,165

Drainage Facilities Single-Family Residential \$1,071 per Dwelling Unit, Non-Residential \$0.70 per sq. ft.

Fee: Multi-Family Residential \$428 per Dwelling Unit, \$363 per Dwelling Unit located in the Downtown Specific Plan Area

Purpose: To ensure that storm water drainage facilities meet the requirements established by the City's Drainage Master Plan.

Capital Expenditures and Transfers Out:

<u>Project No.</u>	<u>Expenditure Description</u>	<u>Expenditures</u>	<u>FYE 2015 Appropriation Balance</u>	<u>Fees as a % of Total Project's Funding</u>
671403	Storm Drain - Chestnut at Luna Vista	-	5,351	100%
671501	Storm Drain - East Valley & Valley Center Road	-	156,760	2%
679908	Storm Drain - La Honda Drive	-	200,001	100%
799501	Fees Available for Developer Reimbursements	5,589	-	100%
Total Expenditures and Appropriations:		5,589	362,112	

PUBLIC FACILITIES FUNDS	Beginning Fund Balance	Developer Fee Revenue	Interest Earned	Other Revenue & Transfers-In	Capital Expenditures & Transfers-Out	Ending Fund Balance
FUNDS 241-246	\$ 5,060,415	\$ 580,923	\$ 53,011	\$ -	\$ (524,676)	\$ 5,169,673

Public Facility Fee: Residential \$4,533 per Dwelling Unit, \$1,582 per Dwelling Unit for Multi Family Development located in the Downtown Specific Plan Area
Commercial \$2.13 per square foot, Industrial \$1.61 per square foot

Purpose: To ensure that public facility standards established by the City are met with respect to the additional needs created by such development. (For public facilities such as Police, Fire, Library, etc.)

Capital Expenditures:

<u>Project No.</u>	<u>Expenditure Description</u>	<u>Expenditures</u>	<u>FYE 2015 Appropriation Balance</u>	<u>Fees as a % of Total Project's Funding</u>
166501	Ambulance/PPE/Equipment	-	290,000	100%
100239	Computer Aided Dispatch	98,486	114,537	45%
127201	CRW Upgrade and Enhancement	-	9,987	96%
101501	Daley Ranch Restroom Building	183,155	206,845	100%
121501	Downtown Public Wireless	41,430	18,570	100%
160169	Fire Records Management System	-	50,000	100%
153009	GIS Public Internet Server	-	14,280	100%
136401	Hi-Resolution Imagery Acquisition	-	23,485	100%
400029	Library Books Circulation	194,063	30,798	100%

CITY OF ESCONDIDO
Financial Information Report
Capital Funds Funded by Developer Fees and Subject to Gov. Code Sec. 66006
Fiscal Year Ended June 30, 2015

408101	Library Expansion Project	337	297,674	100%
556501	Public Works Yard Relocat	7,205	885,835	95%
Total Expenditures and Appropriations:		\$524,676	\$1,942,011	

Interfund Loans:

During the fiscal year ended 2012, per resolution 2012-07, the public facilities fund established a loan to the general fund to provide the remaining needed funding to construct Fire Station #4. The initial loan amount was \$550,000 and was set to be repaid in 5 years with an annual principal payment of \$110,000 and interest equivalent to the City's calculated investment portfolio monthly yield. During this fiscal year, \$110,000 in principal was repaid along with \$3,792 in interest. The remaining principal balance on the loan as of June 30, 2015 is \$220,000. During this fiscal year ended 2015, per resolution 2014-115, the public facilities fund established another loan to the general fund to expedite the purchase of a CAD system. The initial loan amount was \$225,000 and was set to be repaid in 5 years with an annual principal payment of \$50,000 and interest equivalent to the City's calculated investment portfolio monthly yield. During this fiscal year, \$2,422 was paid in interest.

CITY COUNCIL

For City Clerk's Use:

☐ **APPROVED** ☐ **DENIED**

Reso No. 2004-_____ File No. _____

Ord No. 2004-_____

Agenda Item No.: 8

Date: December 9, 2015

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

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2015-140.

PREVIOUS ACTION:

The last adoption of the Investment Policy was on August 13, 2014, Resolution No. 2014-93.

BACKGROUND:

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

The City of Escondido's Investment Policy has been deemed current and up-to-date per the California Debt and Investment Advisory Commission (CDIAC) Local Agency Investment Guidelines. No significant policy changes or legislative updates are required or recommended at this time; however, minor updates of staff titles and glossary definitions that have been noted since the last policy update are being proposed. Exhibit A, as attached, is a detailed listing of the revisions to the 2015 Investment Policy.

The City of Escondido's June 2015 Investment Policy is attached as Exhibit 1 to Resolution 2015-140 for your review and approval.

Respectfully submitted,


on behalf of

Kenneth C. Hugins
City Treasurer

SUMMARY OF REVISIONS TO INVESTMENT POLICY FOR JUNE 2015

Description of Changes:	Pages:
1. Clarification of staff titles Section IX(B): Accountability and Authority: B. The City Treasurer may delegate the authority to conduct investment transactions to qualified and competent officials and employees of the City. Daily management responsibility of the investment program has may been delegated to Finance Department staff, including the Director or Assistant Director of Finance, Treasury Revenue Manager, Finance Manager, and/or the Investment Officer, who shall establish procedures for operation consistent with the investment policy.	Page 5, IX
2. Clarification of LAIF investment of bond proceeds Section XII(B)5: Authorized and Suitable Investments, Diversification by type : 5. Local Agency Investment Fund. The City may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer for the benefit of local agencies up to the maximum amount permitted by State Law. The City's investment in LAIF will be determined according to the City's liquidity needs, and may not exceed \$50 Million. When calculating this limit, the City does not include General Obligation Bond proceeds invested with LAIF. These bond proceeds are held separately to meet arbitrage regulations and are not part of our pooled investments. LAIF has traditionally limited investments to short-term government type bonds. Treasury staff reviews the LAIF statements quarterly to ensure that this practice is maintained.	Page 87, XII(B)5
3. Clarification of title of Investment Committee: Sections XII (E) : Authorized and Suitable Investments, Investment compliance review E. All securities held by the City will be maintained in compliance with Section XII, Authorized and Suitable Investments. The investment portfolio shall be reviewed quarterly to determine compliance with these parameters. Noncompliance events will be evaluated to determine and initiate actions needed to adjust investment yields, maturities, percentage requirements or other, in order to bring the portfolio back into compliance. In the event an instance of non-compliance is recommended by the Treasurer, authorization may be given by the Executive Investment Committee and Mayor if done unanimously. All major and critical incidences of noncompliance shall be reported in the quarterly treasurer's report to the City Council.	Page 9, XII(E)
Section XIII (4): Maturity Goals	Page 10, XIII (4)
4. Additional and/or clarifying maturity guidelines shall be adopted from time to time as devised by the City Treasurer and reviewed by the Executive City Investment Committee	

Description of Changes:	Pages:
4. Clarification of wording: Section XIII (2): Maturity goals 2. The percentage of the City's portfolio that may be invested intermediate term (maturity term over one year and not greater than five years) shall be determined by the City Treasurer based on estimated cash requirements estimated by the Finance Director	Page 10, XIII (2)
5. Clarification of wording: Appendix page A1, Cash Review Section: The Treasurer or his/her designee, referred to as Investment Officer, Finance Manager or Revenue Manager, must review the cash balances and investment portfolio daily, or as needed. Items to be reviewed should include:	Appendix A1, Cash Review
6. Clarification of wording: Appendix page A3, paragraph 4, purchasing an Investment Section: The Treasury Manager, Investment Officer or other Treasurer designee shall be as specific as possible in requesting the offering in purchasing a security. If a particular type of investment or a particular agency is to be excluded due to policy limitations that should be stated to the providers. If collateral is required (i.e. for Repo's or CD's) the collateral limitations (excess margin, types of securities, maximum maturity, etc.) should be specified. The City may invest in repurchase agreements provided it has a signed master repurchase contract, which specifies terms and conditions of repurchase agreements.	Appendix A3, Purchasing an Investment
7. Clarification of wording related to prior year change: Appendix page A4, paragraph 1 c., Purchasing an Investment Section: c) The balance of the LAIF account is reviewed to adhere to the City's investment pool limit – not to exceed the investment policy limits of up to \$50 million. 20% of the market value of the City's portfolio	Appendix A4, Purchasing an Investment
8. Clarification of wording related to staff title: Appendix page A5, paragraph 1 e., Purchasing an Investment Section: e) Signature of the authorized Treasurer designee Investment Officer.	Appendix A5, Purchasing an Investment
9. Elimination of Glossary Definition for SLMA, no longer a government sponsored entity : Appendix page G6, definition of Student Loan Marketing Association (SLMA of Sallie Mae): Student Loan Marketing Association (SLMA or Sallie Mae) — a government sponsored entity created to provide liquidity for private lenders (banks, savings and loan associations, educational institutions, state agencies and other lenders) participating in the federal Guaranteed Student Loan Program, supplemental loan programs, the Health Education Assistance Loan Program and/or the PLUS loan program for parents of undergraduates..... Sallie Mae began the process of unwinding its status as a GSE; until this multi-year process is completed, all debt issued by Sallie Mae under its GSE status will be "grandfathered" as GSE debt until maturity.	Glossary G6, SLMA or Sallie Mae

RESOLUTION NO. 2015-140

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
ADOPTING THE CITY OF ESCONDIDO'S
INVESTMENT POLICY DATED JUNE 2015**

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

WHEREAS, the City of Escondido's June 2015 Investment Policy is in accordance with Government Code Section 53601 and meets Association of Public Treasurers of the United States & Canada ("APT US & C") Investment Policy Certification standards; and

WHEREAS, the City Council desires at this time, and deems it to be in the best public interest, to adopt the City of Escondido's June 2015 Investment Policy, a copy of which is attached as Exhibit "1" and is incorporated by this reference;

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

1. That the above recitations are true.
2. That the City Council hereby adopts the City of Escondido's June 2015 Investment Policy attached to this Resolution as Exhibit "1."



City of Escondido

INVESTMENT POLICY

June 2015

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CITY OF ESCONDIDO

INVESTMENT POLICY

I. Policy Statement

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

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

II. Scope

A. Pooled Investments.

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

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

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

B. Investments held separately.

Investments of bond proceeds will be held separately when required by the bond indentures or when necessary to meet arbitrage regulations. If allowed by the bond

indentures, or if the arbitrage regulations do not apply, investments of bond proceeds will be held as part of the pooled investments.

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

III. Prudence

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

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

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

IV. Investment Objectives

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

1. *Safety.* Safety of principal is the City of Escondido's foremost objective. Investments shall seek to ensure that capital losses resulting from institution default, broker-dealer default, or the erosion of market value are avoided. The City of Escondido shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.
 - a. Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in only the highest quality securities (see authorized investments) and by diversifying the investment

portfolio so that the failure of any one issuer would not unduly harm the City's cash flow.

- b. Market risk, defined as the risk of market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by structuring the portfolio to eliminate the need to sell securities prior to maturity; and by prohibiting the taking of short positions, that is, selling securities that the City does not own. It is explicitly recognized, however, that in a diversified portfolio, occasional measured losses may occur, and must be considered within the context of overall investment return.
 2. *Liquidity.* The portfolio will be structured with sufficient liquidity to allow the City to meet expected cash requirements. The investment portfolio shall remain sufficiently liquid to ensure that projected expenditure requirements of the next six months can be met with a combination of anticipated revenues, maturing securities, and highly liquid investments and shall maintain a minimum level of short-term investments (one year or less) equivalent to 25% of the General Fund operating budget. The duration is also mentioned in the "Maturity" section.
 3. *Yield.* In a manner consistent with the objectives of safety of principal and liquidity uppermost, a yield higher than the market rate of return shall be sought. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:
 - A security with declining credit may be sold early to minimize loss of principal.
 - A security swap would improve the quality, yield, or target duration in the portfolio.
 - Liquidity needs of the portfolio require that the security be sold.
- B. It shall be the policy of the City that all idle funds shall be invested consistent with providing adequate cash to meet the City's obligation.

V. Executive Investment Committee

The Executive Investment Committee will act in an advisory and oversight capacity to review and discuss investment portfolio management and investment policy compliance. The City Manager, City Treasurer, and Director of Administrative Services will serve as permanent members of the Executive Investment Committee. Other members, as deemed necessary or desirable, may be appointed to the committee by the City Treasurer or the City Manager. Treasury and Finance Department personnel shall serve as staff to the committee.

VI. Required Reporting

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

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

VII. Authorized Financial Institutions and Broker/Dealers

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

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

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

- Evidence of adequate insurance coverage

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

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

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

VIII. Safekeeping and Custody

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

IX. Accountability and Authority

- A. The Escondido Municipal Code vests authority for and control of investments to the City Treasurer.
- B. The City Treasurer may delegate the authority to conduct investment transactions to qualified and competent officials and employees of the City. Daily management responsibility of the investment program may be delegated to Finance Department Staff, including the Director or Assistant Director of Finance, the Treasury Manager, and/or the Investment Officer, who shall establish procedures for operation consistent with the investment policy.

X. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program or impairs their ability to make impartial investment decisions. Additionally the City

Treasurer, Revenue Manager, Finance Manager and the Investment Officer are required to annually file a Statement of Economic Interest as mandated by Government Code Section 91013.

XI. Internal Control

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

XII. Authorized and Suitable Investments

A. Qualifying Investment Instruments Policy:

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

4. Investments of bond funds will be made in conformance with the trust indenture for each bond issue. Such investments will be held separately when required.

B. Diversification by Type of Investment:

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

1. United States Treasury Bills, Bonds, and Notes, or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the portfolio, which can be invested in this category. The target for investment in United States Government Securities will be 80 percent of the portfolio. United States Government Securities will be defined as 100 percent of the investments defined in XII (B)1 and 2 (U.S. Government Treasuries and U.S. Government Agency obligations), and the applicable percent of the investment defined in item XII(B)5 (Local Agency Investment Fund (LAIF)), equal to the LAIF's portfolio composition percentage of investment in United States Government Securities. The percentage will fluctuate depending on market conditions, but in no case be lower than 70 percent. If the percentage falls below 80 percent, the 80 percent target rate will be restored within six months.
2. Obligations issued by the United States Government Agencies such as the Government National Mortgage Association (GNMA), Federal Farm Credit Bank System (FFCB), the Federal Home Loan Bank Board (FHLB), the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA), and the Student Loan Marketing Association (SLMA). Although there is no percentage limitation of the dollar amount that can be invested in these issues, the "prudent investor" rule shall apply for any single agency name.
3. Bills of exchange or time drafts drawn on and accepted by a commercial bank otherwise known as banker's acceptances. Purchases of banker's acceptances may not exceed 180 days to maturity or 20 percent of the market value of the portfolio. No more than ten percent of the market value of the portfolio may be invested in banker's acceptances issued by any one bank.
4. Commercial paper ranked P1 by Moody's Investor Services and A1 by Standard and Poor's, and issued by a domestic corporation having assets in excess of \$500 million and having an A or better rating on its long-term debentures as provided by Moody's or Standard and Poor's. Purchases of eligible commercial paper may not exceed 180 days to maturity or 15 percent of the market value of the portfolio. No more than ten percent of the market value of the portfolio may be invested in commercial paper issued by any one corporation.

5. Local Agency Investment Fund. The City may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer for the benefit of local agencies up to the maximum amount permitted by State Law. The City's investment in LAIF will be determined according to the City's liquidity needs, and may not exceed \$50 Million. When calculating this limit, the City does not include Bond proceeds invested with LAIF. These bond proceeds are held separately to meet arbitrage regulations and are not part of our pooled investments. LAIF has traditionally limited investments to short-term government type bonds. Treasury staff reviews the LAIF statements quarterly to ensure that this practice is maintained.
 6. Money market funds are limited to 20 percent of the market value of the portfolio. The funds must be rated in the highest category of Moody's or Standard and Poor's, or must be administered by a domestic bank with long-term debt rated in one of the top two categories of Moody's or Standard and Poor's. A thorough investigation of any money market fund or investment pool is required prior to investing, as well as on an ongoing basis. The following information should be obtained and analyzed:
 - a. A description of eligible investment securities.
 - b. A written statement of investment policies and objectives.
 - c. A description of interest calculation and their distribution, and the treatment of gains and losses.
 - d. A description of how the securities are safeguarded and how often the securities are priced and the program audited.
 - e. Information about the size and frequency of deposits and withdrawals allowed, and how much notice is needed for withdrawals.
 - f. A schedule for receiving statements and portfolio listings.
 - g. A fee schedule, as well as how and when the fees are assessed.
 - h. The rating of the pool/fund.
 - i. Information about investment advisers, including registration with the Securities and Exchange Commission, length of experience and total assets under management.
 7. Ineligible Investments. Investments not described herein, including, but not limited to, common stocks and corporate bonds, are prohibited from use in this portfolio. Investments, which exceed five years in maturity, require authorization by City Council prior to purchase. Further, any investments, purchased after January 1, 1996, that are in the form of inverse floaters, range notes, or mortgage-derived interest-only strips are prohibited.
- C. Diversification by Institution.
1. Not more than \$100,000 shall be placed in any qualifying institution unless collateralized in accordance with this policy.

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

D. Collateralization

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

E. Investment compliance review

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

XIII. Maturity Goals

1. Subject to the availability of funds, short –term investments (maturity of one year or less) of the city shall not be less than 25% of the General Fund annual operating budget of the city.
2. The percentage of the City's portfolio that may be invested intermediate term (maturity term over one year and not greater than five years) shall be determined by the City Treasurer based on estimated cash requirements.
3. Long-term investments (over five years to maturity date) shall be made only after review and approval by the City Council. Accordingly, no fixed percentage of the City's portfolio is designed for long-term investments.
4. Additional and/or clarifying maturity guidelines shall be adopted from time to time as devised by the City Treasurer and reviewed by the Executive Investment Committee.

XIV. Policy Review

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

XV. Investment Procedures

The City Treasurer and his/her delegated staff shall establish written investment policy procedures for the day-to-day operations of the investment program consistent with this policy. The procedures should include reference to cash balancing, safekeeping, wire transfer agreements, collateral/depository agreements, and the selection process for financial institutions and broker/dealers. The procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the City Treasurer.

XVI. Investment Strategy and Performance Standards

The City's investment strategy is passive (buy and hold.) Given this strategy, the basis used by the City Treasurer to determine whether market yields are being achieved shall be to identify a comparable benchmark to the City's portfolio investment duration. Given the liquidity objective (25 % of general fund operating budget shall be invested one year or less) and the portfolio duration, the 2-Year U.S. Treasury Note shall be the City's selected benchmark.

APPENDIX
CITY OF ESCONDIDO
INVESTMENT PROCEDURE MANUAL

Purpose

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

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

Cash Review

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

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

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

Investment Selection

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

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

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

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

Purchasing an Investment

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

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

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

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

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

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

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

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

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

The following must be determined prior to contacting the providers:

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

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

- a) LAIF written investment policy and a copy of the "LAIF ANSWER BOOK" (which contains detailed information about LAIF).
- b) A prospectus for the Money Market funds or bank-managed funds.
- c) The balance of the LAIF account is reviewed to adhere to the City's investment pool limit – not to exceed the investment policy limits of up to \$50 million.

Before concluding the transaction, the following should be validated:

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

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

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

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

- a) Name of third-party safekeeping agent (currently Bank of New York Mellon Trust, contact designated customer service representative)
- b) ABA number of safekeeping agent.
- c) Safekeeping account number.

Settlement and Follow-Through

IX. Accountability and Authority

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

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

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

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

Investment Strategy and Performance Standards

XVI. Accountability and Authority

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

GLOSSARY OF TERMS

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

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

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

Asked — the price at which securities are offered.

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

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

Bid — price a prospective buyer is ready to pay.

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

Book value — a term synonymous with amortized cost.

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

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

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

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

Collateral — securities pledged to secure repayment of a loan.

Commercial Paper — short-term IOU, or unsecured money market obligation, issued by prime rated commercial firms and financial companies, with maturities from 2 days up to 270 days. It

is a promissory note of the issuer used to finance current obligations, and is a negotiable instrument.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Federal Open Market Committee (FOMC) — a committee that sets interest rate and credit policies for the Federal Reserve System, the United States' central bank. The FOMC has 12 members. Seven are the members of the Federal Reserve Board, appointed by the president of the United States. The other five are presidents of the 12 regional Federal Reserve banks. Of the five, four are picked on a rotating basis; the other is the president of the Federal Reserve Bank of New York, who is a permanent member. The committee decides whether to increase

or decrease interest rates through open market operations of buying or selling government securities. The committee's decisions are closely watched and interpreted by economists and stock and bond market analysts, who try to predict whether the Fed is seeking to tighten credit to reduce inflation or to loosen credit to stimulate the economy.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Portfolio — collection of securities held by an investor.

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

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

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

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

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

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

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

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

Safekeeping — sees custody

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

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

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

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

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

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

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

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

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

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

CITY COUNCIL

For City Clerk's Use:

☐

APPROVED

☐

DENIED

Reso No. _____

File No. _____

Ord No. _____

Agenda Item No.: 9

Date: December 9, 2015

TO: Honorable Mayor and Members of the City Council

FROM: Kenneth C. Hugins, City Treasurer

SUBJECT: Treasurer's Investment Report for the Quarter Ended September 30, 2015

RECOMMENDATION:

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

PREVIOUS ACTION:

The Investment Report for the quarter ended June 30, 2015, was filed with the City Clerk's Office on August 10, 2015, and presented to the City Council on August 26, 2015.

BACKGROUND:

From July 1, 2015, to September 30, 2015, the City's investment portfolio decreased from \$132.8 million to \$110.0 million. The adjusted average annual yield increased from 1.15 % to 1.17%. An excess of cash payment outflows over cash receipt inflows for the quarter resulted in a decrease of \$22.8 million in the book value of the investment portfolio. Major components of the net \$22.8 million decrease are:

		<u>IN MILLIONS</u>
Sales Tax Allocations	\$	6.6
Project Reimbursements		1.5
County Property Tax Allocation		.8
Debt Service Principal and Interest Payments		(12.6)
CALPERS Contributions		(6.5)
County Water Authority Payments		(5.0)
Employee Health and Welfare Payments		(2.5)
Change in Operational Account Balance		(1.7)
Funding for Escondido Housing Projects		(1.5)
Other		(1.2)
Management Fee for CCAE		(.7)
Net Decrease to Investment Portfolio	\$	<u>(22.8)</u>

Details of the City's investment portfolio are included in the attached reports that are listed below:

- Summary of Investment Allocation Graph as of September 30, 2015
- Summary of Investment Portfolio Yield for the last 12 months
- Summary and Detailed Reports of Investment Portfolio – July 2015 through September 2015
- Schedule of Investments Matured and Sold – July 2015 through September 2015
- Schedule of Funds Managed by Outside Parties as of September 30, 2015

There are adequate funds to meet the next six month's expected expenditures. The Bank of New York Mellon Trust's monthly statement is the source for the market valuation. At September 30, the current portfolio investments balance exceeded the City's \$22.7 million current investment policy requirement by \$27.1 million. As of September 30, 2015, the City is in compliance with all requirements of the City Investment Policy.

Investment transactions are executed in compliance with the City of Escondido's Investment Policy. Investment purchases have been made in accordance with the City's prioritized Investment Policy objectives of safety of principal, sufficiency of liquidity and maximization of yield. The City's investment portfolio has therefore historically been comprised of United States Treasury Notes, obligations issued by United States Government Agencies, FDIC Insured Certificates of Deposit, Money Market accounts and investments in the Local Agency Investment fund (LAIF) established by the State Treasurer. Over the past 5 years, a decline in the City's average annual investment portfolio yield has been realized, decreasing from 2.50% at September, 2010 to 1.17% at September, 2015. This decline is representative of the continuous decline in investment interest rates and the portfolio's maturing, higher yielding investments being replaced with newer, lower yielding investments.

The Investment Committee will continue to monitor the City's portfolio trends and will investigate the feasibility of other allowable investment options that are consistent with the City's investment strategy and objectives. Additional information on these options and recommendations will continue to be communicated to council by the Investment Committee.

Respectfully submitted,

 on behalf of Kenneth Hugins
Kenneth C. Hugins
City Treasurer

**City of Escondido
Summary of Investment Allocation
as of September 30, 2015**

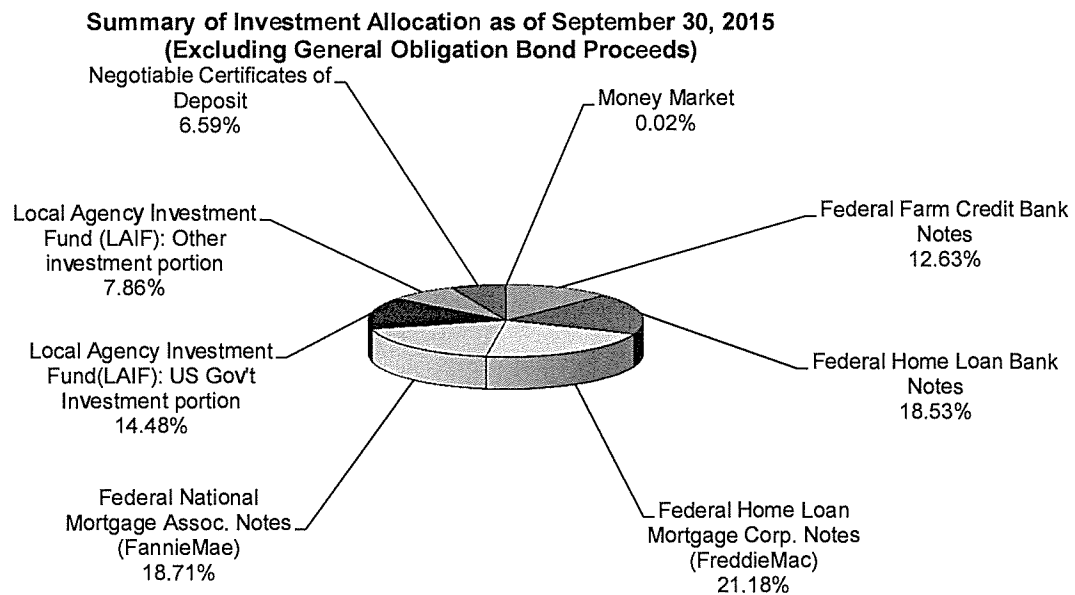
Investment Type	Book Value	Market Value	Percent of Portfolio at Market
Federal Farm Credit Bank Notes	\$ 13,839,143.86	\$ 14,010,178.00	12.63%
Federal Home Loan Bank Notes	20,380,209.97	20,557,365.50	18.53%
Federal Home Loan Mortgage Corp. Notes (FreddieMac)	23,283,383.95	23,505,505.00	21.18%
Federal National Mortgage Assoc. Notes (FannieMae)	20,565,115.14	20,757,379.05	18.71%
Local Agency Investment Fund(LAIF): US Gov't Investment portion	16,060,907.90	16,060,907.90	14.48%
Local Agency Investment Fund (LAIF): Other investment portion	8,724,443.92	8,724,443.92	7.86%
Negotiable Certificates of Deposit	7,171,000.00	7,315,331.14	6.59%
Money Market	24,406.56	24,406.56	0.02%
Reported Total Investments - September 2015	\$ 110,048,611.30	\$ 110,955,517.07	100%

Reported Total Investments- June 2015	\$ 132,804,706.36	\$ 117,657,294.20
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Change from Prior Quarter	\$ (22,756,095.06)	\$ (6,701,777.13)
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Portfolio Effective Duration	1.300
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Portfolio Effective Duration - (Excluding LAIF and Money Market)	1.950
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**CITY OF ESCONDIDO
SUMMARY OF INVESTMENT PORTFOLIO YIELDS
FOR THE LAST 12 MONTHS**

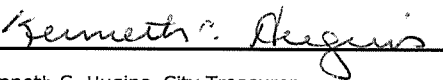
As of Sept 30, 2015

Date	Book Value	Yield
Sep-15	110,048,611.30	1.2150%
Aug-15	114,575,444.98	1.2100%
Jul-15	123,506,111.49	1.1540%
Jun-15	132,804,706.36	1.0840%
May-15	129,090,902.85	1.1210%
Apr-15	118,872,432.34	1.1930%
Mar-15	116,637,254.48	1.1950%
Feb-15	124,918,176.55	1.1400%
Jan-15	125,948,456.20	1.1150%
Dec-14	110,966,815.52	1.2290%
Nov-14	103,251,314.27	1.2810%
Oct-14	107,292,664.27	1.1550%

Average Annual Investment Portfolio Yield 1.1743%

Tracker
City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class, Summary
Report Format: By Totals
Group By: Asset Class
Average By: Face Amount / Shares
Portfolio / Report Group: All Portfolios
As of 7/31/2015

Description	Face Amount/Shares	Cost Value	Market Value	Book Value	Days To Maturity	YTM @ Cost
California Local Agency Investment Fund	34,285,351.82	34,285,351.82	34,285,351.82	34,285,351.82	1	0.320
Federal Agency Coupon Securities	81,705,000.00	83,356,578.59	82,778,283.30	82,122,373.78	715	1.470
Money Market Account	174,385.89	174,385.89	174,385.89	174,385.89	1	0.140
Negotiable Certificate of Deposit	<u>6,924,000.00</u>	<u>6,924,000.00</u>	<u>7,012,707.92</u>	<u>6,924,000.00</u>	<u>1125</u>	<u>1.573</u>
Total / Average	<u><u>123,088,737.71</u></u>	<u><u>124,740,316.30</u></u>	<u><u>124,250,728.93</u></u>	<u><u>123,506,111.49</u></u>	<u><u>538</u></u>	<u><u>1.154</u></u>


Kenneth C. Hugins, City Treasurer

Tracker
City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
Report Format: By Transaction
Group By: Asset Class
Average By: Face Amount / Shares
Portfolio / Report Group: All Portfolios
As of 7/31/2015

Description	CUSIP/Ticker	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost	% of Portfolio
California Local Agency Investment Fund									
LAIF LGIP	LGIP7282	LAIF	5/31/2011	34,285,351.82	34,285,351.82	34,285,351.82	1	0.32	27.85
Sub Total / Average				34,285,351.82	34,285,351.82	34,285,351.82	1	0.32	27.85
Federal Agency Coupon Securities									
FFCB 1 4/2/2018	3133EEWH9	FFCB	4/2/2015	3,000,000.00	3,006,990.00	3,000,000.00	976	1.00	2.44
FFCB 1.11 2/20/2018	3133EEQM5	FFCB	2/20/2015	3,000,000.00	3,006,660.00	3,000,000.00	935	1.11	2.44
FFCB 1.61 8/1/2018	3133ECW75	FFCB	2/3/2014	1,000,000.00	1,009,130.00	1,004,931.15	1097	1.44	0.81
FFCB 1.8 11/12/2019	3133EEBN9	FFCB	11/12/2014	5,000,000.00	5,060,650.00	5,000,000.00	1565	1.80	4.06
FFCB 2.4 3/15/2016	31331KEK2	FFCB	3/24/2011	1,000,000.00	1,011,690.00	1,000,791.85	228	2.27	0.81
FFCB 4.75 9/30/2015	31331GCR8	FFCB	9/30/2010	1,000,000.00	1,007,200.00	1,005,175.98	61	1.52	0.81
FFCB 5.125 11/15/2018	31331YEJ5	FFCB	12/26/2013	760,000.00	854,346.40	837,854.66	1203	1.86	0.62
FHLB 0.7 12/19/2016	3130A0HC71	FHLB	12/19/2013	1,455,000.00	1,458,870.30	1,455,000.00	507	0.70	1.18
FHLB 1.05 12/29/2017	3130A3N83	FHLB	12/29/2014	3,000,000.00	3,005,820.00	3,000,000.00	882	1.05	2.44
FHLB 1.375 12/11/2015	313371NW2	FHLB	12/29/2010	1,000,000.00	1,004,060.00	996,631.60	133	2.36	0.81
FHLB 1.375 3/9/2018	313378A43	FHLB	3/28/2013	3,000,000.00	3,022,440.00	3,037,568.97	952	0.88	2.44
FHLB 1.375 3/9/2018	313378A43	FHLB	12/26/2013	2,000,000.00	2,014,960.00	1,992,887.93	952	1.52	1.62
FHLB 1.625 12/11/2015	313371VF0	FHLB	12/29/2010	1,000,000.00	1,004,700.00	997,503.31	133	2.36	0.81
FHLB 1.625 12/9/2016	313371PV2	FHLB	12/29/2011	1,500,000.00	1,520,820.00	1,509,191.47	497	1.16	1.22
FHLB 1.625 6/14/2019	313379EE5	FHLB	6/16/2014	3,000,000.00	3,018,180.00	2,981,743.59	1414	1.79	2.44
FHLB 1.625 9/28/2015	3133716Z4	FHLB	9/30/2010	1,000,000.00	1,002,270.00	1,000,130.03	59	1.54	0.81
FHLB 1.63 8/20/2015	313370NE4	FHLB	3/24/2011	1,000,000.00	1,000,700.00	999,832.80	20	1.95	0.81
FHLB 1.75 12/14/2018	313376BR5	FHLB	12/26/2013	895,000.00	910,161.30	892,386.24	1232	1.84	0.73
FHLB 1.75 9/11/2015	313370JB5	FHLB	9/30/2010	1,000,000.00	1,001,670.00	1,000,248.00	42	1.53	0.81

Tracker
City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
Report Format: By Transaction
Group By: Asset Class
Average By: Face Amount / Shares
Portfolio / Report Group: All Portfolios
As of 7/31/2015

Description	CUSIP/Ticker	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost	% of Portfolio
FHLB 2.3 12/8/2016	313371ZU3	FHLB	12/29/2011	500,000.00	511,515.00	507,158.22	496	1.21	0.41
FHLB 3.125 3/11/2016	3133XXP43	FHLB	3/24/2011	3,000,000.00	3,052,140.00	3,014,417.99	224	2.29	2.44
FHLMC 1 7/28/2017	3137EADJ5	FHLMC	12/20/2013	1,500,000.00	1,507,830.00	1,498,240.85	728	1.06	1.22
FHLMC 1.25 8/1/2019	3137EADK2	FHLMC	7/2/2015	3,000,000.00	2,973,720.00	2,965,670.95	1462	1.55	2.44
FHLMC 2 8/25/2016	3137EACW7	FHLMC	8/31/2011	3,000,000.00	3,048,270.00	3,024,949.73	391	1.20	2.44
FHLMC 2.5 5/27/2016	3137EACT4	FHLMC	5/25/2011	5,000,000.00	5,087,250.00	5,017,305.06	301	2.06	4.06
FHLMC 2.5 5/27/2016	3137EACT4	FHLMC	5/25/2011	3,000,000.00	3,052,350.00	3,010,412.39	301	2.05	2.44
FHLMC 2.5 5/27/2016	3137EACT4	FHLMC	6/1/2011	2,500,000.00	2,543,625.00	2,511,728.18	301	1.90	2.03
FHLMC 5 2/16/2017	3137EAAM1	FHLMC	2/16/2012	5,000,000.00	5,335,750.00	5,297,439.66	566	1.05	4.06
FNMA 0.875 5/21/2018	3135G0WJ8	FNMA	12/20/2013	1,500,000.00	1,493,370.00	1,473,596.56	1025	1.53	1.22
FNMA 0.875 8/28/2017	3135G0MZ3	FNMA	6/13/2014	2,000,000.00	2,003,900.00	1,992,422.95	759	1.06	1.62
FNMA 0.875 8/28/2017	3135G0MZ3	FNMA	2/3/2014	2,000,000.00	2,003,900.00	1,992,456.64	759	1.06	1.62
FNMA 1.06 5/29/2018	3136G05G2	FNMA	12/20/2013	500,000.00	500,185.00	493,455.33	1033	1.54	0.41
FNMA 1.125 4/27/2017	3135G0JA2	FNMA	5/31/2012	2,000,000.00	2,015,680.00	2,005,018.44	636	0.98	1.62
FNMA 1.25 1/30/2017	3135G0GY3	FNMA	1/24/2012	3,000,000.00	3,027,270.00	3,001,419.67	549	1.22	2.44
FNMA 1.25 9/28/2016	3135G0CM3	FNMA	9/29/2011	5,000,000.00	5,044,500.00	4,997,473.51	425	1.30	4.06
FNMA 1.375 11/15/2016	3135G0ES8	FNMA	12/29/2011	2,000,000.00	2,022,460.00	2,004,509.82	473	1.20	1.62
FNMA 1.75 1/30/2019	3136FTZZ5	FNMA	2/3/2014	2,595,000.00	2,633,250.30	2,602,820.25	1279	1.66	2.11
Sub Total / Average				81,705,000.00	82,778,283.30	82,122,373.78	715	1.47	66.38
Money Market Account									
Bank of America MM	MM0555	Bank of America	5/31/2011	174,385.89	174,385.89	174,385.89	1	0.14	0.14
Sub Total / Average				174,385.89	174,385.89	174,385.89	1	0.14	0.14

Tracker
City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
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Average By: Face Amount / Shares
Portfolio / Report Group: All Portfolios
As of 7/31/2015

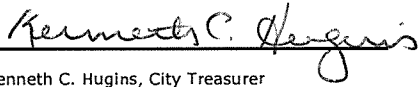
Description	CUSIP/Ticker	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost	% of Portfolio
Negotiable Certificate of Deposit									
American Express Bk 2 7/24/2019	02587CAJ9	American Express Bk	7/24/2014	247,000.00	252,299.95	247,000.00	1454	2.00	0.20
AmEx Centurion 2 11/28/2018	02587DWJ3	AmEx Centurion	11/28/2014	247,000.00	252,832.56	247,000.00	1216	2.00	0.20
Barclays Bank 2.099 7/23/2019	06740KHK6	Barclays Bank	7/28/2014	247,000.00	253,261.15	247,000.00	1453	2.10	0.20
Berkshire Bank 1 6/19/2017	084601DZ3	Berkshire Bank	6/19/2015	248,000.00	248,581.44	248,000.00	689	1.00	0.20
BMW 1.95 6/20/2019	05580AAL8	BMW	6/20/2014	247,000.00	251,906.04	247,000.00	1420	1.95	0.20
Capital One Bank USA 0.6 10/30/2015	140420NC0	Capital One Bank USA	10/30/2013	246,000.00	246,229.72	246,000.00	91	0.60	0.20
Cardinal Bank 1.25 6/19/2018	14147VEV4	Cardinal Bank	6/19/2015	249,000.00	249,587.34	249,000.00	1054	1.25	0.20
Celtic Bank 1.25 12/20/2017	15118R JL2	Celtic Bank	12/20/2013	246,000.00	247,403.60	246,000.00	873	1.25	0.20
Charter Bank Eau claire 1.5 8/6/2018	16116PHH7	Charter Bank Eau claire	8/5/2014	248,000.00	250,079.78	248,000.00	1102	1.50	0.20
Cit Bank 2.2 11/26/2019	17284C4L5	Cit Bank	11/26/2014	247,000.00	254,042.96	247,000.00	1579	2.20	0.20
Compass Bank 1.2 5/14/2018	20451PKT2	Compass Bank	5/13/2015	248,000.00	248,397.00	248,000.00	1018	1.20	0.20
Discover FS 2 6/18/2019	254671W48	Discover F5	6/18/2014	247,000.00	252,370.52	247,000.00	1418	2.00	0.20
Enerbank USA 2.05 8/28/2019	29266NB30	Enerbank USA	8/28/2014	247,000.00	252,696.02	247,000.00	1489	2.05	0.20
EVERBANK FL 1.6 7/30/2019	29976DZM5	EVERBANK FL	7/30/2015	248,000.00	249,450.11	248,000.00	1460	1.60	0.20
Flushing Bank 1.45 6/26/2018	34387ABQ1	Flushing Bank	6/26/2015	248,000.00	250,025.07	248,000.00	1061	1.45	0.20
G E Capital 1.85 2/7/2019	36157PWB1	G E Capital	2/7/2014	246,000.00	250,312.60	246,000.00	1287	1.85	0.20
GMATBK ALLY 1.1 6/19/2017	02006LFD0	GMATBK ALLY	6/18/2014	248,000.00	249,051.05	248,000.00	689	1.10	0.20
Gold Coast Bank 1.2 10/30/2017	38058KCS3	Gold Coast Bank	12/30/2013	246,000.00	247,338.44	246,000.00	822	1.20	0.20
Goldman Sachs 1.1 6/19/2017	38147JH96	Goldman Sachs	6/18/2014	248,000.00	249,051.05	248,000.00	689	1.10	0.20
Iberia Bank 1 10/16/2017	45083AEK43	Iberia Bank	4/16/2015	247,000.00	247,222.87	247,000.00	808	1.00	0.20
Leader Bank NA 1.05 4/21/2017	52168UCU4	Leader Bank NA	10/23/2014	248,000.00	248,882.81	248,000.00	630	1.05	0.20
Live Oak Banking Co. 1.85 7/30/2019	538036CA0	Live Oak Banking Co.	10/30/2014	247,000.00	250,879.21	247,000.00	1460	1.85	0.20

Tracker
City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
Report Format: By Transaction
Group By: Asset Class
Average By: Face Amount / Shares
Portfolio / Report Group: All Portfolios
As of 7/31/2015

Description	CUSIP/Ticker	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost	% of Portfolio
Park National Bank 2.1 3/26/2019	700654AV8	Park National Bank	9/26/2014	247,000.00	253,538.11	247,000.00	1334	2.10	0.20
Private Bank 1.1 7/21/2017	74267GUT2	Private Bank	7/21/2014	248,000.00	249,026.27	248,000.00	721	1.10	0.20
Sallie Mae Bank 2.1 8/13/2019	795450SJ5	Sallie Mae Bank	8/13/2014	247,000.00	253,130.29	247,000.00	1474	2.10	0.20
SYNCHRONY BANK 2.25 7/17/2020	87165HKM1	SYNCHRONY BANK	7/17/2015	247,000.00	253,950.58	247,000.00	1813	2.25	0.20
SYNOUVUS 1.2 11/6/2017	87164DFW5	SYNOUVUS	11/5/2014	248,000.00	249,209.30	248,000.00	829	1.20	0.20
Third Fed S & L 2 11/25/2019	88413QAW8	Third Fed S & L	11/24/2014	247,000.00	251,952.08	247,000.00	1578	2.00	0.20
Sub Total / Average				6,924,000.00	7,012,707.92	6,924,000.00	1125	1.57	5.63
Total / Average				123,088,737.71	124,250,728.93	123,506,111.49	538	1.15	100.00

Tracker
City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class, Summary
Report Format: By Totals
Group By: Asset Class
Average By: Face Amount / Shares
Portfolio / Report Group: All Portfolios
As of 8/31/2015

Description	Face Amount/Shares	Cost Value	Market Value	Book Value	Days To Maturity	YTM @ Cost
California Local Agency Investment Fund	26,285,351.82	26,285,351.82	26,285,351.82	26,285,351.82	1	0.330
Federal Agency Coupon Securities	80,705,000.00	82,370,038.59	81,682,676.60	81,094,689.41	693	1.464
Money Market Account	24,403.75	24,403.75	24,403.75	24,403.75	1	0.140
Negotiable Certificate of Deposit	7,171,000.00	7,171,000.00	7,276,914.78	7,171,000.00	1106	1.588
Total / Average	114,185,755.57	115,850,794.16	115,269,346.95	114,575,444.98	559.00	1.210


Kenneth C. Hugins, City Treasurer

Tracker
City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
Report Format: By Transaction
Group By: Asset Class
Average By: Face Amount / Shares
Portfolio / Report Group: All Portfolios
As of 8/31/2015

Description	CUSIP/Ticker	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost	% of Portfolio
California Local Agency Investment Fund									
LAIF LGIP	LGIP7282	LAIF	5/31/2011	26,285,351.82	26,285,351.82	26,285,351.82	1	0.330	23.020
Sub Total / Average				26,285,351.82	26,285,351.82	26,285,351.82	1	0.330	23.020
Federal Agency Coupon Securities									
FFCB 1.4/2/2018	3133EEWH9	FFCB	4/2/2015	3,000,000.00	3,004,260.00	3,000,000.00	945	1.000	2.630
FFCB 1.11 2/20/2018	3133EEQM5	FFCB	2/20/2015	3,000,000.00	3,006,390.00	3,000,000.00	904	1.110	2.630
FFCB 1.61 8/1/2018	3133ECW75	FFCB	2/3/2014	1,000,000.00	1,008,000.00	1,004,791.80	1066	1.440	0.880
FFCB 1.8 11/12/2019	3133EEBN9	FFCB	11/12/2014	5,000,000.00	5,069,400.00	5,000,000.00	1534	1.800	4.380
FFCB 2.4 3/15/2016	31331KEK2	FFCB	3/24/2011	1,000,000.00	1,009,990.00	1,000,684.19	197	2.265	0.880
FFCB 4.75 9/30/2015	31331GCR8	FFCB	9/30/2010	1,000,000.00	1,003,730.00	1,002,545.56	30	1.520	0.880
FFCB 5.125 11/15/2018	31331YEJ5	FFCB	12/26/2013	760,000.00	850,523.60	835,848.43	1172	1.856	0.670
FHLB 0.7 12/19/2016	3130A0HC71	FHLB	12/19/2013	1,455,000.00	1,457,793.60	1,455,000.00	476	0.700	1.270
FHLB 1.05 12/29/2017	3130A3N83	FHLB	12/29/2014	3,000,000.00	3,004,560.00	3,000,000.00	851	1.050	2.630
FHLB 1.375 12/11/2015	313371NW2	FHLB	12/29/2010	1,000,000.00	1,003,270.00	997,416.71	102	2.360	0.880
FHLB 1.375 3/9/2018	313378A43	FHLB	3/28/2013	3,000,000.00	3,013,110.00	3,036,345.61	921	0.883	2.630
FHLB 1.375 3/9/2018	313378A43	FHLB	12/26/2013	2,000,000.00	2,008,740.00	1,993,119.52	921	1.516	1.750
FHLB 1.625 12/11/2015	313371VF0	FHLB	12/29/2010	1,000,000.00	1,003,910.00	998,085.24	102	2.355	0.880
FHLB 1.625 12/9/2016	313371PV2	FHLB	12/29/2011	1,500,000.00	1,518,525.00	1,508,618.16	466	1.160	1.310
FHLB 1.625 6/14/2019	313379EE5	FHLB	6/16/2014	3,000,000.00	3,019,740.00	2,982,143.83	1383	1.790	2.630
FHLB 1.625 9/28/2015	3133716Z4	FHLB	9/30/2010	1,000,000.00	1,000,740.00	1,000,061.71	28	1.541	0.880
FHLB 1.75 12/14/2018	313376BR5	FHLB	12/26/2013	895,000.00	910,519.30	892,452.01	1201	1.841	0.780
FHLB 1.75 9/11/2015	313370JB5	FHLB	9/30/2010	1,000,000.00	1,000,460.00	1,000,064.95	11	1.525	0.880

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City of Escondido
Portfolio Holdings
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Report Format: By Transaction
Group By: Asset Class
Average By: Face Amount / Shares
Portfolio / Report Group: All Portfolios
As of 8/31/2015

Description	CUSIP/Ticker	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost	% of Portfolio
FHLB 2.3 12/8/2016	313371ZU3	FHLB	12/29/2011	500,000.00	510,565.00	506,710.83	465	1.210	0.440
FHLB 3.125 3/11/2016	3133XXP43	FHLB	3/24/2011	3,000,000.00	3,044,100.00	3,012,422.65	193	2.291	2.630
FHLMC 1 7/28/2017	3137EADJ5	FHLMC	12/20/2013	1,500,000.00	1,504,035.00	1,498,315.76	697	1.060	1.310
FHLMC 1.25 8/1/2019	3137EADK2	FHLMC	7/2/2015	3,000,000.00	2,989,530.00	2,966,398.85	1431	1.546	2.630
FHLMC 2 8/25/2016	3137EACW7	FHLMC	8/31/2011	3,000,000.00	3,043,470.00	3,022,971.62	360	1.197	2.630
FHLMC 2.5 5/27/2016	3137EACT4	FHLMC	6/1/2011	2,500,000.00	2,538,575.00	2,510,520.29	270	1.900	2.190
FHLMC 2.5 5/27/2016	3137EACT4	FHLMC	5/25/2011	5,000,000.00	5,077,150.00	5,015,522.81	270	2.055	4.380
FHLMC 2.5 5/27/2016	3137EACT4	FHLMC	5/25/2011	3,000,000.00	3,046,290.00	3,009,340.02	270	2.054	2.630
FHLMC 5 2/16/2017	3137EAAM1	FHLMC	2/16/2012	5,000,000.00	5,311,900.00	5,281,148.80	535	1.048	4.380
FNMA 0.875 5/21/2018	3135G0WJ8	FNMA	12/20/2013	1,500,000.00	1,490,730.00	1,474,395.10	994	1.526	1.310
FNMA 0.875 8/28/2017	3135G0MZ3	FNMA	6/13/2014	2,000,000.00	1,999,480.00	1,992,732.42	728	1.061	1.750
FNMA 0.875 8/28/2017	3135G0MZ3	FNMA	2/3/2014	2,000,000.00	1,999,480.00	1,992,764.73	728	1.060	1.750
FNMA 1.06 5/29/2018	3136G05G2	FNMA	12/20/2013	500,000.00	499,450.00	493,651.73	1002	1.540	0.440
FNMA 1.125 4/27/2017	3135G0JA2	FNMA	5/31/2012	2,000,000.00	2,016,940.00	2,004,773.83	605	0.977	1.750
FNMA 1.25 1/30/2017	3135G0GY3	FNMA	1/24/2012	3,000,000.00	3,031,860.00	3,001,339.51	518	1.217	2.630
FNMA 1.25 9/28/2016	3135G0CM3	FNMA	9/29/2011	5,000,000.00	5,036,500.00	4,997,657.79	394	1.295	4.380
FNMA 1.375 11/15/2016	3135G0ES8	FNMA	12/29/2011	2,000,000.00	2,018,720.00	2,004,214.25	442	1.195	1.750
FNMA 1.75 1/30/2019	3136FTZZ5	FNMA	2/3/2014	2,595,000.00	2,630,240.10	2,602,630.70	1248	1.660	2.270
Sub Total / Average				80,705,000.00	81,682,676.60	81,094,689.41	693	1.464	70.680
Money Market Account									
Bank of America MM	MM0555	Bank of America	5/31/2011	24,403.75	24,403.75	24,403.75	1	0.140	0.020
Sub Total / Average				24,403.75	24,403.75	24,403.75	1	0.140	0.020

Tracker
City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
Report Format: By Transaction
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As of 8/31/2015

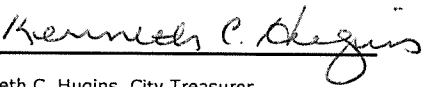
Description	CUSIP/Ticker	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost	% of Portfolio
Negotiable Certificate of Deposit									
American Express Bk 2 7/24/2019	02587CAJ9	American Express Bk	7/24/2014	247,000.00	252,868.70	247,000.00	1423	2.000	0.220
AmEx Centurion 2 11/28/2018	02587DWJ3	AmEx Centurion	11/28/2014	247,000.00	253,210.22	247,000.00	1185	2.000	0.220
Barclays Bank 2.099 7/23/2019	06740KHK6	Barclays Bank	7/28/2014	247,000.00	253,810.88	247,000.00	1422	2.099	0.220
Berkshire Bank 1 6/19/2017	084601DZ3	Berkshire Bank	6/19/2015	248,000.00	248,793.50	248,000.00	658	1.000	0.220
BMW 1.95 6/20/2019	05580AAL8	BMW	6/20/2014	247,000.00	252,456.01	247,000.00	1389	1.950	0.220
Capital One Bank USA 0.6 10/30/2015	140420NC0	Capital One Bank USA	10/30/2013	246,000.00	246,167.90	246,000.00	60	0.600	0.220
Capital One NA 2 8/12/2019	14042E5L0	Capital One NA	8/12/2015	247,000.00	252,741.86	247,000.00	1442	2.000	0.220
Cardinal Bank 1.25 6/19/2018	14147VEV4	Cardinal Bank	6/19/2015	249,000.00	250,016.49	249,000.00	1023	1.250	0.220
Celtic Bank 1.25 12/20/2017	15118RJL2	Celtic Bank	12/20/2013	246,000.00	247,661.51	246,000.00	842	1.250	0.220
Charter Bank Eau claire 1.5 8/6/2018	16116PHH7	Charter Bank Eau claire	8/5/2014	248,000.00	250,508.37	248,000.00	1071	1.500	0.220
Cit Bank 2.2 11/26/2019	17284C4L5	Cit Bank	11/26/2014	247,000.00	254,638.57	247,000.00	1548	2.200	0.220
Compass Bank 1.2 5/14/2018	20451PKT2	Compass Bank	5/13/2015	248,000.00	248,799.87	248,000.00	987	1.200	0.220
Discover FS 2 6/18/2019	254671W48	Discover FS	6/18/2014	247,000.00	252,910.29	247,000.00	1387	2.000	0.220
Enerbank USA 2.05 8/28/2019	29266NB30	Enerbank USA	8/28/2014	247,000.00	253,289.56	247,000.00	1458	2.050	0.220
EVERBANK FL 1.6 7/30/2019	29976DZM5	EVERBANK FL	7/30/2015	248,000.00	250,098.43	248,000.00	1429	1.600	0.220
Flushing Bank 1.45 6/26/2018	34387ABQ1	Flushing Bank	6/26/2015	248,000.00	250,415.54	248,000.00	1030	1.450	0.220
G E Capital 1.85 2/7/2019	36157PWB1	G E Capital	2/7/2014	246,000.00	250,776.36	246,000.00	1256	1.850	0.220
GMATBK ALLY 1.1 6/19/2017	02006LFD0	GMATBK ALLY	6/18/2014	248,000.00	249,242.43	248,000.00	658	1.100	0.220
Gold Coast Bank 1.2 10/30/2017	38058KCS3	Gold Coast Bank	12/30/2013	246,000.00	247,556.71	246,000.00	791	1.200	0.220
Goldman Sachs 1.1 6/19/2017	38147JH96	Goldman Sachs	6/18/2014	248,000.00	249,242.43	248,000.00	658	1.100	0.220
Iberia Bank 1 10/16/2017	45083AEK43	Iberia Bank	4/16/2015	247,000.00	247,478.27	247,000.00	777	1.000	0.220

Tracker
City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
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Group By: Asset Class
Average By: Face Amount / Shares
Portfolio / Report Group: All Portfolios
As of 8/31/2015

Description	CUSIP/Ticker	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost	% of Portfolio
Leader Bank NA 1.05 4/21/2017	52168UCU4	Leader Bank NA	10/23/2014	248,000.00	249,098.34	248,000.00	599	1.050	0.220
Live Oak Banking Co. 1.85 7/30/2019	538036CA0	Live Oak Banking Co.	10/30/2014	247,000.00	251,481.64	247,000.00	1429	1.850	0.220
Park National Bank 2.1 3/26/2019	700654AV8	Park National Bank	9/26/2014	247,000.00	253,991.43	247,000.00	1303	2.100	0.220
Private Bank 1.1 7/21/2017	74267GUT2	Private Bank	7/21/2014	248,000.00	249,208.31	248,000.00	690	1.100	0.220
Sallie Mae Bank 2.1 8/13/2019	795450SJ5	Sallie Mae Bank	8/13/2014	247,000.00	253,705.23	247,000.00	1443	2.100	0.220
SYNCHRONY BANK 2.25 7/17/2020	87165HKM1	SYNCHRONY BANK	7/17/2015	247,000.00	254,714.58	247,000.00	1782	2.250	0.220
SYNOUVUS 1.2 11/6/2017	87164DFW5	SYNOUVUS	11/5/2014	248,000.00	249,447.82	248,000.00	798	1.200	0.220
Third Fed S & L 2 11/25/2019	88413QAW8	Third Fed S & L	11/24/2014	247,000.00	252,583.53	247,000.00	1547	2.000	0.220
Sub Total / Average				7,171,000.00	7,276,914.78	7,171,000.00	1106	1.588	6.280
Total / Average				114,185,755.57	115,269,346.95	114,575,444.98	559	1.210	100.000

Tracker
 City of Escondido
 Portfolio Holdings
 Investment Portfolio - by Asset Class, Summary
 Report Format: By Totals
 Group By: Asset Class
 Average By: Face Amount / Shares
 Portfolio / Report Group: All Portfolios
 As of 9/30/2015

Description	Face Amount/Shares	Cost Value	Market Value	Book Value	Days To Maturity	YTM @ Cost
California Local Agency Investment Fund	24,785,351.82	24,785,351.82	24,785,351.82	24,785,351.82	1	0.337
Federal Agency Coupon Securities	77,705,000.00	79,200,408.59	78,830,427.55	78,067,852.92	689	1.462
Money Market Account	24,406.56	24,406.56	24,406.56	24,406.56	1	0.140
Negotiable Certificate of Deposit	7,171,000.00	7,171,000.00	7,315,331.14	7,171,000.00	1076	1.588
Total / Average	109,685,758.38	111,181,166.97	110,955,517.07	110,048,611.30	559	1.215


 Kenneth C. Hugins, City Treasurer

Tracker
City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
Report Format: By Transaction
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As of 9/30/2015

Description	CUSIP/Ticker	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost	% of Portfolio
California Local Agency Investment Fund									
LAIF LGIP	LGIP7282	LAIF	5/31/2011	24,785,351.82	24,785,351.82	24,785,351.82	1	0.337	22.600
Sub Total / Average				24,785,351.82	24,785,351.82	24,785,351.82	1	0.337	22.600
Federal Agency Coupon Securities									
FFCB 1 4/2/2018	3133EEWH9	FFCB	4/2/2015	3,000,000.00	3,013,860.00	3,000,000.00	915	1.000	2.740
FFCB 1.11 2/20/2018	3133EEQM5	FFCB	2/20/2015	3,000,000.00	3,014,730.00	3,000,000.00	874	1.110	2.740
FFCB 1.61 8/1/2018	3133ECW75	FFCB	2/3/2014	1,000,000.00	1,012,160.00	1,004,656.95	1036	1.440	0.910
FFCB 1.8 11/12/2019	3133EEBN9	FFCB	11/12/2014	5,000,000.00	5,108,450.00	5,000,000.00	1504	1.800	4.560
FFCB 2.4 3/15/2016	31331KEK2	FFCB	3/24/2011	1,000,000.00	1,009,360.00	1,000,580.00	167	2.265	0.910
FFCB 5.125 11/15/2018	31331YEJ5	FFCB	12/26/2013	760,000.00	851,618.00	833,906.91	1142	1.856	0.690
FHLB 0.7 12/19/2016	3130A0HC71	FHLB	12/19/2013	1,455,000.00	1,459,394.10	1,455,000.00	446	0.700	1.330
FHLB 1.05 12/29/2017	3130A3N83	FHLB	12/29/2014	3,000,000.00	3,016,410.00	3,000,000.00	821	1.050	2.740
FHLB 1.375 12/11/2015	313371NW2	FHLB	12/29/2010	1,000,000.00	1,002,500.00	998,176.50	72	2.360	0.910
FHLB 1.375 3/9/2018	313378A43	FHLB	3/28/2013	3,000,000.00	3,032,520.00	3,035,161.71	891	0.883	2.740
FHLB 1.375 3/9/2018	313378A43	FHLB	12/26/2013	2,000,000.00	2,021,680.00	1,993,343.64	891	1.516	1.820
FHLB 1.625 12/11/2015	313371VF0	FHLB	12/29/2010	1,000,000.00	1,002,880.00	998,648.41	72	2.355	0.910
FHLB 1.625 12/9/2016	313371PV2	FHLB	12/29/2011	1,500,000.00	1,519,485.00	1,508,063.35	436	1.160	1.370
FHLB 1.625 6/14/2019	313379EE5	FHLB	6/16/2014	3,000,000.00	3,040,950.00	2,982,531.17	1353	1.790	2.740
FHLB 1.75 12/14/2018	313376BR5	FHLB	12/26/2013	895,000.00	913,186.40	892,515.66	1171	1.841	0.820
FHLB 2.3 12/8/2016	313371ZU3	FHLB	12/29/2011	500,000.00	510,470.00	506,277.87	435	1.210	0.460
FHLB 3.125 3/11/2016	3133XXP43	FHLB	3/24/2011	3,000,000.00	3,037,890.00	3,010,491.66	163	2.291	2.740
FHLMC 1 7/28/2017	3137EADJ5	FHLMC	12/20/2013	1,500,000.00	1,510,140.00	1,498,388.25	667	1.060	1.370

Tracker
City of Escondido
Portfolio Holdings
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As of 9/30/2015

Description	CUSIP/Ticker	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost	% of Portfolio
FHLMC 1.25 8/1/2019	3137EADK2	FHLMC	7/2/2015	3,000,000.00	2,998,260.00	2,967,103.28	1401	1.546	2.740
FHLMC 2 8/25/2016	3137EACW7	FHLMC	8/31/2011	3,000,000.00	3,042,810.00	3,021,057.32	330	1.197	2.740
FHLMC 2.5 5/27/2016	3137EACT4	FHLMC	6/1/2011	2,500,000.00	2,535,475.00	2,509,351.37	240	1.900	2.280
FHLMC 2.5 5/27/2016	3137EACT4	FHLMC	5/25/2011	5,000,000.00	5,070,950.00	5,013,798.05	240	2.055	4.560
FHLMC 2.5 5/27/2016	3137EACT4	FHLMC	5/25/2011	3,000,000.00	3,042,570.00	3,008,302.24	240	2.054	2.740
FHLMC 5 2/16/2017	3137EAAM1	FHLMC	2/16/2012	5,000,000.00	5,305,300.00	5,265,383.44	505	1.048	4.560
FNMA 0.875 5/21/2018	3135G0WJ8	FNMA	12/20/2013	1,500,000.00	1,499,100.00	1,475,167.89	964	1.526	1.370
FNMA 0.875 8/28/2017	3135G0MZ3	FNMA	6/13/2014	2,000,000.00	2,002,780.00	1,993,031.91	698	1.061	1.820
FNMA 0.875 8/28/2017	3135G0MZ3	FNMA	2/3/2014	2,000,000.00	2,002,780.00	1,993,062.89	698	1.060	1.820
FNMA 1.06 5/29/2018	3136G05G2	FNMA	12/20/2013	500,000.00	501,225.00	493,841.80	972	1.540	0.460
FNMA 1.125 4/27/2017	3135G0JA2	FNMA	5/31/2012	2,000,000.00	2,016,620.00	2,004,537.11	575	0.977	1.820
FNMA 1.25 1/30/2017	3135G0GY3	FNMA	1/24/2012	3,000,000.00	3,028,650.00	3,001,261.93	488	1.217	2.740
FNMA 1.25 9/28/2016	3135G0CM3	FNMA	9/29/2011	5,000,000.00	5,040,050.00	4,997,836.13	364	1.295	4.560
FNMA 1.375 11/15/2016	3135G0E58	FNMA	12/29/2011	2,000,000.00	2,019,300.00	2,003,928.21	412	1.195	1.820
FNMA 1.75 1/30/2019	3136FTZZ5	FNMA	2/3/2014	2,595,000.00	2,646,874.05	2,602,447.27	1218	1.660	2.370
Sub Total / Average				77,705,000.00	78,830,427.55	78,067,852.92	689	1.462	70.840
Money Market Account									
Bank of America MM	MM0555	Bank of Americ	5/31/2011	24,406.56	24,406.56	24,406.56	1	0.140	0.020
Sub Total / Average				24,406.56	24,406.56	24,406.56	1	0.140	0.020
Negotiable Certificate of Deposit									
American Express Bk 2 7/24/2019	02587CAJ9	American Expre	7/24/2014	247,000.00	254,892.00	247,000.00	1393	2.000	0.230
AmEx Centurion 2 11/28/2018	02587DWJ3	AmEx Centurion	11/28/2014	247,000.00	254,682.19	247,000.00	1155	2.000	0.230

Tracker
City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
Report Format: By Transaction
Group By: Asset Class
Average By: Face Amount / Shares
Portfolio / Report Group: All Portfolios
As of 9/30/2015

Description	CUSIP/Ticker	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost	% of Portfolio
Barclays Bank 2.099 7/23/2019	06740KHK6	Barclays Bank	7/28/2014	247,000.00	255,817.78	247,000.00	1392	2.099	0.230
Berkshire Bank 1 6/19/2017	084601DZ3	Berkshire Bank	6/19/2015	248,000.00	248,903.69	248,000.00	628	1.000	0.230
BMW 1.95 6/20/2019	05580AAL8	BMW	6/20/2014	247,000.00	254,415.11	247,000.00	1359	1.950	0.230
Capital One Bank USA 0.6 10/30/2015	140420NC0	Capital One Bar	10/30/2013	246,000.00	246,081.85	246,000.00	30	0.600	0.220
Capital One NA 2 8/12/2019	14042E5L0	Capital One NA	8/12/2015	247,000.00	254,824.56	247,000.00	1412	2.000	0.230
Cardinal Bank 1.25 6/19/2018	14147VEV4	Cardinal Bank	6/19/2015	249,000.00	251,271.15	249,000.00	993	1.250	0.230
Celtic Bank 1.25 12/20/2017	15118JL2	Celtic Bank	12/20/2013	246,000.00	248,490.36	246,000.00	812	1.250	0.220
Charter Bank Eau claire 1.5 8/6/2018	16116PHH7	Charter Bank E	8/5/2014	248,000.00	251,844.12	248,000.00	1041	1.500	0.230
Cit Bank 2.2 11/26/2019	17284C4L5	Cit Bank	11/26/2014	247,000.00	256,895.26	247,000.00	1518	2.200	0.230
Compass Bank 1.2 5/14/2018	20451PKT2	Compass Bank	5/13/2015	248,000.00	249,981.47	248,000.00	957	1.200	0.230
Discover FS 2 6/18/2019	254671W48	Discover FS	6/18/2014	247,000.00	254,858.82	247,000.00	1357	2.000	0.230
Enerbank USA 2.05 8/28/2019	29266NB30	Enerbank USA	8/28/2014	247,000.00	255,389.06	247,000.00	1428	2.050	0.230
EVERBANK FL 1.6 7/30/2019	29976DZM5	EVERBANK FL	7/30/2015	248,000.00	252,027.82	248,000.00	1399	1.600	0.230
Flushing Bank 1.45 6/26/2018	34387ABQ1	Flushing Bank	6/26/2015	248,000.00	251,637.71	248,000.00	1000	1.450	0.230
G E Capital 1.85 2/7/2019	36157PW81	G E Capital	2/7/2014	246,000.00	252,439.47	246,000.00	1226	1.850	0.220
GMATBK ALLY 1.1 6/19/2017	02006LFD0	GMATBK ALLY	6/18/2014	248,000.00	249,332.40	248,000.00	628	1.100	0.230
Gold Coast Bank 1.2 10/30/2017	38058KCS3	Gold Coast Ban	12/30/2013	246,000.00	248,186.18	246,000.00	761	1.200	0.220
Goldman Sachs 1.1 6/19/2017	38147JH96	Goldman Sachs	6/18/2014	248,000.00	249,332.40	248,000.00	628	1.100	0.230
Iberia Bank 1 10/16/2017	45083AEK43	Iberia Bank	4/16/2015	247,000.00	248,233.02	247,000.00	747	1.000	0.230
Leader Bank NA 1.05 4/21/2017	52168UCU4	Leader Bank NA	10/23/2014	248,000.00	248,953.91	248,000.00	569	1.050	0.230
Live Oak Banking Co. 1.85 7/30/2019	538036CA0	Live Oak Bankin	10/30/2014	247,000.00	253,368.35	247,000.00	1399	1.850	0.230
Park National Bank 2.1 3/26/2019	700654AV8	Park National B	9/26/2014	247,000.00	255,719.52	247,000.00	1273	2.100	0.230

Tracker
City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
Report Format: By Transaction
Group By: Asset Class
Average By: Face Amount / Shares
Portfolio / Report Group: All Portfolios
As of 9/30/2015

Description	CUSIP/Ticker	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost	% of Portfolio
Private Bank 1.1 7/21/2017	74267GUT2	Private Bank	7/21/2014	248,000.00	249,436.09	248,000.00	660	1.100	0.230
Sallie Mae Bank 2.1 8/13/2019	795450SJ5	Sallie Mae Bank	8/13/2014	247,000.00	255,774.72	247,000.00	1413	2.100	0.230
SYNCHRONY BANK 2.25 7/17/2020	87165HKM1	SYNCHRONY BANK	7/17/2015	247,000.00	257,456.25	247,000.00	1752	2.250	0.230
SYNOUVUS 1.2 11/6/2017	87164DFW5	SYNOUVUS	11/5/2014	248,000.00	250,219.65	248,000.00	768	1.200	0.230
Third Fed 5 & L 2 11/25/2019	88413QAW8	Third Fed S & L	11/24/2014	247,000.00	254,866.23	247,000.00	1517	2.000	0.230
Sub Total / Average				7,171,000.00	7,315,331.14	7,171,000.00	1076	1.588	6.540
Total / Average				109,685,758.38	110,955,517.07	110,048,611.30	559	1.215	100.000

Tracker
City of Escondido
Transactions Summary
Transaction Summary Report - by Action
Group By: Investments Matured
Portfolio / Report Group: All Portfolios
From 07/01/2015 To 9/30/2015

Description	CUSIP/Ticker	Settlement Date	Principal	Total	Custodian
Matured					
FNMA 2.375 7/28/2015	31398AU34	7/28/2015	1,000,000.00	1,000,000.00	BNY Mellon
FNMA 2.375 7/28/2015	31398AU34	7/28/2015	2,000,000.00	2,000,000.00	BNY Mellon
FHLB 1.63 8/20/2015	313370NE4	8/20/2015	1,000,000.00	1,000,000.00	BNY Mellon
FFCB 4.75 9/30/2015	31331GCR8	9/30/2015	1,000,000.00	1,000,000.00	BNY Mellon
FHLB 1.625 9/28/2015	3133716Z4	9/28/2015	1,000,000.00	1,000,000.00	BNY Mellon
FHLB 1.75 9/11/2015	313370JB5	9/11/2015	<u>1,000,000.00</u>	<u>1,000,000.00</u>	BNY Mellon
Total / Average			<u><u>7,000,000.00</u></u>	<u><u>7,000,000.00</u></u>	

CITY OF ESCONDIDO
FUNDS MANAGED BY OUTSIDE PARTIES
September 30, 2015

Type of Funds / Institution	Market Value	Interest Rate	Type of Investment	Maturity Date
<u>BOND FUNDS</u>				
BANK OF NEW YORK MELLON TRUST COMPANY, N.A. :				
1993 Vineyard Golf Course Certificates of Participation	\$ 3,465	0.100%	Money Market	
2007 A & B JPFA Lease Revenue Bonds	7	0.100%	Money Market	
2007 COP - Water Project	7,179,598	0.100%	Money Market	
2004A Wastewater Bond (1996 Wastewater Refunding)	2,039	0.100%	Money Market	
2004B Wastewater Bond - Brine Project	22	0.100%	Money Market	
2006 Community Facility District (Eureka Ranch)	11	0.100%	Money Market	
1986-1R/98 Auto Parkway Assessment District	337,037	0.100%	Money Market	
1998-1 Rancho San Pasqual Assessment District	342,677	0.250%	Money Market/Certificate of Deposit	
2012 JPFA Revenue Bonds (Water System Financing)	21,162,916	0.337%	LAIF/Money Market/cash	
2012 JPFA Revenue Bonds (Wastewater System Financing)	22,736,545	0.337%	LAIF/Money Market/cash	
2013 CFD 2000-01 Hidden Trails Special Tax Refunding Bonds	1	0.000%	Money Market	
2015 GO Refunding Bond	8,648	0.000%	Cash	
2015A Wastewater Refunding Bond	6,282	0.000%	Cash	
2015 Community Facility District (Eureka Ranch) 2006-1 Refunding Bond	5,010	0.100%	Money Market	
City of Escondido Clearing Account	288,584	0.000%	Cash	
TOTAL FUNDS MANAGED BY OUTSIDE PARTIES	<u>\$ 52,072,843</u>			

CITY COUNCIL

For City Clerk's Use:

☐

APPROVED

☐

DENIED

Reso No. _____

File No. _____

Ord No. _____

Agenda Item No.: 10

Date: December 9, 2015

TO: Honorable Mayor and Members of the City Council

FROM: Debra Lundy, Real Property Manager

SUBJECT: Ground Lease Agreement with American Heritage Charter Schools at 2269 East Valley Parkway

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2015-214 authorizing the Real Property Manager and City Clerk to execute a Ground Lease Agreement with American Heritage Charter Schools at 2269 East Valley Parkway. It is further requested that the City Council adopt Resolution No. 2015-216 authorizing a First Amendment to the Lease Agreement with Heritage Digital Academy at 2255 East Valley Parkway.

FISCAL ANALYSIS:

This Ground Lease will produce rent revenue in the amount of \$7,425/month, which will be paid into the City's General Fund Reserve, commencing on July 1, 2016. The current rent of \$7,232/month paid by Escondido Community Child Development Center ("ECCDC") will be paid through January 2016. Five months of rent will go unrealized as a result of ECCDC's termination of its lease (\$36,740) before the new rent revenue begins on July 1, 2016.

PREVIOUS ACTION:

The price and terms of the Ground Lease were discussed in Closed Session on December 2, 2015.

BACKGROUND:

The subject site, 2269 East Valley Parkway, has been ground leased to Escondido Community Child Development Services ("ECCDC") since 2009 for the operation of a pre-school facility. ECCDC constructed and owns all of the building improvements on the site. ECCDC's board has made a decision to downsize its operations and move its families out of this location to other ECCDC facilities and/or to a collaborating center in Escondido (Toddler Town). Staff has been advised that no families will be displaced as a result of the closure of the East Valley Parkway facility.

As part of its assessment of closing the facility, ECCDC approached the American Heritage Charter Schools ("Charter") about the potential of taking over the site for its charter programs. Charter expressed an interest in assuming the ground lease from ECCDC for the operation of a new kindergarten through fifth grade ("K-5") charter school. Charter is in concurrent discussions with ECCDC to purchase the structures on the site and this proposed ground lease is a condition of the close of escrow on that transaction.

In order to support the investment that will be needed to purchase the improvements, Charter desires a 14 year term, through December 2030, which is nine years longer than the ECCDC lease term. Charter currently leases property from the City contiguous to the subject site, which lease is valid through May 31, 2023. However, because Charter intends to use the same lender that funded the improvements at Heritage Digital Academy at 2255 East Valley Parkway, they desire to extend the term of that lease beyond its current expiration May 2023 to December 2030, correlating with the new lease.

Charter is also purchasing the adjacent vacant lot situated west of the East Valley Community Center to improve as athletic fields for its students so a new school in this area will be an attractive complement to the surrounding uses. Lease assignment is not permitted under the existing ECCDC Ground Lease Agreement. Since it is anticipated that the vacancy created by ECCDC's ground lease termination can be filled far more quickly by allowing Charter to lease the site than if the City were to list the site on the open market, a new ground lease is now being proposed between the City and Charter. Since ECCDC owns the improvements, the lot could potentially sit vacant for over a year before a new user and new improvements are obtained. The Conditional Use Permit ("CUP") obtained by ECCDC for its school will run with the land and the Charter's proposed educational use falls under the permitted uses. Charter will be required to abide by the conditions specified within the CUP. An appraisal of similar ground leased property owned by the City concludes \$30/psf with a 9% cap rate. The land is 33,000 square feet, yielding a monthly rent of \$7,425/month, which is approximately \$200 more in rent per month than ECCDC's rent. Annual increases will be applied each July 1 by 3%.

ECCDC has expressed a sense of urgency in terminating its ground lease as of December 2015, to correspond with the semester ending and to avoid further financial hardship. As such, ECCDC and Charter anticipate closing on its purchase and sale transaction by the end of the year, conditioned upon the approval of this ground lease to Charter. ECCDC will be charged an early termination penalty equivalent to one full month's rent (\$7,232.26). Charter does not intend to occupy the property until Summer 2016 to prepare for the Fall opening, so the proposed ground lease to Charter calls for rent payments to start on July 1, 2016. As such, there will be a total of five months under the ground lease where no rents will be collected (\$36,740 [calculated by two months at current rent and three months at the new rate]). However, as previously stated, it is anticipated that the property would be vacant for a greater period of time if it were listed on the open market. Given ECCDC's decision to terminate its ground lease with the City, a new lease with Charter presents an excellent opportunity for the City to recapture rent revenues on this property in the quickest amount of time, while also complementing the education corridor along East Valley Parkway and the uses immediately adjacent to this site.

Respectfully submitted,



Debra Lundy
Real Property Manager

RESOLUTION NO. 2015-214

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING THE REAL PROPERTY
MANAGER AND CITY CLERK TO EXECUTE,
ON BEHALF OF THE CITY OF ESCONDIDO,
A LEASE AGREEMENT WITH AMERICAN
HERITAGE CHARTER SCHOOLS

WHEREAS, the City of Escondido ("City") owns certain real property located at
2269 East Valley Parkway (the "Property"); and

WHEREAS, the property has been ground leased to Escondido Community
Child Development Center since 2009, which ground lease is terminating as of
December 31, 2015, at the request of the lessee; and

WHEREAS, Escondido Community Child Development Center approached
American Heritage Charter Schools ("Charter") about taking over its leased premises
and purchasing the tenant-owned structural improvements situated thereon; and

WHEREAS, Charter desires to purchase the improvements and the City and
Charter desire to enter into a new ground lease agreement ("Lease Agreement") to
allow Charter to operate a new kindergarten through fifth grade charter school on the
33,000 square feet of city land; and

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

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

1. That the above recitations are true.
2. That the Real Property Manager and City Clerk are authorized to execute, on behalf of the City, the Lease Agreement with American Heritage Charter Schools, which is substantially in the form as the attached Exhibit "1" and incorporated by this reference.



2269 East Valley Parkway GROUND LEASE AGREEMENT

Lessee: American Heritage Charter Schools

Term: 14 years

Premises: 2269 East Valley Parkway

Date: December ,2015

Ground Lease Agreement between the City of Escondido and American Heritage Charter Schools for use of the property at 2269 East Valley Parkway, Escondido, CA 92025 for specific purposes as set forth below.

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CITY OF ESCONDIDO GROUND LEASE AGREEMENT

This Ground Lease Agreement is made as of _____, 2015 between the City and American Heritage Charter Schools.

Section 1 Definition of Terms

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

City. The City means the City of Escondido, a California general law City. Common Areas. Common Areas shall mean the jointly used areas as described in the Operational Plan.

Lease. Lease means this Ground Lease Agreement.

Lease Administrator. The Lease Administrator means the City of Escondido Real Property Agent or, upon written notice to Lessee, such other person as shall be designated from time to time by City.

Lessee. Lessee means American Heritage Charter Schools, and does not include its heirs, assigns, or successors-in-interest.

Operational Plan. Operational Plan means the plan as adopted and agreed upon by the parties in the Heritage Digital Academy Lease Agreement dated June 1, 2013.

Premises. Premises means the real property commonly known as 2269 East Valley Parkway, Escondido, CA, and includes parking, as depicted in the Attached Exhibit "A." Premises does not include the buildings situated thereon, which are not owned by the City.

Section 2 Administration

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

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

and on behalf of Lessee by American Heritage Charter Schools, whose address is:

American Heritage Charter Schools
Attn: Dennis Snyder
1868 East Valley Parkway
Escondido, CA 92027

Section 3 Term

3.1 The term of this Lease shall be **fourteen (14) years**, commencing on January 1, 2016.

3.2 Hold Over. The occupancy of the Premises by Lessee, after the expiration of the Term shall be construed as a month to month tenancy, and all other terms and conditions of this Lease Agreement shall continue in full force and effect, on a month to month basis. The City shall have the right to terminate the month to month tenancy without cause and for any reason by giving sixty (60) days prior notice to Lessee.

Section 4 Termination of Lease

4.1 Each party shall have the right to terminate this Lease upon twelve (12) months advance, written notice without penalty.

4.2 Default. If the City discovers at any time during the Lease Term that the Lessee or any other party has used, is using, or will use the Premises in an unlawful manner or for an unlawful purpose, City may notify Lessee of the violation and immediately terminate the Lease upon written notice. If the City determines the Lessee has violated any provision of this Lease, City may notify Lessee of the violation and immediately terminate the Lease upon written notice.

Section 5 Options to Renew

Not applicable to this Lease.

Section 6 Vacation of Premises

Upon termination of this Lease for any reason, Lessee shall peaceably vacate and deliver the Premises to City in the same condition as Lessee found them upon its acceptance of the Premises hereunder, excepting ordinary wear and tear and conditions caused by acts of God.

Upon such termination, Lessee shall immediately:

- A. Arrange and pay for the disconnection of all utilities and services ordered by Lessee;
- B. Provide a written statement to the Lease Administrator of Lessee's new address for purpose of refunding monies, if any, due Lessee under this Lease; and
- C. Remove all structures on the Premises and restore the site to its original grade. This shall include stubbing-out all utilities to the satisfaction of the City's Building Department.

Section 7 Rent

7.1 Base Rental Rate. In consideration of the possession and use of the Premises, Lessee shall deliver and pay rent to City **\$7,425** on or prior to the first day of each month. Base rent shall commence on July 1, 2016.

7.2 Rent Increases. Rent shall increase annually by 3% based on the previous year's base rental rate. The increase will be effective each year on July 1.

7.3 Hold Over Rental Rate. The rent payments for any Hold Over will be equal to the previous year's Rental Rate plus ten percent (10%).

Section 8 Security Deposit

Lessee shall pay a security deposit in the amount of \$7,425 prior to execution of the Lease.

Section 9 Late Payment

Rent payments received after the 5th day of any month will be charged an additional 20% late payment fee.

Section 10 Utilities Payments

Lessee agrees to provide and pay for all utilities and services necessary for the occupancy and use of the Premises, including, but not limited to: gas, water, electricity, sewage charges or septic service, trash and any telecommunications services.

Section 11 Taxes, Assessments and Fees

The terms of this Lease may result in the creation of a possessory interest. If such a possessory interest is vested in Lessee, Lessee may be subjected to the payment of personal property taxes levied on such interest. Lessee shall be responsible for the payment of, and shall pay before delinquent, all taxes, assessments, and fees assessed or levied upon Lessee, on said Premises or any interest therein, on any buildings, structures, machines, appliances, or other improvements of any nature whatsoever, or on any interest therein.

Lessee further agrees not to allow such taxes, assessments, or fees to become a lien against said premises or any improvement thereon. Nothing herein contained shall be deemed to prevent or prohibit Lessee from contesting the validity of amount of any such tax, assessment, or fee in any manner authorized by law.

Section 12 Acceptance and Maintenance

Lessee hereby acknowledges that Lessee has inspected the Premises, that Lessee accepts said Premises "as is" and "where is," that the Premises are in a good and sanitary order, condition, and repair and suitable for the uses as specified in this Lease.

Lessee agrees to maintain the Premises in good condition and in compliance with all applicable property maintenance and related laws. Lessee releases the City from the obligation to maintain any portion of the Premises. Said release is part of the consideration for the rental of the Premises, and Lessee therefore waives all rights it may otherwise have under Sections 1941 and 1942 of the Civil Code.

In the event Lessee fails to properly maintain the premises as required by City, City may notify Lessee in writing of said failure. In the event Lessee fails to perform said maintenance within thirty (30) days after such notice by City, City may perform such maintenance, and any costs including, but not limited to, the cost of labor, material, and equipment, shall be paid by Lessee to City within ten (10) days from receipt by Lessee of an invoice from City.

Section 13 Alterations

Lessee intends to purchase the modular buildings currently existing on the Premises as of the date of this writing from Escondido Community Child Development Services. Lessee shall not change the appearance, structure or condition of the Premises without the prior written consent of the Lease Administrator, and only after obtaining applicable permits. Any improvements made with the consent of the Lease Administrator become a fixture to the realty and shall remain on and be surrendered with the Premises upon termination of the Lease, except for the modular buildings owned by Lessee, which are not part of this Lease.

Section 14 Use

Lessee agrees to use the Premises for operating a Kindergarten through Fifth grade charter school in accordance with the provisions and requirements contained in any permits required by the City of Escondido. Lessee shall not use, nor permit the use of, the Premises other than as described. In any case where Lessee is, or should reasonably be, in doubt as to the propriety of any particular use, Lessee may request, and will not be in breach or default if Lessee abides by, the written determination of the Lease Administrator that such use is or is not permitted.

Joint Use of Common Areas. As part of the Premises, Lessee has access to certain Common Areas which impact other community uses in the same area. In order to provide for the efficient use of the Common Areas for Lessee and the City's Recreational Department, and in order to enable the City to preserve the Community

Center and Common Areas for the use of the general public, Lessee agrees to abide by the Operational Plan with the City's Recreational Department regarding use of the Common areas.

Section 15 Occupancy, Assignment and Subletting

The Premises shall only be occupied by Lessee except with prior written consent of the Lease Administrator. Lessee may not assign or sublease any interest in this Lease to any other party, at any time, including a transferee of a controlling interest in Lessee without written consent from the Lease Administrator.

Section 16 Conduct

Lessee and guests of Lessee shall conduct themselves in accordance with the Operational Plan..

Lessee shall not violate, or permit the violation of, any City or County ordinance, or state or federal law, in or about the Premises.

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

Section 17 Pets

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

Section 18 Notices

Any notice required or permitted to be given by this Lease must either be personally served on the other party or served by certified mail, return receipt requested, to the addressee. Notices served by mail shall be sent to the address listed above. A change of either party's address must also be immediately served in the manner described above.

Section 19 Right of Inspection

City reserves the right for its agents or employees to enter upon and inspect the Premises at any reasonable time to ascertain if Lessee is complying with the provisions of this Lease.

Section 20 Insurance

Lessee must have insurance in the following amounts at all times during this Agreement:

- A. General liability insurance with at least \$2 Million combined single-limit coverage per occurrence for bodily injury and property

damage.

- B. Automobile liability insurance of \$1 Million combined single-limit per accident for bodily injury and property damage for any and all vehicles that are owned by the Lessee (if applicable).
- C. Workers' compensation and employer's liability insurance as required by the California Labor Code, as amended, or certificate of sole proprietorship.
- D. Commercial property insurance in an amount commensurate with the value of the improvements on the Premises.

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

- E. Each policy must name the City specifically as an additional insured under the policy on a separate endorsement page, with the exception of the workers' compensation policy.
- F. 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.
- G. All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.

Lessee agrees to deposit with City, on or before the effective date of this Lease, one certificate of insurance for each of the policy or policies necessary to satisfy the insurance provisions of this Lease and to keep such insurance in effect during the entire term of this Lease. This certificate must be reviewed by, and acceptable to, the City Attorney, prior to commencement of the Lease Term. Lessee will also deposit with the City within 60 days of the Effective Date of this Lease, an additional insured endorsement naming City specifically and separately as an "additional insured", with the exception of the worker's compensation policy. The appropriate endorsements described above shall follow within sixty (60) days. Noncompliance by Lessee with any provision of this Section shall allow the Lease Administrator to terminate this Lease.

City shall retain the right at any time to review the coverage, form and amount of the insurance required hereby. If, in the opinion of the Lease Administrator, the insurance provisions in this Lease do not provide adequate protection for City and

for members of the public using the Premises, City may require Lessee to obtain insurance sufficient in coverage, form and amount to provide adequate protection from and against the kind and extent of risks which exist or are foreseeable at the time a change in insurance is required. City's requirements shall be reasonable, but shall be designed to assure adequate protection of the City's interests. The Lease Administrator shall notify Lessee in writing of changes in the insurance requirements and, if Lessee does not deposit with City within sixty (60) days of receipt of such notice a new Certificate of Insurance for each policy or policies of insurance incorporating such changes, this Lease shall be deemed in default without further notice to Lessee and may be forthwith terminated by the Lease Administrator.

The procuring of such required policy or policies of insurance shall not be construed to limit Lessee's liability hereunder nor to fulfill the indemnification provisions and requirements of this Lease. Notwithstanding said policy or policies of insurance, Lessee shall be obligated for the full and total amount of any damage, injury or loss attributable to any act or omission of it or its agents, customers or guests in connection with this Lease or with use or occupancy of the Premises.

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

Section 21 Indemnification

Lessee shall defend, indemnify, and hold harmless City, its officers, agents, and employees from and against any and all claims, demands, and liabilities for loss of any kind or nature which City, its officers, agents, or employees may sustain or incur or which may be imposed upon them or any of them for injury to or death of persons or damage to property as a result of, arising out of, or in any manner connected with this Agreement or with the occupancy and use of the Premises by Lessee, its invitees, visitors, or any other persons whatsoever. Lessee further agrees to pay any and all costs and expenses, including, but not limited to, court costs and reasonable attorney's fees incurred by City on account of any such claims, demands, or liabilities. However, the provisions of this Agreement shall not be construed to indemnify City for claims or acts arising from City's sole negligence.

Section 22 Attorney's Fees, Costs and Expenses

In the event legal action is brought to enforce the terms of or to declare a termination of this Lease for reason of breach thereof, the unsuccessful party shall pay all of the successful party's costs of such action, together with reasonable attorney's fees, in an amount to be fixed by the court.

Section 23 Non-Discrimination

Lessee covenants that this Lease is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of physical or mental disabilities, race, color, creed, religion, sex, marital status, national origin or ancestry in the use, occupancy, tenure or enjoyment of the leased premises. Lessee shall not establish or permit any such practice of discrimination or segregation with reference to the selection, location, number, or use of occupancy by customers, tenants or vendees in the leased premises.

Section 24 Supersedure

This Lease, upon becoming effective, shall supersede any leases or rental agreements heretofore made or issued for the Premises between the City and Lessee.

Section 25 Hazardous and/or Contaminated Soil and Material

Lessee will not place or permit to be placed materials and/or contaminated soils on the premises which under federal, state, or local law, statute, ordinance, or regulations require special handling in collection, storage, treatment, and/or disposal. Lessee also hereby covenants and agrees that, if at any time it is determined there are materials and/or contaminated soils located on the premises which under any environmental requirement require special handling in collection, storage, treatment, or disposal, Lessee shall notify City. Within thirty (30) days after written notice to City or from City, Lessee shall commence to take and thereafter diligently complete, at Lessee's sole expense, such actions as may be necessary to comply with environmental requirements.

Section 26 Law to Govern; Venue

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

Section 27 Special Provisions

Lessee hereby acknowledges that Lessee waives all rights to any form of relocation assistance provided for by local, state, or federal law to which Lessee may be entitled by reason of this Lease.

Section 28 Americans with Disabilities Act

It is the duty of the Lessee while operating under this Lease to comply with the Americans with Disabilities Act and to indemnify City from any violation of any such law. Pursuant to the noticing requirements of California Civil Code Section 1938, Lessee

acknowledges that the Premises being leased has not undergone inspection by a Certified Access Specialist.

Section 29 Amendment

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

Section 30 Waiver

No waiver by a Party of any provision of this Agreement shall be considered a waiver of any other provision or any subsequent breach of the same or any other provision. The exercise by a Party of any right or remedy provided in this Agreement or provided by law shall not prevent the exercise by that Party of any other remedy provided in this Agreement or under the law.

IN WITNESS WHEREOF, the parties below are authorized to act on behalf of their organizations, and have executed this Agreement as of the date set forth below.

AMERICAN HERITAGE CHARTER SCHOOLS

Date: _____

By: _____

Print Name/Title

Date: _____

By: _____

Print Name/Title



Resolution No. 2015-214
EXHIBIT 1
Page 12 of 13

CITY OF ESCONDIDO

Date: _____

Debra Lundy, Real Property Manager

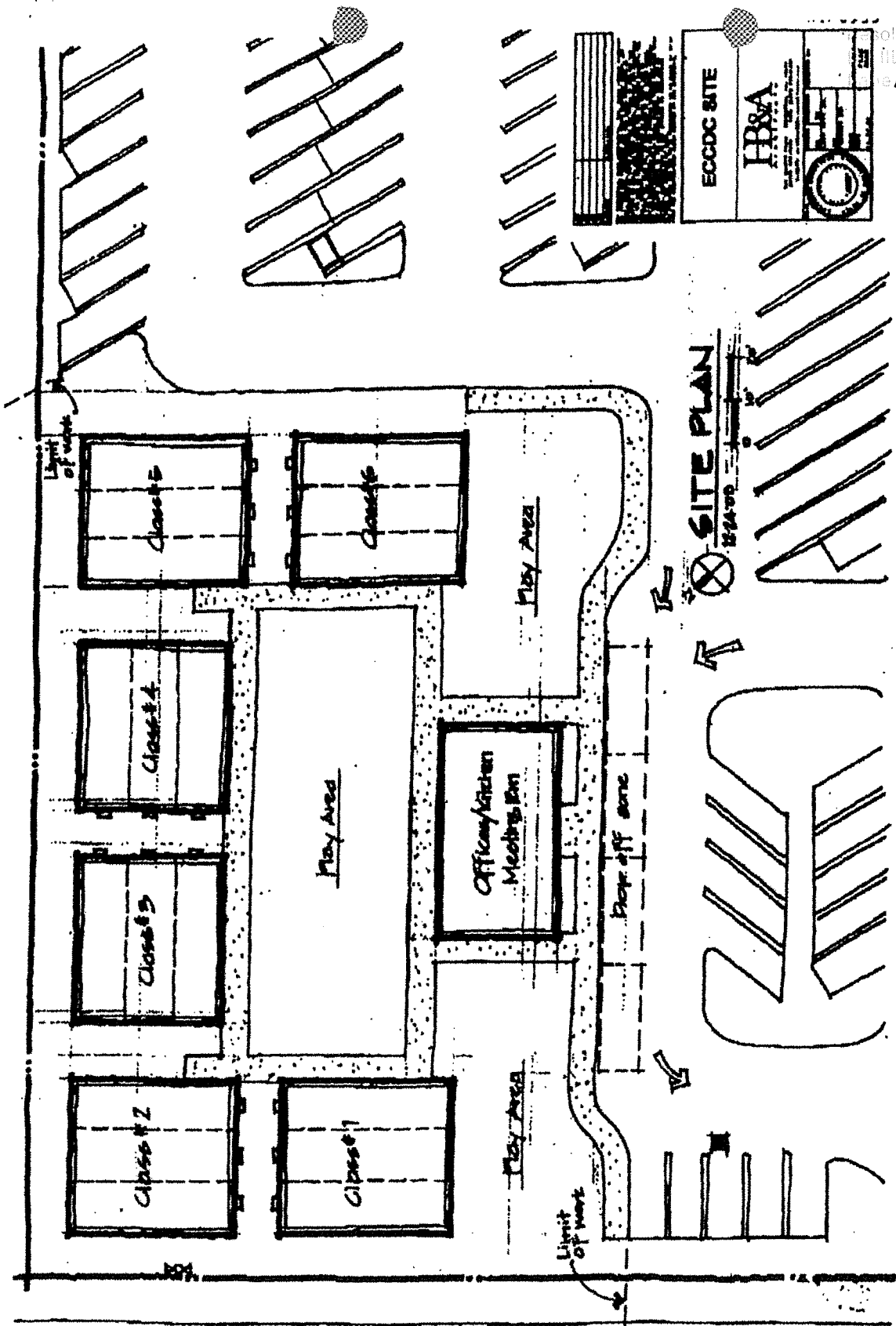
Date: _____

Diane Halverson, City Clerk

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY
JEFFREY R. EPP, City Attorney

By: _____



33,000 S.F.

EXHIBIT "A"

East Valley Parkway

RESOLUTION NO. 2015-216

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING THE REAL PROPERTY
MANAGER AND CITY CLERK TO EXECUTE,
ON BEHALF OF THE CITY, A FIRST
AMENDMENT TO THE LEASE AGREEMENT
WITH HERITAGE DIGITAL ACADEMY**

WHEREAS, the City of Escondido ("City") owns the real property located at 2255 East Valley Parkway ("Property"); and

WHEREAS, the City has been leasing the Property to Heritage Digital Academy, one of American Heritage Charter Schools, since 2013 for the operation of a charter school ("Original Agreement"); and

WHEREAS, the Heritage Digital Academy desires to extend the lease term beyond 2023 in order to align with the term of a new lease entered into between the City and American Heritage Charter Schools for contiguous land area (Resolution No. 2015-214). The extension will satisfy criteria set forth by its lending institution for funding required at both leased sites; and

WHEREAS, the parties desire to amend the Original Agreement with Heritage Digital Academy to extend the lease term to December 31, 2030; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve the First Amendment to the Lease Agreement with Heritage Digital Academy.

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 Real Property Manager and City Clerk are authorized to execute, on behalf of the City, the First Amendment to the Lease Agreement with Heritage Digital Academy, which is attached hereto as Exhibit "1" and incorporated by this reference.



FIRST AMENDMENT TO LEASE AGREEMENT

(2255 East Valley Parkway)

This FIRST AMENDMENT TO LEASE AGREEMENT is made as of this _____ day of _____, 201__.

Between: City of Escondido
201 North Broadway
Escondido, California 92025
("City")

And: Heritage Digital Academy
1868 East Valley Parkway
Escondido, CA 92027
("Lessee")

WITNESSESS THAT WHEREAS:

- A. City and Lessee entered into a Lease Agreement dated June 13, 2013 ("ORIGINAL AGREEMENT") for the lease of real property for the purpose of operating a charter school located at 2255 East Valley Parkway and
- B. City and Lessee desire to amend the ORIGINAL AGREEMENT to extend the term.

NOW THEREFORE, it is mutually agreed by and between City and Lessee as follows:

- 1. **Section 3.1 of Section 3 "Term"** shall be deleted in its entirety and replaced with the following:
 - 3.1 Term. The term of the Lease shall commence on June 1, 2013 and expire on December 31, 2030.
- 2. All other terms and condition of the ORIGINAL AGREEMENT shall remain in full force and effect.
- 3. This FIRST AMENDMENT and the ORIGINAL AGREEMENT, together with any attachments, are the entire understanding of the parties, and there are no other terms or conditions, written or oral, controlling this matter.

IN WITNESS WHEREOF, the parties have executed this agreement as of the day and year noted above.

HERITAGE DIGITAL ACADEMY

Date: _____

By (Print Name/Title): _____

Date: _____

By (Print Name/Title): _____

CITY OF ESCONDIDO

Date: _____

Debra Lundy
Real Property Manager

Date: _____

Diane Halverson
City Clerk

Approved as to Form:

Office of the City Attorney
JEFFERY R. EPP, City Attorney

By: _____
Deputy City Attorney

ORDINANCE NO. 2015-24

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

WHEREAS, the last adjustment of the salary of the City Council was effective December 2014, pursuant to Ordinance No. 2013-16; and

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

WHEREAS, the current salary for City Council Members is \$1,725.97 per month, as set by Escondido Municipal Code Section 2-28.

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

SECTION 1. That the above recitations are true.

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

Section 2-28. Compensation of Members.

(a) Effective on the date the City Council members to be elected at the 2016 Regular Municipal Election are sworn into office, the members of the City Council shall receive a monthly salary of \$1,898.57 per month in accordance with the provisions of Section 36516 of the Government Code.

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

CITY COUNCIL

For City Clerk's Use:

☐

APPROVED

☐

DENIED

Reso No. _____

File No. _____

Ord No. _____

Agenda Item No.: 12

Date: December 9, 2015

TO: Honorable Mayor and Members of the City Council

FROM: Jay Petrek, Director of Community Development

SUBJECT: Plot Plan and Final Environmental Impact Report for a Grocery Store and Restaurant at Centerpointe 78, a New 3.7-Acre Shopping Center (ADM 13-0127 / ENV 13-0009)

STAFF RECOMMENDATION:

It is requested that Council adopt Resolution No. 2015-203 approving a Plot Plan for a new commercial establishment to include a 43,681-SF grocery store and a 3,200-SF drive-thru restaurant, and certifying a Final Environmental Impact Report (EIR).

PLANNING COMMISSION RECOMMENDATION:

On November 10, 2015, the Planning Commission voted 5-0-0 (Weber absent) to recommend approval of the proposed Centerpointe 78 project and certification of the Final EIR.

PROJECT DESCRIPTION:

A Plot Plan to redevelop the 3.7-acre former Toyota of Escondido site into a new commercial establishment, "Centerpointe 78", to include an approximately 43,681-SF grocery store and an approximately 3,200-SF quick-service, drive-thru restaurant. The grocery store would be located in the western portion of the site, with the main entrance facing east (toward North Broadway) and a loading dock at the rear. The restaurant would be located in the eastern portion of the site, and the drive-thru would wrap around the east side of the building. A proposed building design has been provided for the grocery store, but not for the restaurant at this time.

Access to the center would be via three driveways on West Lincoln Avenue: one at the rear of the grocery store (for loading/unloading of trucks), and two leading into the 199-space parking lot between the market and the restaurant. An existing vehicular access point on Broadway would be removed, and no access to the center would be available from Broadway or State Route (SR) 78.

A master sign program would be established for the center, to include all building signage, a 20' pylon sign in the southeastern portion of the property, a 6' monument sign at the southwestern corner of Lincoln Avenue and Broadway, and another 6' monument sign at the middle driveway on Lincoln Avenue. Lighting, landscaping, grading, and on-site utility improvements would also be included in the project, as well as a storm drain connection from the northeastern corner of the site to an existing storm drain at the northwest corner of Lincoln Avenue and Broadway. Though the project site is

currently unused, it contains buildings, parking lots, landscaping, and utilities left over from the last occupant (a car dealership). These structures would be demolished and the land grubbed and rough-graded prior to fine-grading, construction, paving, and landscaping.

Per Section 33-340 of the City of Escondido Zoning Code, Plot Plan approval is required for permitted uses in the CG (General Commercial) zone when a new use of land or use of an existing structure is proposed that may require additional parking, or when a new, substantially different use is proposed for the site of an existing or vacant automobile dealership. In most cases, Plot Plans are subject to administrative approval and do not require a public hearing. However, this project would have potentially significant environmental impacts in its proposed location, so an EIR was prepared to analyze these impacts and propose mitigation where feasible. Since the project includes a proposal for a traffic impact fee credit to fund some of the proposed traffic mitigation, final approval from City Council is necessary.

LOCATION:

The 3.7-acre site is located on the west side of North Broadway, south of West Lincoln Avenue and north of State Route 78, and addressed as 925 North Broadway.

FISCAL ANALYSIS:

The project includes conditions of approval requiring the applicant to make a fair share contribution of \$99,000 toward future ultimate improvement of Lincoln Parkway between Fig Street and Ash Street, and a fair share contribution of \$39,000 toward future ultimate improvement of Mission Avenue between Centre City Parkway and Escondido Boulevard (see #2 and #3 under the "Cash Securities and Fees" subsection of the Engineering Conditions of Approval, located within Attachment B). The fair share contributions are also included as mitigation measures in the Final EIR due to significant traffic impacts to these road segments, though no specific dollar amounts are cited in that document. A condition of approval also would apply a traffic impact fee credit of up to \$163,000 for implementation of traffic mitigation measures proposed in the project's Final EIR (see Planning Condition of Approval #25 in Exhibit "B").

GENERAL PLAN ANALYSIS:

Section J.2.b of the General Plan's Land Use and Community Form Element identifies the project site as a portion of the Highway 78 / Broadway Target Area (Target Area #2). The proposed project would conform to the Guiding Principles for this Target Area since it would promote a higher intensity of commercial development and greater employment density along the Broadway corridor.

ENVIRONMENTAL REVIEW:

A Draft EIR was prepared for this project and circulated for a 45-day public review period starting August 14 and ending September 28, 2015. Comments were received from four agencies: Caltrans District 11; Escondido Union School District; County of San Diego, Department of Environmental Health, Vector Control Program; and State of California, Governor's Office of Planning and Research, State Clearinghouse and Planning Unit. A Final EIR was provided to Planning staff on October 22,

2015, and included responses to comments on the Draft, as well as revisions summarized on page SC-1. The Final EIR is located on the City's website at <https://www.escondido.org/centerpointe-78-commercial-project.aspx>.

The Final EIR identified several potentially significant project-related impacts regarding hazardous materials, noise, and traffic and transportation. The hazardous materials impacts include the potential for asbestos and lead-based paint in existing structures on the site; these impacts can be reduced to a less than significant level by following appropriate dust-suppression and disposal protocols during demolition activities. The noise impact (a permanent increase in ambient noise along West Lincoln Avenue between North Escondido Boulevard and North Broadway, caused by increased traffic on this road segment) would be unmitigable. The EIR identified 17 potentially significant traffic impacts. Mitigation measures are infeasible for four of these impacts since they would require the removal of street parking or the acquisition of additional right-of-way to widen roadways, which are options considered undesirable to the community. Further information about project impacts and the proposed mitigation measures is located in the "Analysis" section, later in this staff report. Should the project be approved in spite of unmitigable impacts, findings would need to be made to support a statement of overriding considerations that the economic, social, and aesthetic benefits of the project would outweigh its impacts.

PREVIOUS ACTION:

On March 26, 2014, the City Council passed Resolution No. 2014-35 to authorize the execution of a consulting agreement with RECON Environmental, Inc., for the preparation of the project's EIR. This was followed by a first amendment to the consulting agreement for traffic mitigation analysis, approved on May 20, 2015, under Resolution No. 2015-80.

BACKGROUND:

The project site was occupied by residential and agricultural (orchard) uses from approximately 1904 until 1963, when a church was located on the western portion of the site. Around 1970, a Toyota dealership and service center was constructed on the site. Additional buildings were added to support these uses in the mid-80s, and this expansion also included the removal of two underground storage tanks.

In the early 90s, Toyota of Escondido purchased the westernmost lot of the project site (APN 229-121-09) and added it to the dealership property for use as a vehicle storage lot.

In 2003, Toyota of Escondido moved to the southeast corner of North Broadway and East Lincoln Parkway. Since then, the project site has remained unused, though the old dealership buildings, parking lots, landscaping, and utilities have remained in place. The application for the Centerpointe 78 project, ADM 13-0127, was submitted on August 15, 2013.

PLANNING COMMISSION RECOMMENDATION AND SUMMARY

On November 10, 2015, the Planning Commission voted 5-0-0 (Weber absent) to recommend approval of the proposed Centerpointe 78 project and certification of the Final EIR. The Commission discussed the project's impacts to Lincoln Elementary School (the loss of the student loading zone),

traffic impacts, and noise impacts along State Route 78, as well as the possibility that the proposed restaurant would be larger than the planned 3,200 SF and whether that would trigger new permits or environmental review. At the hearing, the project applicant opposed some of the proposed traffic-related conditions of approval, particularly those concerning the amount of the traffic impact fee credit and the potential relocation of a utility pole at the Lincoln/Fig intersection. Engineering staff noted that these issues could be negotiated with the applicant and finalized prior to the City Council hearing.

PUBLIC AND AGENCY COMMENT:

On June 4, 2014, staff distributed 49 copies of a Notice of Preparation for the Draft EIR to state and local agencies, City staff and officials, the Escondido library, and the Planning counter. Once the Draft EIR was complete and ready for public review, a Notice of Availability was mailed on August 12, 2015, to 442 recipients (281 residents and 161 property owners) within 500 feet of the project site, as well as to state and local agencies and City staff and officials. Large signs have been posted along the site's three street frontages to notify local residents of the applicant's proposal and the hearing date. No letters or emails have been received from any neighbors throughout this process, but consultation with other agencies has been ongoing since the project application was submitted. A summary of this agency input is discussed below.

Consultations with Escondido Union School District

On June 19, 2013, representatives from the Escondido Union School District met with the applicant team to discuss the project, since Lincoln Elementary School is located directly north of the project site. Several requests/recommendations emerged from that meeting to address issues related to the project's proximity to the school. The school district requested a traffic signal at Lincoln and Broadway, use of the shopping center parking lot by parents during student drop-off and pick-up hours, restriction of food truck deliveries to the hours of 9 PM to 6 AM (i.e., no daytime deliveries), partnership between the shopping center and the school for special events, coordination of construction activities to minimize impacts to school operations (particularly testing periods), and coordination of street improvements to minimize impacts to school arrival and departure times.

A new signal at Broadway and Lincoln has been incorporated into the project design as a mitigation measure to address significant impacts identified in the project's EIR. The signal will be timed to account for morning, mid-day, and afternoon peak traffic flows (which will include school-related traffic), and will coordinate with other signals in the area. Conditions of approval have also been included to prevent daytime food deliveries and to prohibit the shopping center from posting "no parking" signs in the parking lot. Additionally, an enhanced crossing from the southwest corner to the northwest corner of Lincoln Avenue and Broadway will make that crossing safer for families walking between the shopping center parking lot and the school. The remaining school district requests have not been incorporated into the project's conditions of approval, since the City will be unable to enforce a partnership for special events or a coordination of construction activities with fluctuating school operations.

Public Review (Notice of Availability)

During the 45-day public review period for the Draft EIR, staff received comments from four agencies: Caltrans District 11; Escondido Union School District; County of San Diego, Department of Environmental Health Vector Control Program; and State of California, Governor's Office of Planning and Research, State Clearinghouse and Planning Unit. All comments were analyzed and responses were prepared in accordance with CEQA Guidelines Section 15088. Comments and responses are included in the Final EIR on pages RTC-1 through RTC-8. The comments from the Escondido Union School District were similar to the recommendations that came from their September 2013 meeting with the applicant, described above.

ANALYSIS:

Appropriateness of the Site for the Proposed Project

The proposed project would be consistent with development standards for the CG zoning district. This district has no minimum requirements for lot size, average lot width, or lot frontage width, and no maximums for building height or lot coverage. Proposed setbacks for the project are in conformance with requirements for corner lots in the CG district.

The project would include three driveways located on Lincoln Avenue and no driveways on Broadway, consistent with the City's policy to limit private driveway access on major roadways (City Street Network Policy 7.11). Each driveway would be 30 feet wide with one inbound and one outbound lane. This width would exceed the City's minimum 24-foot driveway width requirement and would provide an adequate entrance for emergency access. The westerly project driveway is intended to provide access for large delivery trucks to the proposed loading dock, and includes a turnaround area that would accommodate large trucks or 40-foot fire truck.

A parking requirement of 194 spaces was calculated for the project by combining the individual requirements for a grocery store (174 spaces for a 43,681-SF store at a 1:250 ratio) and a drive-through restaurant (20 spaces for a restaurant under 4,000 SF). Since 199 spaces are proposed, a surplus of five spaces would exist. The Zoning Code does provide a separate parking standard of one space per 200 square feet of gross floor area for shopping centers that contain multiple uses and occupy a lot of three or more acres. If this standard were applied to the project, it would be required to provide 234 spaces, and the 199-space proposal would result in a 35-space shortage. However, Planning staff determined that since this project would involve only two distinct uses, either of which could operate alone successfully without the other, the individual parking requirements could apply. Staff and the Planning Commission have determined that the 199-space proposal is appropriate for this project.

Overview of Traffic Impacts

The traffic analysis included in the EIR for this project evaluated 21 road segments and 16 intersections, as well as the three project driveways. Information regarding impacts to specific road segments and intersections is detailed in the attached Planning Commission staff report. Per the

traffic study prepared for this project by RK Engineering, the project is anticipated to generate 8,605 “driveway” average daily trips (ADT).

The EIR for this project identified several potentially significant impacts to many of the segments and intersections that were analyzed and proposes mitigation measures for most of the segment impacts, including but not limited to:

- A median on El Norte Parkway would prohibit left turns from northbound Escondido Boulevard onto westbound El Norte Parkway, while a u-turn movement would be added at the two left-turn lanes on westbound El Norte Parkway at Centre City Parkway. Another u-turn pocket would be added on El Norte Parkway between Escondido Boulevard and Broadway.
- Parking (22 spaces) would be removed on the west side of Escondido Boulevard between El Norte Parkway and Decatur Way, and a two-way left-turn lane would be installed.
- Fair-share payments toward road widening would be collected for Lincoln Avenue from Fig Street to Ash Street, and Mission Avenue from Centre City Parkway to Escondido Boulevard.

The EIR also proposes mitigation measures for the intersection impacts, including but not limited to:

- New traffic signals would be installed at Escondido Boulevard and Lincoln Avenue, and at Broadway and Lincoln Avenue.
- Northbound Fig Street would be restriped to include two dedicated left-turn lanes at Lincoln Avenue and a shared thru/right-turn lane, with parking removed as required.

Unmitigated Traffic Impacts

The EIR identified four significant traffic impacts with no feasible mitigations, all of which would affect road segments. The affected road impacts and their corresponding segments are as follows:

- Impact TR-11, Segment #4: Escondido Boulevard, Decatur Way to Lincoln Avenue
- Impact TR-13, Segment #12: Lincoln Avenue, Escondido Boulevard to Broadway
- Impact TR-5, Segment #17: Lincoln Parkway/Lincoln Avenue, Ash Street to Harding Street
- Impact TR-6, Segment #18: Lincoln Parkway/Lincoln Avenue, Harding Street to Rose Street

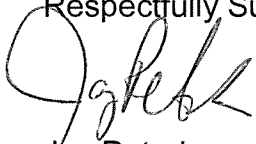
No mitigations are feasible at these segments because road widening would involve either the removal of street parking or the acquisition of new right-of-way, and the community values retention of parking and residential uses in these areas. The impacts will therefore remain significant and unavoidable. Should the project be approved, a Statement of Overriding Considerations would need to be adopted, finding that the benefits of the project would outweigh these significant and unavoidable impacts. A Statement of Overriding Considerations has been prepared for this project and is attached to this staff report.

Although staff is recommending approval of the project, it should be noted that while the project proposes several mitigations to help reduce most traffic impacts to a less than significant level, the proposed development will still absorb a large portion of the surrounding road network’s capacity. This will result in less capacity available to other land uses, which could deter future more employment-oriented businesses from locating in this area of the City.

Noise Impacts

The EIR identified a significant noise impact along West Lincoln Avenue, between Escondido Boulevard and Broadway. Specifically, the project would involve a permanent increase in ambient noise along this segment, both as a direct impact and a cumulative impact, due to increased street traffic. The EIR considered two mitigation measures to reduce this noise impact to a less than significant level, but both measures were found to be infeasible. Project access from a different road would not be possible, since the City does not have jurisdiction over SR 78 and an access point on North Broadway would not conform to minimum distances from intersections. A noise wall along Lincoln Avenue would not be viable, since residential uses along this segment take access from Lincoln, and gaps in the wall (to accommodate driveways) would render the wall ineffective. Therefore, the impact would remain significant and unavoidable.

Respectfully Submitted,



Jay Petrek
Director of Community Development



Ann Dolmage
Associate Planner

**FINDINGS OF FACT
ADM 13-0127 / ENV 13-0009
EXHIBIT "A"**

1. The use proposed for the site is consistent with the General Commercial designation as described in the Escondido General Plan, since it will include a local-serving grocery store and an eating or drinking establishment. The project is consistent with goals and policies within the General Plan pertaining to Commercial Land Uses, since a traffic and circulation study was prepared, points of access were located so as not to be too close to intersections, and the environmental analysis performed for the project included the drive-through feature at the proposed restaurant. The project is also consistent with the guiding principle of the Highway 78/Broadway Target Area that calls for higher development intensities along the Broadway corridor.
2. A Draft EIR was released for public review from August 14 to September 28, 2015. A Final EIR was provided on October 22, 2015 to incorporate comments received during the review period and their responses, and to make other revisions. The EIR identified significant project-related impacts with respect to hazards, noise, and traffic. Mitigation measures were proposed to reduce most of these impacts to a less than significant level. However, one noise impact (permanent ambient noise related to increased traffic on West Lincoln Avenue, between Escondido Boulevard and Broadway) was found to be significant and unavoidable. Four traffic impacts were found to be potentially significant and unavoidable, though the EIR deferred to the decision-making body as to whether they could be mitigated through the removal of traffic or acquisition of additional right-of-way to create new traffic lanes. Should the City Council decide to approve the project and certify the EIR despite the unavoidable noise impact and the potentially unavoidable traffic impacts, a Statement of Overriding Considerations shall also be adopted that finds that the social, economic, sustainability, and public improvement benefits of the project will outweigh the significant and unavoidable impacts identified in the EIR.
3. The proposed location will allow the future commercial uses to be adequately serviced by existing or proposed public facilities or services since the surrounding road network has already been constructed and all utilities are in close proximity to the project site.
4. The overall design of the proposed commercial development will produce an attractive, efficient development that utilizes complementary building materials with adequate parking and pedestrian linkages through the site. The project has undergone staff design review and recommendations from that review have been incorporated into the conditions of approval.
5. As proposed, the project will be well integrated with its setting and the surrounding area since the property was previously graded to accommodate an automobile dealership and is relatively flat. The height of the proposed grocery store building will be comparable to similar grocery stores in the community and in compliance with the development standards of the Commercial General (CG) zoning district. Though no building design is proposed for the restaurant at this time, this building will be subject to additional Plot Plan review and required to conform to CG development

standards. The grocery store underwent staff design review in July of 2014 and recommendations from that meeting have been incorporated into the conditions of approval.

6. The proposed grocery store and restaurant shall have a beneficial effect by providing services needed by city residents.
7. An appropriate number of parking spaces will be provided for the combined grocery store and restaurant uses.

EXHIBIT "B"
CONDITIONS OF APPROVAL
ADM 13-00127 / ENV 13-0009

Mitigation Measures

HAZ-1: Prior to issuance of a building permit or other applicable permit that includes demolition or renovation of on-site structures, a facility survey shall be performed to determine the presence or absence of Asbestos-Containing Materials (ACMs) in all buildings located at the Centerpointe 78 project site (925 North Broadway) that are to be demolished. Suspect materials that will be disturbed by the demolition or renovation activities shall be sampled and analyzed for asbestos content, or assumed to be asbestos containing. The survey shall be conducted by a person certified by Cal/OSHA pursuant to regulations implementing subdivision (b) of Section 9021.5 of the Labor Code, and shall have taken and passed an EPA-approved Building Inspector Course. Should regulated asbestos containing materials be found, it shall be handled in compliance with the San Diego Air Pollution Control District Rule 361.145 – Standard for Demolition and Renovation. Evidence of completion of the facility survey shall consist of a signed, stamped statement from the person certified to complete the facility survey indicating that the survey has been completed and that either regulated asbestos is present or absent. If present, the letter shall describe the procedures that will be taken to remediate the hazard. (Impact HAZ-1)

HAZ-2: Prior to issuance of a building permit or other applicable permit that includes demolition or renovation of on-site structures, a survey shall be performed by a California Department of Health Services certified lead inspector/risk assessor to determine the presence or absence of lead based paint located in all buildings located at the Centerpointe 78 project site (925 North Broadway) that are to be demolished. All lead-containing materials scheduled for demolition must comply with applicable regulations for demolition methods and dust suppression. Lead-containing materials shall be managed in accordance with applicable regulations including, at a minimum, the hazardous waste disposal requirements (Title 22 CCR Division 4.5), the worker health and safety requirements (Title 8 CCR Section 1532.1), and the State Lead Accreditation, Certification, and Work Practice Requirements (Title 17 CCR Division 1, Chapter 8). (Impact HAZ-2)

TR-1: Prior to the issuance of occupancy permits, parking shall be prohibited on the west side of Escondido Boulevard (El Norte Parkway to Decatur Way) and a two-way left-turn lane shall be installed by the applicant. This shall result in the loss of 22 parking spaces. (Impact TR-1)

TR-2: Prior to the issuance of occupancy permits, parking shall be prohibited on the east side of Escondido Boulevard (Mission Avenue to Washington Avenue) and "No Parking" signs shall be installed by the applicant. This shall result in the loss of 14 parking spaces. (Impact TR-2)

TR-3: Prior to the issuance of occupancy permits, parking shall be prohibited on both sides of Fig Street (Lincoln Avenue to Mission Avenue) and a two-way left-turn lane shall be installed by the applicant. This will require the loss of 13 parking spaces. The Traffic Impact Fee payment provided for this project will fund the installation of these improvements. (Impact TR-3)

TR-4: Prior to the issuance of occupancy permits, the applicant shall (1) install a dedicated WB right-turn lane at Lincoln Avenue/Garrick Way intersection and a dedicated EB right-turn lane at Lincoln Avenue/Fig Street intersection (this work may involve shifting power poles in the immediate vicinity to accommodate the intersection widening), and (2) re-time traffic signals at these intersections, as needed. The Traffic Impact Fee payment provided for this project will fund the installation of these improvements. (Impact TR-4)

TR-5: Prior to the issuance of occupancy permits, the applicant shall (1) install a raised median on El Norte Parkway in order to restrict access from Escondido Boulevard onto El Norte Parkway to right-turns only, (2) install a dedicated right-turn lane from northbound Escondido Boulevard to eastbound El Norte Parkway (to be accomplished with striping), (3) modify the El Norte Parkway raised median to lengthen the two left-turn lanes from westbound El Norte Parkway to southbound Centre City Parkway to accommodate a U-turn movement, and (4) modify the median and left-hand turn lane on El Norte Parkway, between Escondido Boulevard and Broadway to accommodate a U-turn on El Norte Parkway. (Impacts TR-7 and TR-12)

TR-6: Prior to the issuance of occupancy permits, the applicant shall install a traffic signal at the Escondido Boulevard/Lincoln Avenue intersection. (Impact TR-8)

TR-7: Prior to the issuance of occupancy permits, the applicant shall (1) install a traffic signal at the North Broadway/Lincoln Avenue intersection, (2) restripe eastbound and westbound approaches of that intersection to include a shared through/left-turn lane and dedicated right-turn lane, and (3) install a "Keep Clear" sign at the intersection. (Impact TR-9)

TR-8: Prior to the issuance of occupancy permits, the applicant shall provide a dedicated southbound right-turn lane and install a southbound right-turn overlap (prohibit eastbound U-turns) at the North Broadway at SR 78/Lincoln Parkway intersection to the satisfaction of the City and Caltrans. (Impact TR-10)

TR-9: Prior to the issuance of occupancy permits, the applicant shall provide a fair-share contribution to the City's satisfaction towards widening Lincoln Avenue (Fig Street to Ash Street) to six lanes. (Impact TR-14)

TR-10: Prior to the issuance of occupancy permits, the applicant shall provide a fair-share contribution to the City's satisfaction towards widening Mission Avenue (Centre City Parkway to Escondido Boulevard) to six lanes. (Impact TR-15)

TR-11: Prior to the issuance of occupancy permits, the project shall restripe the Fig Street/Lincoln Avenue intersection northbound lanes to include two dedicated left-turn lanes and a shared through/right-turn lane. To accommodate the dual northbound left-turns, the southbound approach shall be "shadowed" and parking shall be removed as needed. The Traffic Impact Fee payment provided for this project will fund the installation of these improvements. (Impact TR-16)

TR-12: Prior to issuance of final grading and construction plans, a limited use area shall be established near project driveways to provide adequate sight distance pursuant to City requirements and to the satisfaction of the City. (Impact TR-17)

Planning Division

1. The shopping center shall post no signs preventing parents/families of Lincoln Elementary School students from using the shopping center parking lot to drop off and pick up students.
2. Food truck deliveries shall be restricted to the hours of 9 P.M. to 6 A.M. (no daytime deliveries) to avoid conflicts with school operations.
3. The project shall conform to the following recommendations from the Design Review Committee meeting of July 3, 2014:
 - a. On the north elevation, the grocery store façade with the flat roofline (on either side of the façade with the barrel-topped parapet) shall be recessed a minimum of two feet to provide appropriate variation on this side of the building.
 - b. The 12 trellises on the north elevation shall be varied in height and placement to provide a pedestrian-friendly scale along the sidewalk.
 - c. On the east elevation, canopy elements shall be incorporated over the entries and other portions of the façade to “break up” the massing.
 - d. The loading dock/receiving area adjacent to SR 78 shall be screened from view of the freeway with a wall or other feature, to conceal large vehicles and the trash compactor.
 - e. Cardboard recycling storage area(s) shall be sufficiently sized and located, and called out on the building plans.
 - f. Parking lot landscaping shall conform to Article 62 of the City of Escondido Zoning Code. Parking lot trees shall be provided at a minimum ratio of one tree per four parking spaces.
 - g. Two cart corrals were proposed on the site plan submitted on August 15, 2013. A minimum of four additional corrals (six total) shall be provided and located so as to provide sufficient parking lot coverage, to the satisfaction of the Planning Department.
 - h. Building plans shall indicate where shopping carts are to be stored/located for customer use in the store (i.e. a cart storage area inside at the entrance, or outside at the entrance). If carts are to be stored outside near the entrance, a solid masonry screening wall shall be provided for carts to be stored behind.
 - i. The “Campfire” and “Marigold” paint colors proposed for the building exterior shall be softened to be less bright and distracting.
 - j. Building plans shall include the location of trash enclosures. All trash enclosures shall have a solid roof covering.
 - k. Building plans shall clearly indicate the parapet height and demonstrate adequate screening of rooftop equipment.
4. All street improvements proposed for the SR 78 corridor shall be in place prior to operation of the restaurant drive-through.
5. Prior to occupancy, the applicant shall provide a minimum of 194 striped parking spaces (174 for the grocery store and 20 for the restaurant). Parking spaces shall be striped and dimensioned per City standards. The striping shall be drawn on the plan or a note shall be included on the plan indicating the intent to stripe per City standards. Parking for disabled persons shall be provided

(including "Van Accessible" spaces) in full compliance with Chapter 2-71, Part 2 of Title 24 of the State Building Code, including signage.

6. A separate sign permit shall be required prior to the installation of any signs. All proposed signage associated with the shopping center must comply with the signage plan approved as part of this project.
7. Four revised copies of the plot plan reflecting all conditions of approval and modifications shall be submitted to the Planning Division and approved prior to issuance of grading or building permits.
8. Four copies of a detailed landscape and irrigation plan(s) shall be submitted to the Engineering Division prior to issuance of grading or building permits. A plan check fee will be collected at the time of submittal. The required landscape and irrigation plan(s) shall comply with the provisions, requirements and standards in Escondido Zoning Code Article 62 (Water Efficient Landscape Standards) and include a drought tolerant design. The plans shall be prepared by, or under the supervision of a licensed landscape architect.
9. Any existing trees to remain and any trees to be removed shall be identified on the landscape and grading plans, to the satisfaction of the Planning Division. Specimen sized trees (min. 24" box) shall be used to replace any mature trees to be removed.
10. All landscaping shall be permanently maintained in a flourishing manner. All irrigation shall be maintained in fully operational condition.
11. Prior to occupancy of future buildings, all required landscape improvements shall be installed and all vegetation growing in an established, flourishing manner. The required landscaped areas shall be free of all foreign matter, weeds and plant material not approved as part of the landscape plan.
12. In accordance with the Escondido Climate Action Plan (E-CAP), the applicant shall complete and submit a Greenhouse Gas Reduction Screening Checklist with a score of at least 100 points. The checklist shall be submitted to Planning staff prior to issuance of any grading or building permits.
13. The legal description attached to the application has been provided by the applicant and neither the City of Escondido nor any of its employees assume responsibility for the accuracy of said legal description.
14. All construction shall comply with all applicable requirements of the Escondido Zoning Code and requirements of the Planning Department, Director of Building, and the Fire Chief.
15. Prior to or concurrent with the issuance of building permits, the appropriate development fees and Citywide Facility fees shall be paid in accordance with the prevailing fee schedule in effect at the time of building permit issuance, to the satisfaction of the Director of Community Development.
16. All exterior lighting shall conform to the requirements of Article 35 of the City of Escondido Zoning Code (Ordinance No. 2014-20).

17. All project-generated noise shall conform to the City's Noise Ordinance (Ordinance 90-08).
18. The project shall conform to the Public Art Partnership Program, Article 37 of the Escondido Zoning Code.
19. No outdoor storage is approved in conjunction with this project.
20. All new utilities and utility runs shall be underground.
21. No expansion of this facility shall be permitted without approval of the Director of Community Development subject to the appropriate review process and any necessary permits.
22. The Plot Plan shall be null and void if not utilized within twelve months of the effective date of approval.
23. A copy of these Conditions of Approval shall be submitted with the building plans indicating compliance with all of the Conditions of Approval and Details of Request and exhibits contained in the Planning Commission staff report.
24. The City of Escondido hereby notifies the applicant that State Law (SB 1535) effective January 1, 2007, requires certain projects to pay fees for purposes of funding the California Department of Fish and Game. If the project is found to have a significant impact to wildlife resources and/or sensitive habitat, in accordance with State law, the applicant should remit to the City of Escondido Planning Division, within two (2) working days of the effective date of this approval ("the effective date" being the end of the appeal period, if applicable) a certified check payable to the "County Clerk," in the amount of \$3,119.75 for a project with an Environmental Impact Report, which includes an additional authorized County administrative handling fee of \$50.00 (\$3,069.75 + \$50.00). Failure to remit the required fees in full within the specified time noted above will result in County notification to the State that a fee was required but not paid, and could result in State imposed penalties and recovery under the provisions of the Revenue and Taxation code. In addition, Section 21089(b) of the Public Resources Code, and Section 711.4(c) of the Fish and Game Code provide that no project shall be operative, vested, or final until all the required filing fees are paid. If the fee increase after the date of this approval, the applicant shall be responsible for the increase.
25. Traffic impact fee credits in the amount of \$163,000 shall be applied to the project for implementation of traffic mitigation measures to the satisfaction of the City Engineer.
26. Rooftop equipment must be fully screened from all public view utilizing materials and colors which match the building(s).

Police Department

1. Shopping carts shall have automatic locking wheels to prevent removal from the property.
2. Trash enclosures shall be locked when not in use, to discourage rummaging.

3. Graffiti resistant paint shall be used for the trash enclosures and building exteriors.

Fire Department

The following items shall be completed or shown on the plans to satisfaction of the Fire Marshal:

1. A minimum 11" x 17" page size file copy of the project shall be provided showing building plan and site plan (Tif. 150 dpi).
2. An NFPA 13 automatic fire sprinkler system may be required.
3. Sprinklers are required on all overhangs exceeding four feet in residential and commercial projects.
4. An approved fire alarm system may be required.
5. A fire hydrant is required to be located within 50 feet of the fire department connection, unless otherwise specified. Please show location on building plans.
6. Fire hydrants shall be required every 300 feet.
7. Additional hydrants may be required near intersections, fire department connections, or other locations.
8. An approved UL300 fire suppression system is required for hood systems.
9. Extinguishers must be provided at all locations indicated with a minimum rating of 2A-10B:C in a visible and accessible location, at an exit or in the exit pathway. Walking distance is not to exceed 75 feet (must comply with 2010 CFC Section 906). Extinguishers must be mounted not more than 5 feet nor less than 3.5 feet above the floor. Extinguisher signage may be required.
10. Speed humps/bumps are not allowed on fire access roads.
11. All-weather, paved access must be able to support the weight of fire apparatus (75k lbs.) and approved fire hydrants must be installed and in service prior to placing any combustible materials on the job site. (Escondido Ordinance 2011-03 (RR), Section 503.2.1).
12. All gated entrances must be equipped with electric switches accessible from both sides and operable by dual-keyed switches for both fire and police. Electric gates must be operable by the Fire Department strobe detectors and allow free exiting. A funding method to provide ongoing maintenance of fire lanes, electric gates, and other fire & life safety requirements must be provided for in the CC&Rs, and/or the Association, to the satisfaction of the Fire Department. A responsible property manager must be easily accessible to the Fire Department.

13. A Knox box will be required where access to or within a structure or an area is restricted (CFC Section 506). (Escondido Ordinance 2011-03 (RR), Section 506.1).
14. A 28-foot turning radius will be required on all corners.
15. Barricades must not obstruct fire hydrants or impede emergency vehicle access.
16. Vertical clearances of 13'6" must be provided in all access and driveway areas. Trees that obstruct the vertical clearance or access width must be trimmed or removed and provisions to provide ongoing maintenance must be reflected in the CC&Rs. A copy of the CC&Rs listing this requirement must be submitted.
17. Red curbs with 4-inch white lettering "NO PARKING FIRE LANE" signs are required in 24'-wide access areas and provisions to provide ongoing maintenance must be reflected in the CC&Rs. A copy of the CC&Rs listing this requirement must be submitted to the Escondido Planning Department. "FIRE LANE" signs and red curbs must meet specifications of the Escondido Fire Department.

Building Division

The following items shall be completed or shown on the plans to satisfaction of the Building Official:

1. Building plans shall include allowable area calculations for the "M" occupancy market.
2. Building plans shall include designated parking for low-emitting, fuel-efficient and carpool/vanpool vehicles per CGBC Table 5.106.5.2.
3. Building plans shall include disabled accessible path of travel from the public way to the market building.

Engineering Division

TRAFFIC

1. The project owner is responsible to prepare improvement plans including street, traffic signal, signing and striping for review and approval by the City Engineer and construct the following traffic mitigation measures to the requirements of the City Engineer:
 - a) Install a multi-phase traffic signal at the intersection of Escondido Blvd and Lincoln Avenue and upgrade existing signing, striping and curb ramps to current standards.
 - b) Install an eight (8) phase traffic signal at the intersection of North Broadway and Lincoln Ave and upgrade existing signing, striping and curb ramps to current standards. The developer shall be responsible for establishing timing for the signal system and

coordination with the existing traffic signal system at the intersection of Lincoln Pkwy and N. Broadway.

- c) Extend existing raised median on El Norte Parkway from Centre City Parkway to approximately 100 feet east of the intersection of Escondido Blvd to provide for additional left turn pocket storage at Centre City Parkway and restrict left turns at the intersection of El Norte and Escondido Blvd.
- d) Modify the east bound approach at the intersection of Lincoln Ave and Fig St to allow for a dedicated right-turn lane. Improvements include relocation of a type 1A signal pole, signal detection modification, and corner improvements reconstruction to the requirements of the City Engineer. The signal system for Lincoln Ave and Fig St shall be retimed and coordinated with the traffic signal system at the intersection of Lincoln Pkwy and Garrick Way.
- e) Modify existing signing and striping along El Norte Parkway (Between the easterly end of the required median and intersection of N. Broadway) to accommodate for creating a U-Turn on El Norte Parkway between Escondido Blvd and N. Broadway.
- f) Modify signing and striping along Escondido Blvd, Lincoln Ave to Decatur Way to provide for a two-way left turn lane and restriction of parking on west side of street.
- g) Install No-Parking signs along east side of Escondido Blvd between Mission Ave to Washington to restrict parking and provide more capacity for the street.
- h) Modify signing and striping on Fig St, between Lincoln Ave and Mission Ave. to prohibit parking on both sides of Fig St and Install a two-way left-turn lane.
- i) Modify signing and striping at the intersection of Fig St and Lincoln Ave to include two dedicated N/B left-turn lanes and a shared thru/right-turn lane. SB approach would need to be restriped to shadow the NB lanes. Parking shall be removed as required.
- j). Modify the existing striping along west bound Lincoln Parkway at Garrick Way intersection to provide for a dedicated right-turn lane from Lincoln parkway on to Garrick Way.

All public improvements shall be designed and constructed to the requirements of the City Engineer. All improvements shall be approved and bonded prior to issuance of Building Permit.

- 2. The project owner is responsible to modify the existing traffic signal system and signing and striping at the intersection of North Broadway and SR-78/Lincoln Parkway to accommodate for additional capacity for the project traffic. All improvements shall be designed and constructed to the requirements of the responsible jurisdiction (Caltrans or City Engineer).
- 3. The project owner shall be responsible for design and construction of frontage improvements on Lincoln Ave and N. Broadway in accordance with the Local Collector standards, approved site plan and to the requirements of City Engineer. Lincoln Avenue shall be sealed or overlaid to the

requirements of the City Engineer within the areas of work. Adequate line of sight in accordance with City Standards shall be provided at all project driveways.

4. The project owner shall be responsible for any damage to the frontage and offsite existing public improvements as the result of construction activities and shall repair or replace damaged improvements to the satisfaction of the City Engineer prior to occupancy.
5. All onsite private improvements shall be designed in accordance with the City Design standards and shall be subject to review and approval by the Engineering and Planning Departments.
6. The developer shall prepare and submit an onsite signing and striping plans for review and approval by the City Engineer. The Developer's contractor shall install all onsite signing and striping in accordance with the approved plans.
7. The developer will be required to provide a detailed detour and traffic control plan, for all construction within existing rights-of-way, to the satisfaction of the Field Engineer. This plan shall be approved prior the issuance of an Encroachment Permit for construction within the public right-of-way.
8. The developer's engineer shall prepare a complete signing and striping plan for all improved roadways. All the removal of existing striping and new signing and striping shall be done by the developer's contractor.
9. The project owner shall obtain encroachment permit from Caltrans prior to start work within Caltrans right-of-way.

Engineered plans are required for traffic signal, roadway, signing and striping improvements. The developer shall post security for these improvements and plan shall be approved by the City Engineer prior to issuance of any grading permit.

GRADING

1. A site grading, drainage and erosion control/pollution prevention plan shall be approved by the Engineering and Planning Divisions prior to issuance of Grading Permit.
2. A General Construction Activity Storm Water Permit is required from the State Water Resources Board for all storm water discharges associated with a construction activity where clearing, grading and excavation results in a land disturbance of one or more acres. One copy of the Storm Water Pollution Prevention Plan shall be submitted to the City. The project owner is required to implement Best Management Practices in accordance with the project erosion control/pollution prevention plan during all phases of the project construction.
3. The developer shall be responsible for the recycling of all excavated materials designated as Industrial Recyclables (soil, asphalt, sand, concrete, land clearing brush and rock) at a recycling center or other location(s) approved by the City Engineer.

Grading, site improvements and erosion control plans shall be prepared by a Registered Civil Engineer. A separate submittal to the Engineering Department is required for the site grading and erosion control plans.

DRAINAGE

1. A final Water Quality Technical Report in compliance with the 2015 Model HMP Manual shall be prepared and submitted for approval together with the final grading and landscaping Plans.
2. All storm water treatment and bio-retention facilities and their drains including the bio-retention basins, shall be considered private. The responsibility for maintenance of these post construction storm water treatment facilities shall be that of the project owner.
3. The project owner shall be required to sign, notarize, and record a Storm Water Control Facility Maintenance Agreement. A signed copy of the agreement shall be provided to the City Engineer prior to approval final plans.

WATER SUPPLY

1. The project owner shall design and construct water system improvements with Fire Hydrants and Fire Detector Check Assemblies at locations determined by the Fire Marshall and approved by the Utilities Engineer.
2. The project owner shall be responsible for abandoning all existing public water system to the satisfaction of the Utilities Engineer.

WASTEWATER SUPPLY

1. The project owner shall provide wastewater service for the project to the requirements of the Utilities Engineer and Building Official.
2. No trees or deep rooted plants shall be planted within 15' of the private sewer mains or laterals.
3. Any new development whose wastewater discharge may contain pollutants not normally found in or in concentrations in excess of those normally found in domestic waste water shall require a Wastewater Discharge Permit according to the Escondido Municipal Code, Chapter 22, Article 8. New users shall apply at least ninety (90) days prior to connecting to the City's wastewater system and a permit must be obtained prior to commencement of any discharge to the City system. The Wastewater Discharge permit may require monitoring, mitigation, or alternate disposal methods.

CASH SECURITIES AND FEES

1. A cash security shall be posted to pay any costs incurred by the City to clean-up eroded soils and debris, repair damage to public or private property and improvements, install new BMPs, and stabilize and/or close-up a non-responsive or abandoned project. Any moneys used by the City for cleanup or damage will be drawn from this security and the grading permit will be revoked by written notice to the developer until the required cash security is replaced. The cleanup cash

security shall be released upon final acceptance of the grading and improvements for this project. The amount of the cash security shall be 10% of the total estimated cost of the grading, drainage, landscaping, and best management practices items of work with a minimum of \$5,000 up to a maximum of \$50,000, unless a higher amount is deemed necessary by the Director of Engineering Services.

2. The project owner shall provide the City with traffic mitigation fair share cash contribution in the amount of \$99,000, towards future ultimate improvement of Lincoln Parkway, between Fig St and Ash St. Payment of cash contribution shall be made prior to issuance of Building Permit.
3. The project owner shall provide the City with traffic mitigation cash contribution in the amount of \$39,000 towards future ultimate improvement of Mission Ave between Centre City Parkway and Escondido Blvd. Payment of cash contribution shall be made prior to issuance of Building Permit.
4. The project owner is eligible for traffic impact fee credit in the amount of \$163,000 for construction of offsite improvements.

UTILITY UNDERGROUNDING AND RELOCATION

1. All new utilities to serve the project shall be constructed underground.
2. The project owner shall sign a written agreement stating that he has made all such arrangements as may be necessary to coordinate and provide utility construction, relocation and undergrounding. All new utilities shall be constructed underground

EASEMENTS

1. All existing and proposed easements, both private and public, affecting subject property shall be shown and labeled on the grading and improvement plans.
2. The owner is responsible for making the arrangements to quitclaim all easements of record which conflict with the proposed development prior to the approval of the grading plans. If an easement of record contains an existing utility that must remain in service, proof of arrangements to quitclaim the easement must be submitted to the City Engineer for review and approval prior to the approval of the grading plans.
3. A 20' wide Public Waterline Easement shall be granted to the City of Escondido for all public water mains within the project site. The easement shall include all fire hydrants, water meters and other appurtenances. No private utilities or drainage pipes shall run parallel within nor shall drainage basins be located over this proposed public waterline easement.
4. A current preliminary title report shall be submitted with the grading plans.

CITY OF ESCONDIDO

**MINUTES OF THE REGULAR MEETING OF THE
ESCONDIDO PLANNING COMMISSION**

November 10, 2015

The meeting of the Escondido Planning Commission was called to order at 7:00 p.m. by Vice-chairman McQuead in the City Council Chambers, 201 North Broadway, Escondido, California.

Commissioners present: Bob McQuead, Vice-chairman; Ed Hale, Commissioner; Gregory Johns, Commissioner; Don Romo, Commissioner; and James Spann, Commissioner. (One position vacant).

Commissioners absent: Jeffery Weber, Chairman.

Staff present: Bill Martin, Assistant Planning Director; Jay Paul, Associate Planner; Ann Dolmage, Associate Planner; Owen Tunnell, Principal Engineer; Homi Namdari, Assistant City Engineer; Adam Phillips, Deputy City Attorney; and Ty Paulson, Minutes Clerk.

MINUTES:

Moved by Commissioner Romo, seconded by Commissioner Spann, to approve the minutes of the October 27, 2015 meeting. Motion carried. Ayes: Spann, Romo, McQuead, and Johns. Noes: None. Abstained: Hale. (4-0-1)

WRITTEN COMMUNICATIONS – Received.

FUTURE NEIGHBORHOOD MEETINGS – None.

ORAL COMMUNICATIONS – None.

PUBLIC HEARINGS:

**1. PLOT PLAN AND ENVIRONMENTAL IMPACT REPORT –
ADM 13-0127 and ENV 13-0009:**

REQUEST: A Plot Plan to redevelop a 3.7-acre site into a new shopping center, to include a 43,500-SF grocery store, a 3,200-SF quick-service restaurant with drive-through, and associated parking (199 spaces), landscaping, lighting, and utilities. Access to the project site would be via three driveways on West Lincoln

Avenue; no access would be provided from North Broadway or State Route 78. The project would also include a master sign program for all building signage, a 20'-high pylon sign in the southeastern portion of the property, a 6'-high monument sign at the southwest corner of West Lincoln Avenue and North Broadway, and another 6'-high monument sign at the middle driveway on West Lincoln Avenue. The project site was formerly the location of Toyota of Escondido until the dealership moved in 2007. All remaining dealership structures would be demolished and the site graded prior to development of the shopping center. The proposal also includes the adoption of the environmental determination prepared for the project.

LOCATION: On the west side of North Broadway, between West Lincoln Avenue and State Route 78, addressed as 925 North Broadway.

Ann Dolmage, Associate Planner, referenced the staff report and noted staff recommended approval of the proposed project and certification of the Final Environmental Impact Report (EIR).

Discussion ensued regarding a clarification of the number of ADTs created by Lincoln Elementary School. Additional discussions ensued regarding the proposed location of the loading zone for students and the peak hours for traffic in the area.

Vice-chairman McQuead and staff discussed the noise impacts from Highway 78.

Commissioner Hale and staff discussed hypothetical situations related to traffic if a larger restaurant was proposed.

Jim Simmons, Escondido, applicant, Pacific Development Partners, LLC, noted that the proposed size for the restaurant was based on the needed space for Starbucks. He provided an overview of the student drop-off and pick-up activities, noting that the peak times for the market would not conflict with the school hours. He indicated that they had spent significant time with Caltrans in order to interphase the traffic lights at Lincoln and Highway 78 so as to reduce the impacts on traffic. He then provided a handout with highlighted sections of the Engineering conditions of approval that they were requesting modifications to.

Vice-chairman McQuead asked Mr. Simmons if staff was aware of his proposed modifications to the conditions of approval. Mr. Simmons replied in the affirmative, noting that most of the issues had to do with traffic and the ability to afford to implement the improvements while meeting the project requirements.

Mr. Simmons referenced Page 31, Traffic Engineering Condition 1a and b and asked that the Commission recommend to City Council help with the process for traffic impact fees. He referenced Traffic Engineering Condition 1d, noting that they just received this from staff today that the project be conditioned to relocate the utility pole. He asked that this condition be removed, feeling striping would mitigate any issues. He referenced Page 32, Condition No. 2 and noted this had been resolved with staff and Caltrans. He referenced Page 34, Cash Securities and Fees Condition No. 2 and 4 and noted that they had worked this out with staff today. He then referenced Page 32, Condition No. 3 and noted that their understanding was that they would repair any damage done to the street. Mr. Simmons then noted that he had some individuals who turned in speaker slips who were in favor of the project and did not wish to speak.

Vice-chairman McQuead noted that all of the fee-related items were the purview of the City Council and not the Planning Commission.

Mr. Simmons noted that he was requesting the Commission recommend City Council consider the items he brought to the Commission.

Mr. Namdari noted that staff was in discussions with the applicant regarding final traffic designs that would fulfill the mitigation measures agreed to by the applicant.

Vice-chairman McQuead noted that Mark Burger, Lars Anderson, Willy Kim, and Jason Greminger turned in speaker slips in favor of the project.

Pete Nguyen, Escondido, asked if the tenant for grocery store was known and whether the project would include a pharmacy. Ms. Dolmage noted that this information was not known yet.

Commissioner Hale questioned whether approval of staff's recommendation meant the applicant would have to come back to the Commission to modify the mitigation measures. Mr. Namdari noted that staff was in negotiations with the applicant regarding final design and the fee credits.

Commissioner Romo asked Mr. Simmons if Traffic Engineering Condition No. 1d was present last month. Mr. Simmons noted that the part regarding relocating the pole was not in the condition last month. He also noted that they were in negotiations with staff at the current time.

Commissioner Hale expressed his concern with sending this forward to City Council without a clear resolution of the mitigation measure regarding the pole removal. Mr. Simmons stated that relocating the pole had just come to fruition.

today, noting his view that they would have time to work with staff before it went to City Council.

Mr. Namdari explained that the condition was subject to the requirements of the City Engineer, noting that this provided the latitude to create the safest condition while working with the applicant.

Commissioner Spann concurred with the City Engineer having the latitude to determine what was best for the subject project, noting that the area was already inundated with heavy congestion and school traffic. He also recommended that the trash enclosure be graffiti coated and that the aesthetics in this area be upscale since it was a gateway to the City.

Commissioner Johns and staff discussed traffic impacts for right-turn traffic from Lincoln Avenue onto Fig Street.

Commissioner Hale asked if the rooftop equipment would be screened. Mr. Martin replied in the affirmative and noted this could be added as a condition.

Commissioner Hale stated that the landscape plan needed to be high quality due to this being an entry corridor to the City.

ACTION:

Moved by Commissioner Hale, seconded by Commissioner Romo, to approve staff's recommendation. The motion included revising Police Condition No. 3 to state that graffiti resistant paint shall be used on the trash enclosures and building exteriors. The motion also included adding a condition that roof top equipment shall be screened to the satisfaction of the Planning Division. Motion carried unanimously. (5-0)

2. MODIFICATION TO A CONDITIONAL USE PERMIT – PHG 14-0035 and ENV 15-0014:

REQUEST: A modification to the Conditional Use Permit for Westminster Theological Seminary to add 9.17 acres to the existing 8.58 acre Westminster Theological Seminary Campus. The project includes construction of 72 units of graduate student housing on the New South Campus site, which includes nine two-story buildings with 16 one-bedroom units, 24 two-bedroom units and 32 three-bedroom units (72 total units). The proposed project also includes a one-story 2,200 square foot commons building on the New South Campus site and a

PLANNING COMMISSION

Agenda Item No.: G.1
Date: November 10, 2015

TO: Planning Commission

FROM: Planning Staff

SUBJECT: ADM 13-0127 / ENV 13-0009 – Plot Plan and Environmental Impact Report for a Grocery Store and Restaurant in a New 3.7-Acre Shopping Center (Centerpointe 78)

APPLICANT: Lars Andersen, Pacific Development Partners

STAFF RECOMMENDATION:

Approval of the proposed project and certification of the Final Environmental Impact Report (EIR).

PROJECT DESCRIPTION:

A Plot Plan to redevelop the 3.7-acre former Toyota of Escondido site into a new shopping center, "Centerpointe 78", to include an approximately 43,681-SF grocery store and an approximately 3,200-SF quick-service restaurant with drive-through. The grocery store would be located in the western portion of the site, with the main entrance facing east (toward North Broadway) and a loading dock at the rear. The restaurant would be located in the eastern portion of the site, and the drive-through would wrap around the east side of the building. A proposed building design has been provided for the grocery store, but not for the restaurant at this time.

Access to the center would be via three driveways on West Lincoln Avenue: one at the rear of the grocery store (for loading/unloading of trucks) and two leading into the 199-space parking lot between the market and the restaurant. An existing vehicular access point on Broadway would be removed, and no access to the center would be available from Broadway or State Route (SR) 78.

A master sign program would be established for the center, to include all building signage, a 20' pylon sign in the southeastern portion of the property, a 6' monument sign at the southwestern corner of Lincoln Avenue and Broadway, and another 6' monument sign at the middle driveway on Lincoln Avenue. Lighting, landscaping, grading, and on-site utility improvements would also be

included in the project, as well as a storm drain connection from the northeastern corner of the site to an existing storm drain at the northwest corner of Lincoln Avenue and Broadway. Though the project site is currently unused, it contains buildings, parking lots, landscaping, and utilities left over from the last occupant (a car dealership). These structures would be demolished and the land grubbed and rough-graded prior to fine-grading, construction, paving, and landscaping.

Per Section 33-340 of the City of Escondido Zoning Code, Plot Plan approval is required for permitted uses in the CG (General Commercial) zone when a new use of land or use of an existing structure is proposed that may require additional parking, or when a new, substantially different use is proposed for the site of an existing or vacant automobile dealership. In most cases, Plot Plans are subject to administrative approval and do not require a public hearing. However, this project would have potentially significant environmental impacts in its proposed location, so an EIR was prepared to analyze these impacts and propose mitigations where feasible. Since the project includes a proposal to pay for some traffic mitigations with Traffic Impact Fees, final approval from City Council is necessary. A hearing with Planning Commission is required in advance of the City Council hearing, for a recommendation regarding approval or denial of the project and certification of the Final EIR.

LOCATION:

The 3.7-acre project site is located on the west side of North Broadway, between West Lincoln Avenue and SR 78. The site is addressed as 925 North Broadway and consists of six adjacent legal lots with APNs 229-121-09 through 229-121-14. The majority of the site is zoned CG (General Commercial), with the exception of APN 229-121-09, which is zoned PD-C (Planned Development-Commercial).

ENVIRONMENTAL REVIEW:

A Draft EIR was prepared for this project and circulated for a 45-day public review period starting August 14 and ending September 28, 2015. A Final EIR was provided to Planning staff on October 22, 2015, and included responses to comments on the Draft, as well as revisions summarized on page SC-1. The Final EIR is located on the City's website at <https://www.escondido.org/centerpointe-78-commercial-project.aspx>.

The Final EIR has identified several potentially significant project-related impacts regarding hazardous materials, noise, and traffic and transportation. The hazardous materials impacts include the potential for asbestos and lead-based paint in existing structures on the site; these impacts can be reduced to a less than significant level by following appropriate dust-suppression and disposal

protocols during demolition activities. The noise impact (a permanent increase in ambient noise along West Lincoln Avenue between North Escondido Boulevard and North Broadway, caused by increased traffic on this road segment) would be unmitigable. The EIR identified 17 potentially significant traffic impacts. Mitigations are infeasible for four of these impacts since they would require the removal of street parking or the acquisition of additional right-of-way to widen roadways, which are options considered undesirable to the community. Further information about project impacts and proposed mitigations is located in the "Discussion" section, later in this staff report. Should the project be approved in spite of unmitigable impacts, findings would need to be made to support a statement of overriding considerations that the economic, social, and aesthetic benefits of the project would outweigh its impacts. A copy of the proposed statement of overriding considerations is attached to this staff report.

BACKGROUND:

The project site was occupied by residential and agricultural (orchard) uses from approximately 1904 until 1963, when a church was located on the western portion of the site. Around 1970, a Toyota dealership and service center was constructed on the site. Additional buildings were added to support these uses in the mid-80s, and this expansion also included the removal of two underground storage tanks.

In the early 90s, Toyota of Escondido purchased the westernmost lot of the project site (APN 229-121-09) and added it to the dealership property for use as a vehicle storage lot. Because this lot had residential zoning at that time, the City Council approved Zone Change 92-35-CZ to change the zoning from R-2-12 (Light Multiple Family, 12 units per acre) to PD-C (Planned Development-Commercial), and General Plan Amendment 92-02-GPA to change the General Plan designation from U-2 (Urban II) to PC (Planned Commercial). Since the remaining five lots in the Toyota property had CG (Commercial General) zoning, and a General Plan designation of GC (General Commercial), the City Manager issued a memo to City Council recommending a text amendment to indicate that development of this westernmost lot would not require a Planned Development permit, but the lot could not be developed individually.

In 2003, Toyota of Escondido moved to the southeast corner of North Broadway and East Lincoln Parkway. Since then, the project site has remained unused, though the old dealership buildings, parking lots, landscaping, and utilities have remained in place. The application for the Centerpointe 78 project, ADM 13-0127, was submitted on August 15, 2013.

DISCUSSION:

Appropriateness of the Site for the Proposed Project

The proposed project would be consistent with development standards for the CG zoning district. This district has no minimum requirements for lot size, average lot width, or lot frontage width, and no maximums for building height or lot coverage. Proposed setbacks are in conformance with requirements for corner lots in the CG district, as summarized in the Supplement to Staff Report/Details of Request section, later in this staff report. Because the rear property line adjoins a residential zone to the west (R-2-12; Light Multiple Residential, up to 12 units/acre), the project is required to provide a 15-foot rear setback, the same setback that applies to the properties within that residential zone.

The project would include three driveways located on Lincoln Avenue and no driveways on Broadway, consistent with the City's policy to limit private driveway access on major roadways (City Street Network Policy 7.11). Each driveway would be 30 feet wide with one inbound and one outbound lane. This width would exceed the City's minimum 24-foot driveway width requirement and would provide an adequate entrance for emergency access. The westerly project driveway is intended to provide access for large delivery trucks to the proposed loading dock, and includes a turnaround area that would accommodate large trucks or 40-foot fire truck.

A parking requirement of 194 spaces was calculated for the project by combining the individual requirements for a grocery store (174 spaces for a 43,681-SF store at a 1:250 ratio) and a drive-through restaurant (20 spaces for a restaurant under 4,000 SF). Since 199 spaces are proposed, a surplus of five spaces would exist. The Zoning Code does provide a separate parking standard of one space per 200 square feet of gross floor area for shopping centers that contain multiple uses and occupy a lot of three or more acres. If this standard were applied to the project, it would be required to provide 234 spaces, and the 199-space proposal would result in a 35-space shortage. However, Planning staff determined that since this project would involve only two distinct uses, either of which could operate alone successfully without the other, the individual parking requirements could apply. Therefore, staff has determined that the 199-space proposal is appropriate for this project.

Overview of Traffic Impacts

The traffic analysis included in the EIR for this project evaluated 21 road segments and 16 intersections, as well as the three project driveways. Per the traffic study prepared for this project by RK Engineering, the project is anticipated

to generate 8,605 “driveway” average daily trips (ADT). Pass-by trip reductions were applied in the PM peak hour intersection analysis to reflect pass-by trips. Existing Levels of Service (LOS) vary from A to F for the road segments and intersections that were analyzed.

The EIR for this project identified several potentially significant impacts to many of the segments and intersections that were analyzed. For segments, significant impacts involve volume/capacity ratio increases of at least 0.02 or speed reductions of at least one mile per hour. For intersections, significant impacts involve delay increases of at least two seconds. Any segment or intersection operating at LOS F is subject to mitigation consideration even when volume/capacity, speed, or delay impacts do not exceed these thresholds.

Project impacts are listed in the table below, along with their type (direct or cumulative).

Impact	Impact Type		
	Direct Existing Plus Project	Near-term Plus Project	Cumulative Horizon Year Plus Project
Impact TR-1: Segment #3. Escondido Boulevard, El Norte Parkway to Decatur Way	X	X	X
Impact TR-2: Segment #6. Escondido Boulevard, Mission Avenue to Washington Avenue	X	X	X
Impact TR-3: Segment #9. Fig Street, Lincoln Avenue to Mission Avenue	X	X	X
Impact TR-4: Segment #15. Lincoln Parkway/Lincoln Avenue, Garrick Way to Fig Street	X	X	X
Impact TR-5: Segment #17. Lincoln Parkway/Lincoln Avenue, Ash Street to Harding Street	X	X	X
Impact TR-6: Segment #18. Lincoln Parkway/Lincoln Avenue, Harding Street to Rose Street	X	X	X
Impact TR-7: Intersection #6. Escondido Boulevard at El Norte Parkway	X	X	X
Impact TR-8: Intersection #7. Escondido Boulevard at Lincoln Avenue	X	X	X
Impact TR-9: Intersection #11. North Broadway at Lincoln Avenue	X	X	X
Impact TR-10 Intersection #12. North Broadway at SR- 78/Lincoln Parkway	X	X	X
Impact TR-11: Segment #4. Escondido Boulevard, Decatur Way to Lincoln Avenue		X	X
Impact TR-12: Segment #11. El Norte Parkway, Centre City Parkway to Escondido Boulevard		X	
Impact TR-13: Segment #12: Lincoln Avenue, Escondido Boulevard to North Broadway			X
Impact TR-14: Segment #16: Lincoln Avenue, Fig Street to Ash Street			X
Impact TR-15: Segment #21: Mission Avenue, Centre City Parkway to Escondido Boulevard			X
Impact TR-16: Intersection #15: Fig Street at Lincoln Avenue			X

The EIR proposes mitigations for most of the segment impacts listed above. For example:

- A median on El Norte Parkway would prohibit left turns from northbound Escondido Boulevard onto westbound El Norte Parkway, while a u-turn movement would be added at the two left-turn lanes on westbound El Norte Parkway at Centre City Parkway. Another u-turn pocket would be added on El Norte Parkway between Escondido Boulevard and Broadway.
- Parking (22' spaces) would be removed on the west side of Escondido Boulevard between El Norte Parkway and Decatur Way, and a two-way left-turn lane would be installed.
- Fair-share payments toward road widening would be collected for Lincoln Avenue from Fig Street to Ash Street, and Mission Avenue from Centre City Parkway to Escondido Boulevard.

The EIR also proposes mitigations for the intersection impacts in the above table. For example:

- New traffic signals would be installed at Escondido Boulevard and Lincoln Avenue, and at Broadway and Lincoln Avenue.
- Northbound Fig Street would be restriped to include two dedicated left-turn lanes at Lincoln Avenue and a shared thru/right-turn lane, with parking removed as required.

Unmitigated Traffic Impacts

The EIR identified four significant traffic impacts with no feasible mitigations, all of which would affect road segments. The affected road impacts and their corresponding segments are as follows:

- Impact TR-11, Segment #4: Escondido Boulevard, Decatur Way to Lincoln Avenue
- Impact TR-13, Segment #12: Lincoln Avenue, Escondido Boulevard to Broadway
- Impact TR-5, Segment #17: Lincoln Parkway/Lincoln Avenue, Ash Street to Harding Street
- Impact TR-6, Segment #18: Lincoln Parkway/Lincoln Avenue, Harding Street to Rose Street

No mitigations are feasible at these segments because road widening would involve either the removal of street parking or the acquisition of new right-of-way, and the community values retention of parking and residential uses in these

areas. The impacts will therefore remain significant and unavoidable. Should the project be approved, a Statement of Overriding Considerations would need to be adopted, finding that the benefits of the project would outweigh these significant and unavoidable impacts. A Statement of Overriding Considerations has been prepared for this project and is attached to this staff report.

Although staff is recommending approval of the project, it should be noted that while the project proposes several mitigations to help reduce most traffic impacts to a less than significant level, the proposed development will still absorb a large portion of the surrounding road network's capacity. This will result in less capacity available to other land uses, which could deter future more employment-oriented businesses from locating in this area of the City.

Noise Impacts

The EIR identified a significant noise impact along West Lincoln Avenue, between Escondido Boulevard and Broadway. Specifically, the project would involve a permanent increase in ambient noise along this segment, both as a direct impact and a cumulative impact, due to increased street traffic. The EIR considered two mitigation measures to reduce this noise impact to a less than significant level, but both measures were found to be infeasible. Project access from a different road would not be possible, since the City does not have jurisdiction over SR 78 and an access point on North Broadway would not conform to minimum distances from intersections. A noise wall along Lincoln Avenue would not be viable, since residential uses along this segment take access from Lincoln, and gaps in the wall (to accommodate driveways) would render the wall ineffective. Therefore, the impact would remain significant and unavoidable.

Hazard Impacts

Due to their age, the existing buildings on the project site could contain asbestos and lead-based paint, which could pose a health and safety risk if not properly managed during demolition activities. Mitigation measures have been proposed to require the applicant to survey these structures prior to demolition or renovation and to handle any identified asbestos or lead per state and local protocols and regulations, including those for dust suppression, hazardous material disposal, etc. With these mitigation measures in place, the impact would be reduced to a less than significant level.

PUBLIC AND AGENCY INPUT:

On June 4, 2014, staff distributed 49 copies of a Notice of Preparation for the Draft EIR to state and local agencies, City staff and officials, the Escondido

library, and the Planning counter. Once the Draft EIR was complete and ready for public review, a Notice of Availability was mailed on August 12, 2015, to 442 recipients (281 residents and 161 property owners) within 500 feet of the project site, as well as to state and local agencies and City staff and officials. Finally, a public hearing notice was mailed to residents and owners within the 500-foot buffer and to other interested parties on October 26, 2015. Large signs have been posted along the site's three street frontages to notify local residents of the applicant's proposal and the hearing date. No letters or emails have been received from any neighbors throughout this process, but consultation with other agencies has been ongoing since the project application was submitted. A summary of this agency input is discussed below.

Consultations with the Escondido Union School District

On June 19, 2013, representatives from the Escondido Union School District met with the applicant team to discuss the project, since Lincoln Elementary School is located directly north of the project site. Several requests/recommendations emerged from that meeting to address issues related to the project's proximity to the school. The school district requested a traffic signal at Lincoln and Broadway, use of the shopping center parking lot by parents during student drop-off and pick-up hours, restriction of food truck deliveries to the hours of 9 PM to 6 AM (i.e., no daytime deliveries), partnership between the shopping center and the school for special events, coordination of construction activities to minimize impacts to school operations (particularly testing periods), and coordination of street improvements to minimize impacts to school arrival and departure times.

A new signal at Broadway and Lincoln has been incorporated into the project design as a mitigation measure to address significant impacts identified in the project's EIR. The signal will be timed to account for morning, mid-day, and afternoon peak traffic flows (which will include school-related traffic), and will coordinate with other signals in the area. Conditions of approval have also been included to prevent daytime food deliveries and to prohibit the shopping center from posting "no parking" signs in the parking lot. Additionally, an enhanced crossing from the southwest corner to the northwest corner of Lincoln Avenue and Broadway will make that crossing safer for families walking between the shopping center parking lot and the school. The remaining school district requests cannot be incorporated into the project's conditions of approval, since the City will be unable to enforce a partnership for special events or a coordination of construction activities with fluctuating school operations.

Notice of Preparation

A Notice of Preparation of an Environmental Impact Report (NOP) was mailed to several state and local agencies on June 4, 2014, to notify them of the

document's upcoming preparation and invite them to provide input on their areas of expertise and statutory responsibility. During the 30-day comment period for the NOP, staff received written comments from Caltrans District 11 and the San Luis Rey Band of Mission Indians. These comments are included in Appendix A of the Draft EIR.

AB52 Consultation

AB52 is a state law that requires local agencies to consult with any California Native American tribe that requests consultation and is traditionally and culturally affiliated with the geographic area of a proposed project. This legislation is applicable to any project subject to CEQA, when a Notice of Preparation for an EIR or a Notice of Intent to Adopt a Negative Declaration or Mitigated Negative Declaration is published after July 1, 2015. The Notice of Preparation for this project was filed on June 5, 2014, and therefore pre-dated the AB52 requirement. Regardless, staff notified three tribes by email on August 7, 2015, to provide information about the proposed project and the upcoming Draft EIR, and to inquire as to whether any of the tribes were interested in a consultation. One tribe (Rincon Band of Luiseño Indians) responded that they did not require a consultation at that time, and the other two tribes (San Luis Rey Band of Mission Indians and Soboba Band of Luiseño Indians) did not respond.

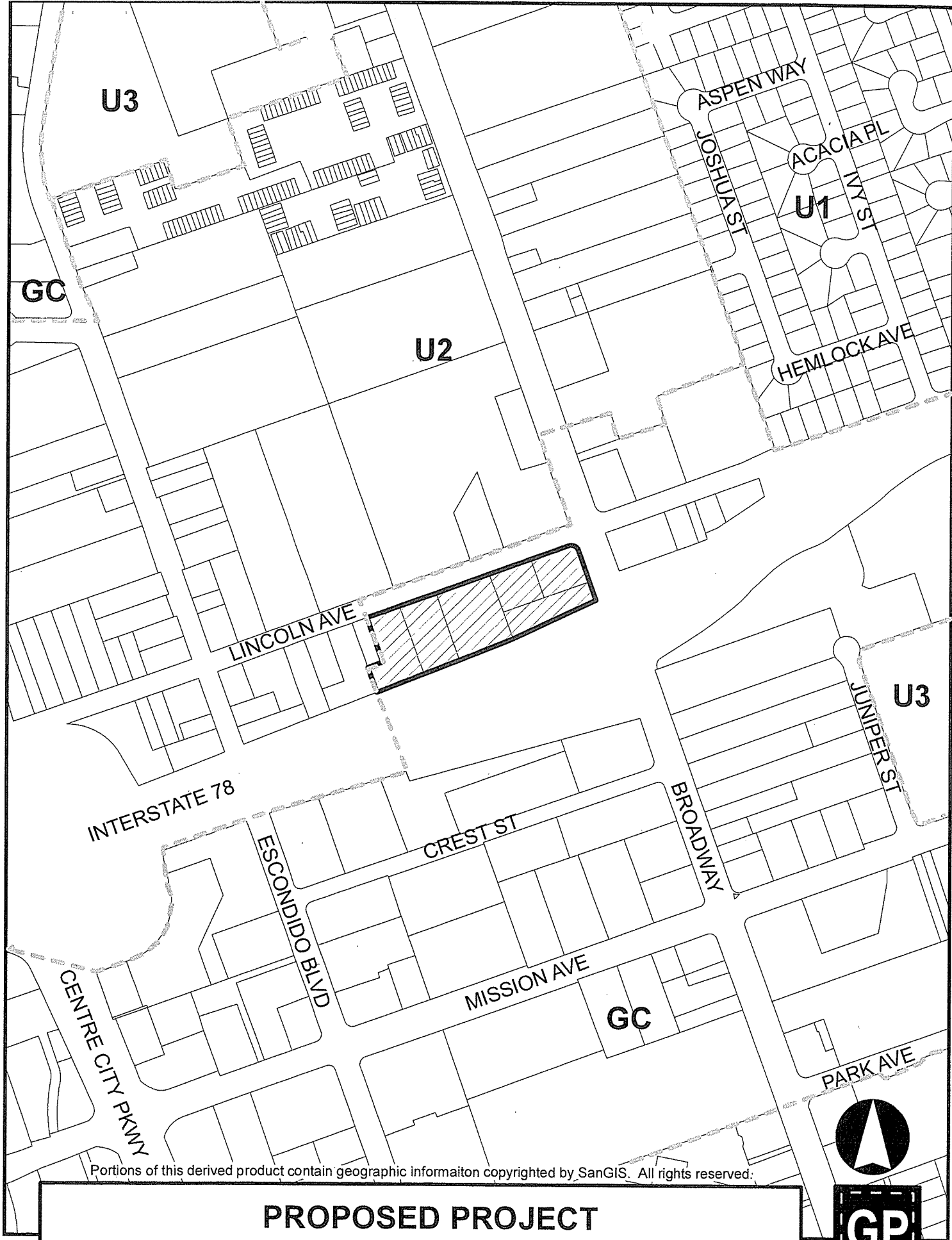
Public Review (Notice of Availability)

During the 45-day public review period for the Draft EIR, staff received comments from four agencies: Caltrans District 11; Escondido Union School District; County of San Diego, Department of Environmental Health Vector Control Program; and State of California, Governor's Office of Planning and Research, State Clearinghouse and Planning Unit. All comments were analyzed and responses were prepared in accordance with CEQA Guidelines Section 15088. Comments and responses are included in the Final EIR on pages RTC-1 through RTC-8. The comments from the Escondido Union School District were similar to the recommendations that came from their September 2013 meeting with the applicant, described above.

Respectfully Submitted,



Ann Dolmage
Associate Planner

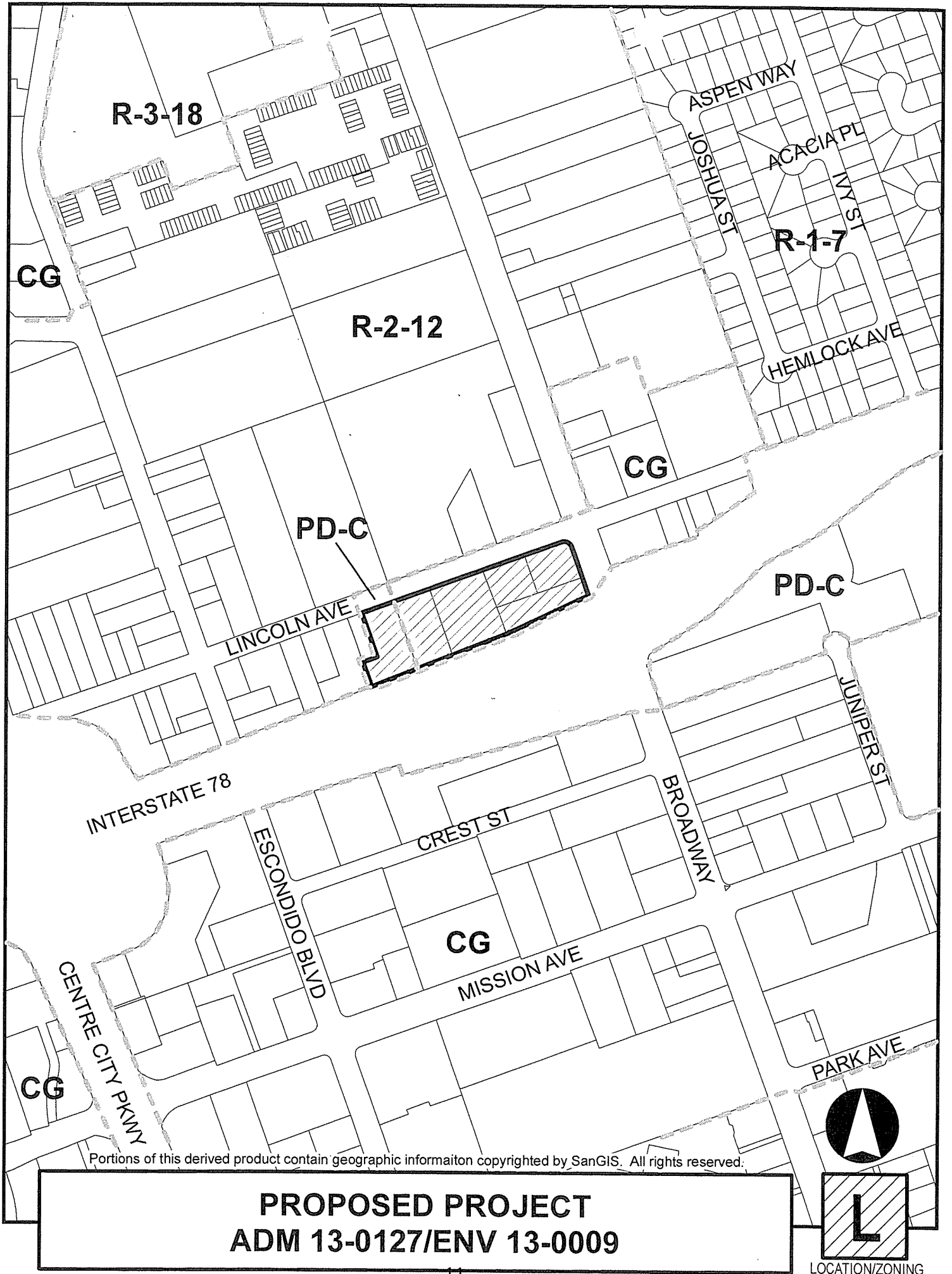


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PROPOSED PROJECT
ADM 13-0127/ENV 13-0009

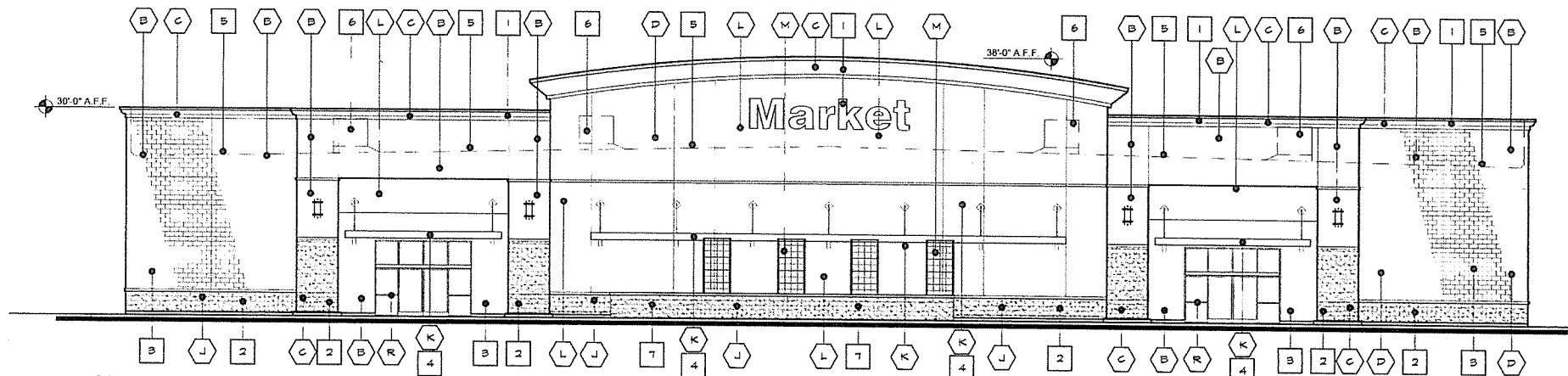


GENERAL PLAN

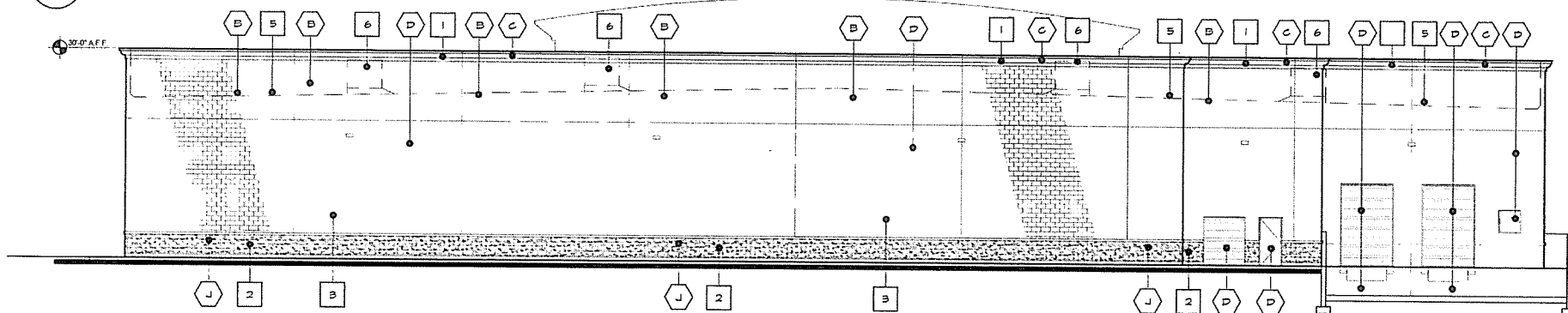


PROPOSED PROJECT
ADM 13-0127/ENV 13-0009

LOCATION/ZONING



1 **EAST ELEVATION**



2 **WEST ELEVATION**

FINISH COLORS

NOTE: DUNN EDWARDS COLORS ARE EL SUPER CUSTOM COLORS

- A NOT USED
- B DUNN EDWARDS PAINT: COLOR 'PEARL WHITE' DEW 320
- C DUNN EDWARDS PAINT: COLOR 'AUTUMN BARK' DEA 164 - PAINTED CORNICE
- D DUNN EDWARDS PAINT: COLOR 'AUGUST MORNING' DE 5283
- J DUNN EDWARDS PAINT: COLOR 'MAPLE VIEW' DE 6152
- K DUNN EDWARDS PAINT: COLOR 'SILVER CREEK' DE 6215
- L DUNN EDWARDS PAINT: COLOR 'ARABIAN RED' DEA 155
- M GREEN SCREEN
- R ALUMINUM STOREFRONT CLEAR ANODIZED WITH CLEAR GLASS WINDOW

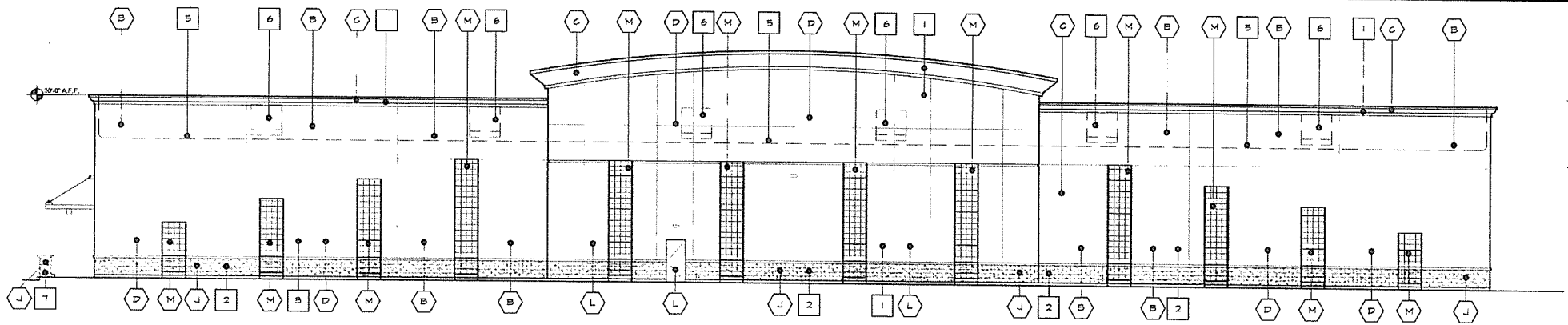
FINISH MATERIALS

- 1 STUCCO ON FRAME - FINISH TEXTURE MAXI
- 2 SPLIT FACE CMU BASE
- 3 SMOOTH FACE CMU
- 4 PREFINISHED METAL ENTRY AWNING
- 5 LINE OF ROOF BEYOND
- 6 MECHANICAL UNIT BEYOND
- 7 CART SCREEN WALL SPLIT FACE CMU BASE

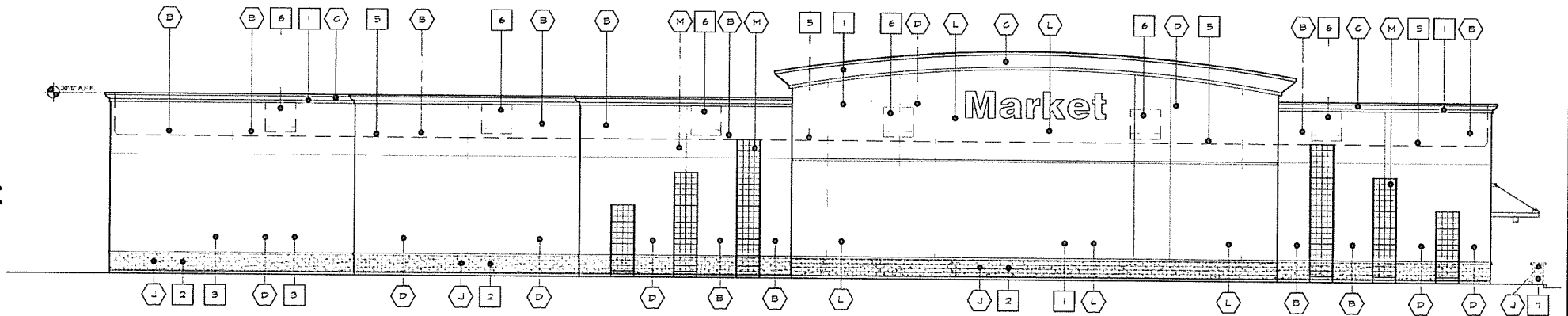
PROPOSED PROJECT
ADM 13-0127/ENV 13-0009

E

ELEVATIONS



3 **NORTH ELEVATION**



4 **SOUTH ELEVATION**

FINISH COLORS

NOTE: DUNN EDWARDS COLORS ARE EL SUPER
CUSTOM COLORS

- A NOT USED
- B DUNN EDWARDS PAINT, COLOR "PEARL WHITE" DE# 328
- C DUNN EDWARDS PAINT, COLOR "AUTUMN BARK" DE# 164 - PAINTED CORNICE
- D DUNN EDWARDS PAINT, COLOR "AUGUST MORNING" DE 5283
- J DUNN EDWARDS PAINT, COLOR "MAPLE VIEW" DE 6152
- K DUNN EDWARDS PAINT, COLOR "SILVER CREEK" DE 6215
- L DUNN EDWARDS PAINT, COLOR "ARABIAN RED" DE# 155
- M GREEN SCREEN
- R ALUMINUM STOREFRONT CLEAR ANODIZED WITH CLEAR GLASS WINDOW

FINISH MATERIALS

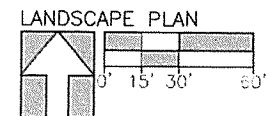
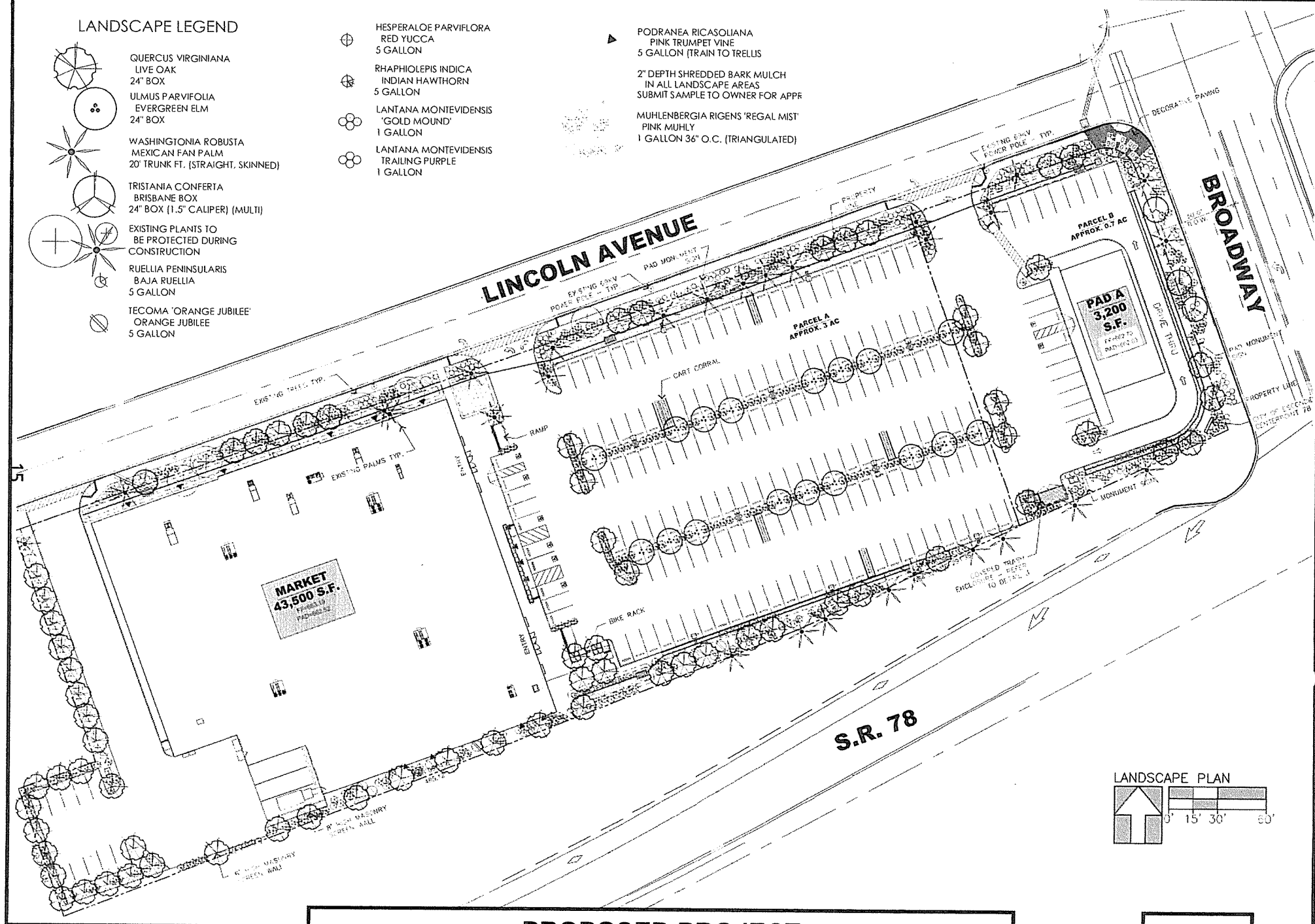
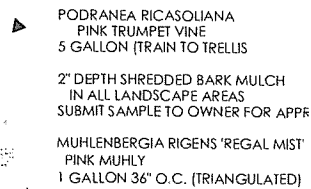
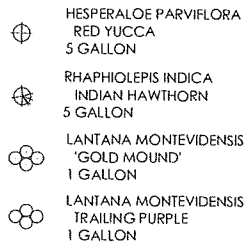
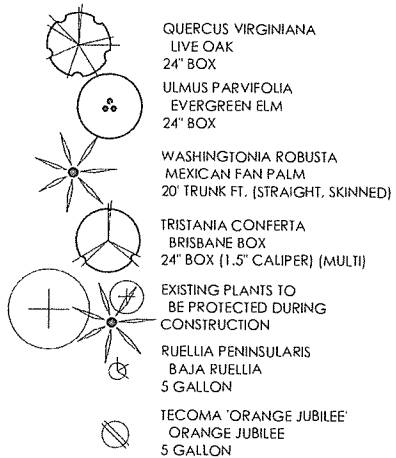
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- 5 LINE OF ROOF BEYOND
- 6 MECHANICAL UNIT BEYOND
- 7 CART SCREEN WALL SPLIT FACE CMU BASE

PROPOSED PROJECT
ADM 13-0127/ENV 13-0009

E

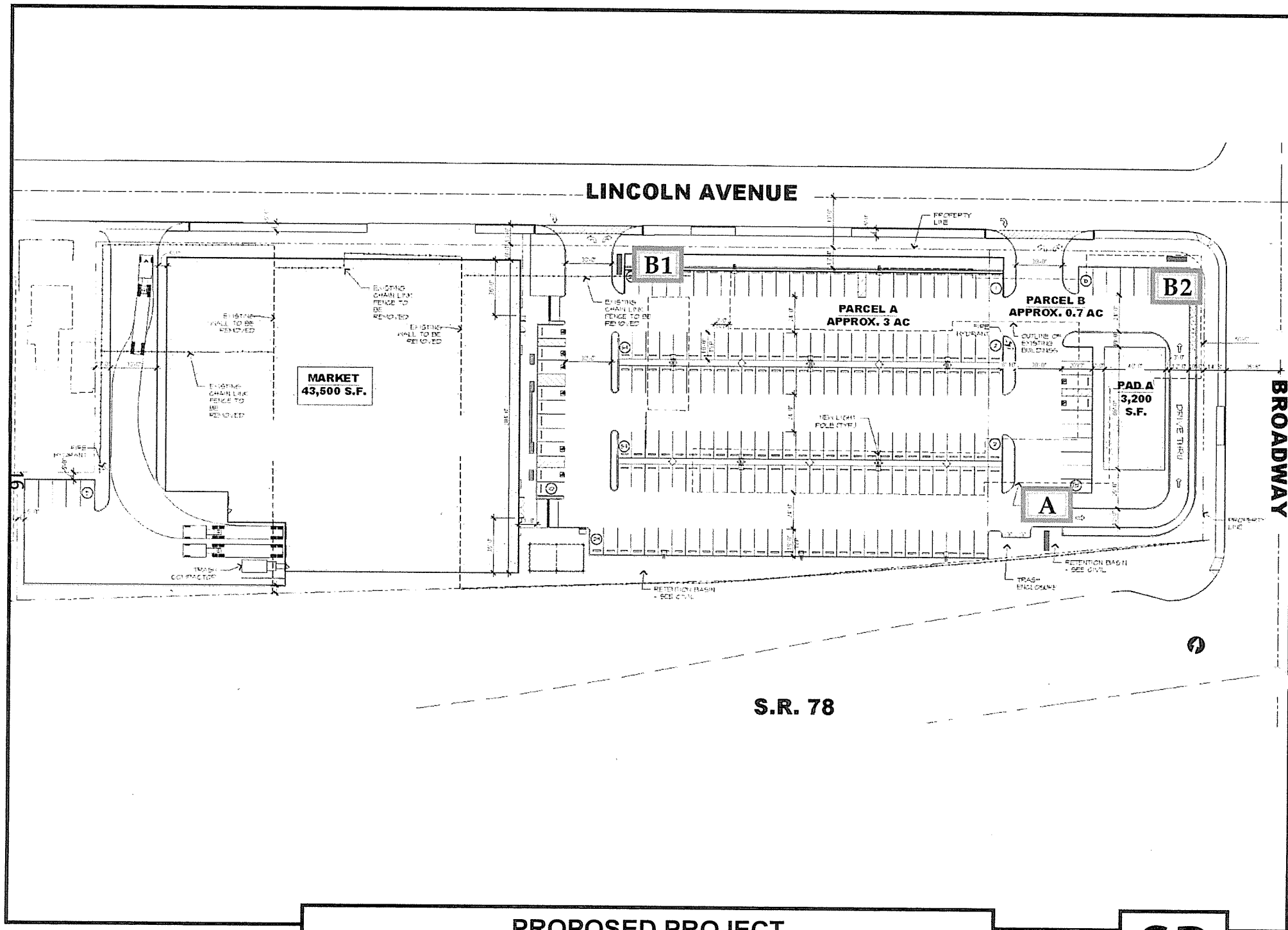
ELEVATIONS

LANDSCAPE LEGEND



PROPOSED PROJECT
 ADM 13-0127/ENV 13-0009





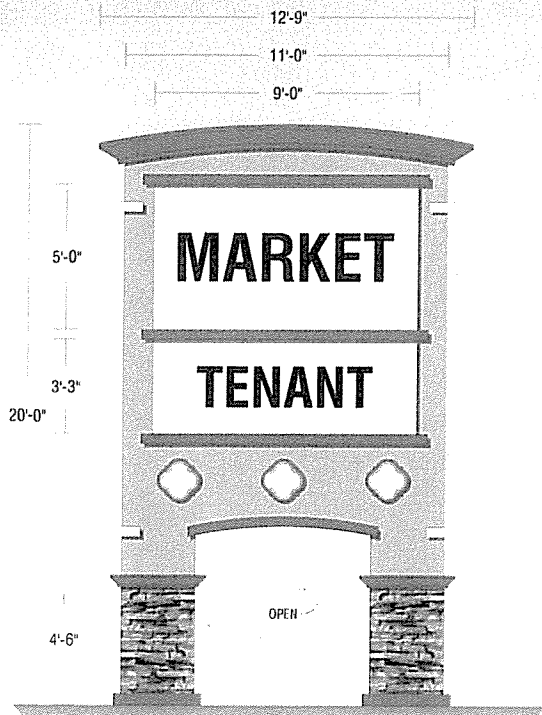
S.R. 78

PROPOSED PROJECT
ADM 13-0127/ENV 13-0009

SP

SITE PLAN - SIGN LOCATIONS

SE

PROPOSED PROJECT
ADM 13-0127/ENV 13-0009

1	WHITE
2	DUNN EDWARDS DEW328 "PEARL WHITE"
3	DUNN EDWARDS DE5291 "MARIGOLD"
4	DUNN EDWARDS DE6152 "MAPLE VIEW"
5	COLOR TO BE VERIFIED
6	STONE VENEER TO BE DETERMINED

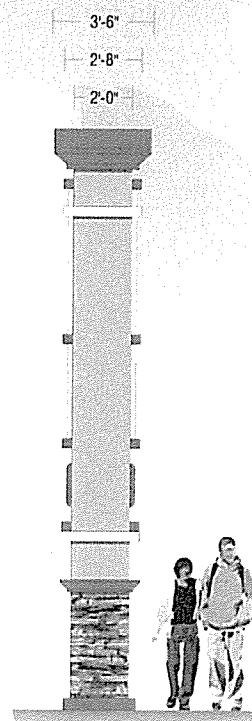
COLOR PALETTE

NEW DOUBLE-FACE INTERNALLY-ILLUMINATED PYLON SIGN
USE STANDARD ALUMINUM CONSTRUCTION w/ ANGLE
FRAME & STEEL PIPE SUPPORT INTO CONCRETE FOOTING.
ALUMINUM STRUCTURE TO HAVE STO FINISH w/ COLORS TO
MATCH EXISTING BUILDING.

TENANT PANELS TO HAVE ALUMINUM FACES w/ MAP SATIN
FINISH & ROUTED & BACKED-UP PLEX GRAPHICS.
ILLUMINATE w/ CWHO FLUORESCENT LAMPS.

BASE TO HAVE STONE VENEER FINISH TO MATCH BUILDING.

SEE ENGINEERS SPECS FOR STRUCTURAL CALCULATIONS.
VERIFY EXACT LOCATION OF SIGN PRIOR TO INSTALLATION.



END VIEW

A NEW DOUBLE-FACE INTERNALLY-ILLUMINATED PYLON SIGN



1	WHITE
2	DUNN EDWARDS DEW328 "PEARL WHITE"
3	DUNN EDWARDS DE5291 "MARIGOLD"
4	DUNN EDWARDS DE6152 "MAPLE VIEW"
5	COLOR TO BE VERIFIED
6	STONE VENEER TO BE DETERMINED

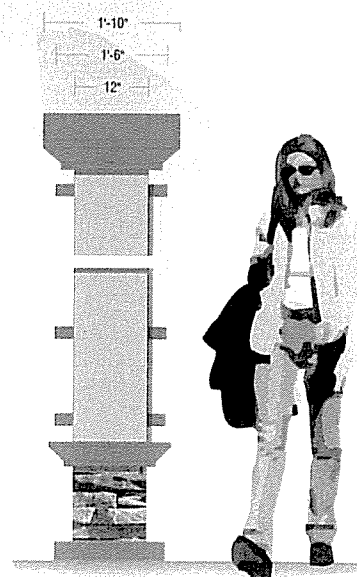
COLOR PALETTE

NEW DOUBLE-FACE INTERNALLY-ILLUMINATED MONUMENT SIGN
USE STANDARD ALUMINUM CONSTRUCTION w/ ANGLE FRAME &
STEEL PIPE SUPPORT INTO CONCRETE FOOTING. ALUMINUM
STRUCTURE TO HAVE STO FINISH w/ COLORS TO MATCH EXISTING
BUILDING.

TENANT PANELS TO HAVE ALUMINUM FACES w/ MAP SATIN FINISH
& ROUTED & BACKED-UP PLEX GRAPHICS. ILLUMINATE w/ CWHO
FLUORESCENT LAMPS.

BASE TO HAVE STONE VENEER FINISH TO MATCH BUILDING.

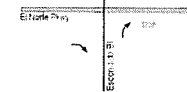
SEE ENGINEERS SPECS FOR STRUCTURAL CALCULATIONS. VERIFY
EXACT LOCATION OF SIGN PRIOR TO INSTALLATION.



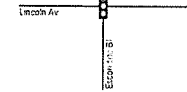
END VIEW

B1 B2 NEW DOUBLE-FACE INTERNALLY-ILLUMINATED MONUMENT SIGN

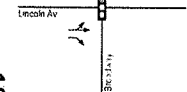
(6) Mitigation TR-5



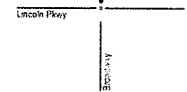
(7) Mitigation TR-6



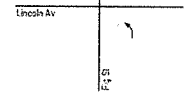
(11) Mitigation TR-7



(12) Mitigation TR-8



(15) Mitigation TR-11



Project Feature

Provide dedicated WB left-turn lane into the project driveway by prohibiting parking on both sides between Broadway and the project driveway. Approximately 13 spaces of loading/unloading zone fronting the school and 8 parking spaces on south side of Lincoln Avenue will be lost. Restrict easterly driveway to allow right-in/right-out movements only.

Mitigation TR-10

Contribute a fair-share towards future improvements of this roadway.

Mitigation TR-1

Prohibit parking on the west side to increase roadway capacity by installing a two-way left-turn lane. Approximately 22 spaces will be lost.

Infeasible

Contribute a fair-share towards future improvements of this roadway. Future improvements result in excessive parking loss of 24 or 54 spaces.

Mitigation TR-4

Install a dedicated WB right-turn lane at Lincoln Avenue / Garrick Way intersection and a dedicated EB right-turn lane at Lincoln Avenue / Fig Street intersection. Re-time traffic signals at these intersections as needed.

Infeasible

Contribute a fair-share towards future improvements of this roadway. Future improvements result in excessive parking loss of 19 spaces.

Mitigation TR-2

Prohibit parking on east side to reduce increase roadway capacity. Approximately 14 spaces will be lost.

Infeasible

Restriping to provide a two-way left-turn lane and left-turn pockets loses excessive parking. Approximately 30 spaces will be lost.

Mitigation TR-9

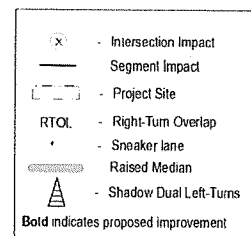
Contribute a fair-share towards widening of this roadway to 6 lanes.

Mitigation TR-3

Prohibit parking on the both sides to increase roadway capacity by installing a two-way left-turn lane. Approximately 13 spaces will be lost.

Infeasible

Restriping to provide a two-way left-turn lane and a left-turn pocket loses excessive parking. Approximately 61 spaces will be lost.



PROPOSED PROJECT
ADM 13-0127/ENV 13-0009

M

MITIGATION

SUPPLEMENT TO STAFF REPORT/DETAILS OF REQUEST

A. SUPPLEMENTAL DETAILS OF REQUEST

1. Property Size: 3.7 acres across six adjoining lots
3. Building Sizes: Grocery store: 43,681 SF
Restaurant: 3,200 SF
Total: 46,881 SF
4. Minimum Required Setbacks: Front (Broadway): 5'
Side (Lincoln): 5'
Side (SR 78): 5'
Rear: 15'
5. Proposed Setbacks: Front (Broadway): 25' (to restaurant)
Side (Lincoln): 10' (to grocery store)
Side (SR 78): 8' (to grocery store)
Rear: 46'2" (to grocery store)
6. Building Height (Grocery Store): No maximum
Proposed: 30' (main body parapet); 38' (center front parapet)
7. Lot Coverage: No maximum
Proposed: 29%
9. Floor Area Ratio: 0.50 (maximum)
0.29 (proposed)
10. Parking: Total required for combined uses: 194 spaces
Total provided: 199 spaces (surplus of 5 spaces)
11. Building Design (Grocery Store):
Materials: Smooth-face CMU (exterior walls)
Split-face CMU (accent band along bottom of exterior wall and on pillars at either side of both entrances)
Stucco on frame (parapet trim)

- Colors:
- Pearl White (off-white) - accent band along top 1/3 of main body of store
 - Autumn Bark (medium brown) – parapet trim and split-face CMU on entry pillars
 - August Morning (pale yellow-orange) – main body of store below Pearl White accent band, and front of store (behind sign)
 - Maple View (light-medium brown) – split-face CMU band along main body of store
 - Silver Creek (gray) – metal entry awning
 - Arabian Red (brick red) – bottom half of the center front portion of store (below August Morning)
 - All paint colors by Dunn Edwards
- Other Features:
- Metal entry awning at center front elevation
 - Green screens (trellises) on east, north, and south elevations (front, Lincoln side, and SR 78 side, respectively)
11. Signs:
- One 20' pylon sign (southeast corner of project site, visible from SR 78)
 - Two 6' monument signs (one at the southwest corner of Broadway and Lincoln Avenue, and one at the middle project driveway)
12. Hours of Operation:
- 7 A.M. to 11 P.M., 7 days per week

EXHIBIT "A"
FINDINGS OF FACT
ADM 13-00127 / ENV 13-0009

1. The use proposed for the site is consistent with the General Commercial designation as described in the Escondido General Plan, since it will include a local-serving grocery store and an eating or drinking establishment. The project is consistent with goals and policies within the General Plan pertaining to Commercial Land Uses, since a traffic and circulation study was prepared, points of access were located so as not to be too close to intersections, and the environmental analysis performed for the project included the drive-through feature at the proposed restaurant. The project is also consistent with the guiding principle of the Highway 78/Broadway Target Area that calls for higher development intensities along the Broadway corridor.
2. A Draft EIR was released for public review from August 14 to September 28, 2015. A Final EIR was provided on October 22, 2015 to incorporate comments received during the review period and their responses, and to make other revisions. The EIR identified significant project-related impacts with respect to hazards, noise, and traffic. Mitigation measures were proposed to reduce most of these impacts to a less than significant level. However, one noise impact (permanent ambient noise related to increased traffic on West Lincoln Avenue, between Escondido Boulevard and Broadway) was found to be significant and unavoidable. Four traffic impacts were found to be potentially significant and unavoidable, though the EIR deferred to the decision-making body as to whether they could be mitigated through the removal of traffic or acquisition of additional right-of-way to create new traffic lanes. Should the City Council decide to approve the project and certify the EIR despite the unavoidable noise impact and the potentially unavoidable traffic impacts, a Statement of Overriding Considerations shall also be adopted that finds that the social, economic, and aesthetic benefits of the project will outweigh the significant and unavoidable impacts identified in the EIR.
3. The proposed location will allow the future commercial uses to be adequately serviced by existing or proposed public facilities or services since the surrounding road network has already been constructed and all utilities are in close proximity to the project site.
4. The overall design of the proposed commercial development will produce an attractive, efficient development that utilizes complementary building materials with adequate parking and pedestrian linkages through the site.

The project has undergone staff design review and recommendations from that review have been incorporated into the conditions of approval.

5. As proposed, the project will be well integrated with its setting and the surrounding area since the property was previously graded to accommodate an automobile dealership and is relatively flat. The height of the proposed grocery store building will be comparable to similar grocery stores in the community and in compliance with the development standards of the Commercial General (CG) zoning district. Though no building design is proposed for the restaurant at this time, this building will be subject to additional Plot Plan review and required to conform to CG development standards. The grocery store underwent staff design review in July of 2014 and recommendations from that meeting have been incorporated into the conditions of approval.
6. The proposed grocery store and restaurant shall have a beneficial effect by providing services needed by city residents.
7. An appropriate number of parking spaces will be provided for the combined grocery store and restaurant uses.

EXHIBIT "B"
CONDITIONS OF APPROVAL
ADM 13-00127 / ENV 13-0009

Mitigation Measures

HAZ-1: Prior to issuance of a building permit or other applicable permit that includes demolition or renovation of on-site structures, a facility survey shall be performed to determine the presence or absence of Asbestos-Containing Materials (ACMs) in all buildings located at the Centerpointe 78 project site (925 North Broadway) that are to be demolished. Suspect materials that will be disturbed by the demolition or renovation activities shall be sampled and analyzed for asbestos content, or assumed to be asbestos containing. The survey shall be conducted by a person certified by Cal/OSHA pursuant to regulations implementing subdivision (b) of Section 9021.5 of the Labor Code, and shall have taken and passed an EPA-approved Building Inspector Course. Should regulated asbestos containing materials be found, it shall be handled in compliance with the San Diego Air Pollution Control District Rule 361.145 – Standard for Demolition and Renovation. Evidence of completion of the facility survey shall consist of a signed, stamped statement from the person certified to complete the facility survey indicating that the survey has been completed and that either regulated asbestos is present or absent. If present, the letter shall describe the procedures that will be taken to remediate the hazard. (Impact HAZ-1)

HAZ-2: Prior to issuance of a building permit or other applicable permit that includes demolition or renovation of on-site structures, a survey shall be performed by a California Department of Health Services certified lead inspector/risk assessor to determine the presence or absence of lead based paint located in all buildings located at the Centerpointe 78 project site (925 North Broadway) that are to be demolished. All lead-containing materials scheduled for demolition must comply with applicable regulations for demolition methods and dust suppression. Lead-containing materials shall be managed in accordance with applicable regulations including, at a minimum, the hazardous waste disposal requirements (Title 22 CCR Division 4.5), the worker health and safety requirements (Title 8 CCR Section 1532.1), and the State Lead Accreditation, Certification, and Work Practice Requirements (Title 17 CCR Division 1, Chapter 8). (Impact HAZ-2)

TR-1: Prior to the issuance of occupancy permits, parking shall be prohibited on the west side of Escondido Boulevard (El Norte Parkway to Decatur Way) and a two-way left-turn lane shall be installed by the applicant. This shall result in the loss of 22 parking spaces. (Impact TR-1)

TR-2: Prior to the issuance of occupancy permits, parking shall be prohibited on the east side of Escondido Boulevard (Mission Avenue to Washington Avenue) and "No Parking" signs shall be installed by the applicant. This shall result in the loss of 14 parking spaces. (Impact TR-2)

TR-3: Prior to the issuance of occupancy permits, parking shall be prohibited on both sides of Fig Street (Lincoln Avenue to Mission Avenue) and a two-way left-turn lane shall be installed by the applicant. This will require the loss of 13 parking spaces. The Traffic Impact Fee payment provided for this project will fund the installation of these improvements. (Impact TR-3)

TR-4: Prior to the issuance of occupancy permits, the applicant shall (1) install a dedicated WB right-turn lane at Lincoln Avenue/Garrick Way intersection and a dedicated EB right-turn lane at Lincoln Avenue/Fig Street intersection (this work may involve shifting power poles in the immediate vicinity to accommodate the intersection widening), and (2) re-time traffic signals at these intersections, as needed. The Traffic Impact Fee payment provided for this project will fund the installation of these improvements. (Impact TR-4)

TR-5: Prior to the issuance of occupancy permits, the applicant shall (1) install a raised median on El Norte Parkway in order to restrict access from Escondido Boulevard onto El Norte Parkway to right-turns only, (2) the install a dedicated right-turn lane from northbound Escondido Boulevard to eastbound El Norte Parkway, (3) modify the El Norte Parkway raised median to lengthen the two left-turn lanes from westbound El Norte Parkway to southbound Centre City Parkway to accommodate a U-turn movement, and (4) modify the median and left-hand turn lane on El Norte Parkway, between Escondido Boulevard and Broadway to accommodate a U-turn on El Norte Parkway. (Impacts TR-7 and TR-12)

TR-6: Prior to the issuance of occupancy permits, the applicant shall install a traffic signal at the Escondido Boulevard/Lincoln Avenue intersection. (Impact TR-8)

TR-7: Prior to the issuance of occupancy permits, the applicant shall (1) install a traffic signal at the North Broadway/Lincoln Avenue intersection, (2) restripe eastbound and westbound approaches of that intersection to include a shared through/left-turn lane and dedicated right-turn lane, and (3) install a "Keep Clear" sign at the intersection. (Impact TR-9)

TR-8: Prior to the issuance of occupancy permits, the applicant shall provide a dedicated southbound right-turn lane and install a southbound right-turn overlap (prohibit eastbound U-turns) at the North Broadway at SR 78/Lincoln Parkway intersection to the satisfaction of the City and Caltrans. (Impact TR-10)

November 10, 2015

TR-9: Prior to the issuance of occupancy permits, the applicant shall provide a fair-share contribution to the City's satisfaction towards widening Lincoln Avenue (Fig Street to Ash Street) to six lanes. (Impact TR-14)

TR-10: Prior to the issuance of occupancy permits, the applicant shall provide a fair-share contribution to the City's satisfaction towards widening Mission Avenue (Centre City Parkway to Escondido Boulevard) to six lanes. (Impact TR-15)

TR-11: Prior to the issuance of occupancy permits, the project shall restripe the Fig Street/Lincoln Avenue intersection northbound lanes to include two dedicated left-turn lanes and a shared through/right-turn lane. To accommodate the dual northbound left-turns, the southbound approach shall be "shadowed" and parking shall be removed as needed. The Traffic Impact Fee payment provided for this project will fund the installation of these improvements. (Impact TR-16)

TR-12: Prior to issuance of final grading and construction plans, a limited use area shall be established near project driveways to provide adequate sight distance pursuant to City requirements and to the satisfaction of the City. (Impact TR-17)

Planning Division

1. The shopping center shall post no signs preventing parents/families of Lincoln Elementary School students from using the shopping center parking lot to drop off and pick up students.
2. Food truck deliveries shall be restricted to the hours of 9 P.M. to 6 A.M. (no daytime deliveries) to avoid conflicts with school operations.
3. The project shall conform to the following recommendations from the Design Review Committee meeting of July 3, 2014:
 - a. On the north elevation, the grocery store façade with the flat roofline (on either side of the façade with the barrel-topped parapet) shall be recessed a minimum of two feet to provide appropriate variation on this side of the building.
 - b. The 12 trellises on the north elevation shall be varied in height and placement to provide a pedestrian-friendly scale along the sidewalk.
 - c. On the east elevation, canopy elements shall be incorporated over the entries and other portions of the façade to "break up" the massing.
 - d. The loading dock/receiving area adjacent to SR 78 shall be screened from view of the freeway with a wall or other feature, to conceal large vehicles and the trash compactor.
 - e. Cardboard recycling storage area(s) shall be sufficiently sized and located, and called out on the building plans.

- f. Parking lot landscaping shall conform to Article 62 of the City of Escondido Zoning Code. Parking lot trees shall be provided at a minimum ratio of one tree per four parking spaces.
 - g. Two cart corrals were proposed on the site plan submitted on August 15, 2013. A minimum of four additional corrals (six total) shall be provided and located so as to provide sufficient parking lot coverage, to the satisfaction of the Planning Department.
 - h. Building plans shall indicate where shopping carts are to be stored/located for customer use in the store (i.e. a cart storage area inside at the entrance, or outside at the entrance). If carts are to be stored outside near the entrance, a solid masonry screening wall shall be provided for carts to be stored behind.
 - i. The "Campfire" and "Marigold" paint colors proposed for the building exterior shall be softened to be less bright and distracting.
 - j. Building plans shall include the location of trash enclosures. All trash enclosures shall have a solid roof covering.
 - k. Building plans shall clearly indicate the parapet height and demonstrate adequate screening of rooftop equipment.
- 4. All street improvements proposed for the SR 78 corridor shall be in place prior to operation of the restaurant drive-through.
 - 5. Prior to occupancy, the applicant shall provide a minimum of 194 striped parking spaces (174 for the grocery store and 20 for the restaurant). Parking spaces shall be striped and dimensioned per City standards. The striping shall be drawn on the plan or a note shall be included on the plan indicating the intent to stripe per City standards. Parking for disabled persons shall be provided (including "Van Accessible" spaces) in full compliance with Chapter 2-71, Part 2 of Title 24 of the State Building Code, including signage.
 - 6. A separate sign permit shall be required prior to the installation of any signs. All proposed signage associated with the shopping center must comply with the signage plan approved as part of this project.
 - 7. Four revised copies of the plot plan reflecting all conditions of approval and modifications shall be submitted to the Planning Division and approved prior to issuance of grading or building permits.
 - 8. Four copies of a detailed landscape and irrigation plan(s) shall be submitted to the Engineering Division prior to issuance of grading or building permits. A plan check fee will be collected at the time of submittal. The required landscape and irrigation plan(s) shall comply with the provisions, requirements and standards in Escondido Zoning Code Article 62 (Water Efficient Landscape Standards) and include a drought tolerant design. The

plans shall be prepared by, or under the supervision of a licensed landscape architect.

9. Any existing trees to remain and any trees to be removed shall be identified on the landscape and grading plans, to the satisfaction of the Planning Division. Specimen sized trees (min. 24" box) shall be used to replace any mature trees to be removed.
10. All landscaping shall be permanently maintained in a flourishing manner. All irrigation shall be maintained in fully operational condition.
11. Prior to occupancy of future buildings, all required landscape improvements shall be installed and all vegetation growing in an established, flourishing manner. The required landscaped areas shall be free of all foreign matter, weeds and plant material not approved as part of the landscape plan.
12. In accordance with the Escondido Climate Action Plan (E-CAP), the applicant shall complete and submit a Greenhouse Gas Reduction Screening Checklist with a score of at least 100 points. The checklist shall be submitted to Planning staff prior to issuance of any grading or building permits.
13. The legal description attached to the application has been provided by the applicant and neither the City of Escondido nor any of its employees assume responsibility for the accuracy of said legal description.
14. All construction shall comply with all applicable requirements of the Escondido Zoning Code and requirements of the Planning Department, Director of Building, and the Fire Chief.
15. Prior to or concurrent with the issuance of building permits, the appropriate development fees and Citywide Facility fees shall be paid in accordance with the prevailing fee schedule in effect at the time of building permit issuance, to the satisfaction of the Director of Community Development.
16. All exterior lighting shall conform to the requirements of Article 35 of the City of Escondido Zoning Code (Ordinance No. 2014-20).
17. All project-generated noise shall conform to the City's Noise Ordinance (Ordinance 90-08).
18. The project shall conform to the Public Art Partnership Program, Article 37 of the Escondido Zoning Code.
19. No outdoor storage is approved in conjunction with this project.

20. All new utilities and utility runs shall be underground.
21. No expansion of this facility shall be permitted without approval of the Director of Community Development subject to the appropriate review process and any necessary permits.
22. The Plot Plan shall be null and void if not utilized within twelve months of the effective date of approval.
23. A copy of these Conditions of Approval shall be submitted with the building plans indicating compliance with all of the Conditions of Approval and Details of Request and exhibits contained in the Planning Commission staff report.
24. The City of Escondido hereby notifies the applicant that State Law (SB 1535) effective January 1, 2007, requires certain projects to pay fees for purposes of funding the California Department of Fish and Game. If the project is found to have a significant impact to wildlife resources and/or sensitive habitat, in accordance with State law, the applicant should remit to the City of Escondido Planning Division, within two (2) working days of the effective date of this approval ("the effective date" being the end of the appeal period, if applicable) a certified check payable to the "County Clerk," in the amount of \$3,119.75 for a project with an Environmental Impact Report, which includes an additional authorized County administrative handling fee of \$50.00 (\$3,069.75 + \$50.00). Failure to remit the required fees in full within the specified time noted above will result in County notification to the State that a fee was required but not paid, and could result in State imposed penalties and recovery under the provisions of the Revenue and Taxation code. In addition, Section 21089(b) of the Public Resources Code, and Section 711.4(c) of the Fish and Game Code provide that no project shall be operative, vested, or final until all the required filing fees are paid. If the fee increase after the date of this approval, the applicant shall be responsible for the increase.

Police Department

1. Shopping carts shall have automatic locking wheels to prevent removal from the property.
2. Trash enclosures shall be locked when not in use, to discourage rummaging.
3. Graffiti resistant paint is recommended for the trash enclosures and building exteriors.

Fire Department

The following items shall be completed or shown on the plans to satisfaction of the Fire Marshal:

1. A minimum 11" x 17" page size file copy of the project shall be provided showing building plan and site plan (Tif. 150 dpi).
2. An NFPA 13 automatic fire sprinkler system may be required.
3. Sprinklers are required on all overhangs exceeding four feet in residential and commercial projects.
4. An approved fire alarm system may be required.
5. A fire hydrant is required to be located within 50 feet of the fire department connection, unless otherwise specified. Please show location on building plans.
6. Fire hydrants shall be required every 300 feet.
7. Additional hydrants may be required near intersections, fire department connections, or other locations.
8. An approved UL300 fire suppression system is required for hood systems.
9. Extinguishers must be provided at all locations indicated with a minimum rating of 2A-10B:C in a visible and accessible location, at an exit or in the exit pathway. Walking distance is not to exceed 75 feet (must comply with 2010 CFC Section 906). Extinguishers must be mounted not more than 5 feet nor less than 3.5 feet above the floor. Extinguisher signage may be required.
10. Speed humps/bumps are not allowed on fire access roads.
11. All-weather, paved access must be able to support the weight of fire apparatus (75k lbs.) and approved fire hydrants must be installed and in service prior to placing any combustible materials on the job site. (Escondido Ordinance 2011-03 (RR), Section 503.2.1).
12. All gated entrances must be equipped with electric switches accessible from both sides and operable by dual-keyed switches for both fire and police. Electric gates must be operable by the Fire Department strobe detectors and allow free exiting. A funding method to provide ongoing maintenance of fire lanes, electric gates, and other fire & life safety requirements must be

provided for in the CC&Rs, and/or the Association, to the satisfaction of the Fire Department. A responsible property manager must be easily accessible to the Fire Department.

13. A Knox box will be required where access to or within a structure or an area is restricted (CFC Section 506). (Escondido Ordinance 2011-03 (RR), Section 506.1).
14. A 28-foot turning radius will be required on all corners.
15. Barricades must not obstruct fire hydrants or impede emergency vehicle access.
16. Vertical clearances of 13'6" must be provided in all access and driveway areas. Trees that obstruct the vertical clearance or access width must be trimmed or removed and provisions to provide ongoing maintenance must be reflected in the CC&Rs. A copy of the CC&Rs listing this requirement must be submitted.
17. Red curbs with 4-inch white lettering "NO PARKING FIRE LANE" signs are required in 24'-wide access areas and provisions to provide ongoing maintenance must be reflected in the CC&Rs. A copy of the CC&Rs listing this requirement must be submitted to the Escondido Planning Department. "FIRE LANE" signs and red curbs must meet specifications of the Escondido Fire Department.

Building Division

The following items shall be completed or shown on the plans to satisfaction of the Building Official:

1. Building plans shall include allowable area calculations for the "M" occupancy market.
2. Building plans shall include designated parking for low-emitting, fuel-efficient and carpool/vanpool vehicles per CGBC Table 5.106.5.2.
3. Building plans shall include disabled accessible path of travel from the public way to the market building.

ENGINEERING CONDITIONS OF APPROVAL

TRAFFIC

1. The project owner is responsible to prepare improvement plans including street, traffic signal, signing and striping for review and approval by the City Engineer and construct the following traffic mitigation measures to the requirements of the City Engineer;
 - a) Install an multi-phase phase traffic signal at the intersection of Escondido Blvd and Lincoln Avenue and upgrade existing signing, striping and curb ramps to current standards. This signal system shall be interconnected with the new traffic signal at the intersection of Lincoln Ave and N. Broadway
 - b) Install an eight (8) phase traffic signal at the intersection of North Broadway and Lincoln Ave and upgrade existing signing, striping and curb ramps to current standards. This signal system shall be interconnected with the new traffic signal at the intersection of Escondido Blvd and Lincoln Ave. The developer shall be responsible for establishing timing for the signal system and coordination with the existing traffic signal system at the intersection of Lincoln Pkwy and N. Broadway.
 - c) Extend existing raised median on El Norte Parkway from Centre City Parkway to approximately 100 feet east of the intersection of Escondido Blvd to provide for additional left turn pocket storage at Centre City Parkway and restrict left turns at the intersection of El Norte and Escondido Blvd.
 - e) Modify existing signing and striping along El Norte Parkway (Between the easterly end of the required median and intersection of N. Broadway) to accommodate for creating a U-Turn on El Norte Parkway between Escondido Blvd and N. Broadway.
 - d) Modify the east bound approach at the intersection of Lincoln Ave and Fig St to allow for a dedicated right-turn lane. Improvements include signal modification, utility pole relocation and corner improvements reconstruction to the requirements of the City Engineer. The signal system for Lincoln Ave and Fig St shall be retimed and coordinated with the traffic signal system at the intersection of Lincoln Pkwy and Garrick Way.
 - f) Modify signing and striping along Escondido Blvd, Lincoln Ave to Decatur Way to provide for a two-way left turn lane and restriction of parking on west side of street.
 - g) Install No-Parking signs along east side of Escondido Blvd between Mission Ave to Washington to restrict parking and provide more capacity for the street.

- h) Modify signing and striping on Fig St, between Lincoln Ave and Mission Ave. to prohibit parking on both sides of Fig St and Install a two-way left-turn lane.
- i) Modify signing and striping at the intersection of Fig St and Lincoln Ave to include two dedicated N/B left-turn lanes and a shared thru/right-turn lane. SB approach would need to be restriped to shadow the NB lanes. Parking shall be removed as required.
- j). Modify the existing striping along west bound Lincoln Parkway at Garrick Way intersection to provide for a dedicated right-turn lane from Lincoln parkway on to Garrick Way.

All public improvements shall be designed and constructed to the requirements of the City Engineer. All improvements shall be approved and bonded prior to issuance of Building Permit.

- 2. The project owner is responsible to modify the existing traffic signal system and signing and striping at the intersection of North Broadway and SR-78/Lincoln Parkway to accommodate for additional capacity for the project traffic. All improvements shall be designed and constructed to the requirements of Caltrans and City Engineer.
- 3. The project owner shall be responsible for design and construction of frontage improvements on Lincoln Ave and N. Broadway in accordance with the Local Collector standards, approved site plan and to the requirements of City Engineer. Lincoln Avenue shall be sealed or overlaid along project frontage and signed and striped to the requirements of the City Engineer. Adequate line of sight in accordance with City Standards shall be provided at all project driveways.
- 4. The project owner shall be responsible for any damage to the frontage and offsite existing public improvements as the result of construction activities and shall repair or replace damaged improvements to the satisfaction of the City Engineer prior to occupancy.
- 5. All onsite private improvements shall be designed in accordance with the City Design standards and shall be subject to review and approval by the Engineering and Planning Departments.
- 6. The developer shall prepare and submit an onsite signing and striping plans for review and approval by the City Engineer. The Developer's contractor shall install all onsite signing and striping in accordance with the approved plans.
- 7. The developer will be required to provide a detailed detour and traffic control plan, for all construction within existing rights-of-way, to the satisfaction of the Field Engineer. This plan shall be approved prior the issuance of an Encroachment Permit for construction within the public right-of-way.

8. The developer's engineer shall prepare a complete signing and striping plan for all improved roadways. All the removal of existing striping and new signing and striping shall be done by the developer's contractor.
9. The project owner shall obtain encroachment permit from Caltrans prior to start work within Caltrans right-of-way.

Engineered plans are required for traffic signal, roadway, signing and striping improvements. The developer shall post security for these improvements and plan shall be approved by the City Engineer prior to issuance of any grading permit.

GRADING

1. A site grading, drainage and erosion control/pollution prevention plan shall be approved by the Engineering and Planning Divisions prior to issuance of Grading Permit.
2. A General Construction Activity Storm Water Permit is required from the State Water Resources Board for all storm water discharges associated with a construction activity where clearing, grading and excavation results in a land disturbance of one or more acres. One copy of the Storm Water Pollution Prevention Plan shall be submitted to the City. The project owner is required to implement Best Management Practices in accordance with the project erosion control/pollution prevention plan during all phases of the project construction.
3. The developer shall be responsible for the recycling of all excavated materials designated as Industrial Recyclables (soil, asphalt, sand, concrete, land clearing brush and rock) at a recycling center or other location(s) approved by the City Engineer.

Grading, site improvements and erosion control plans shall be prepared by a Registered Civil Engineer. A separate submittal to the Engineering Department is required for the site grading and erosion control plans.

DRAINAGE

1. A final Water Quality Technical Report in compliance with the 2015 Model HMP Manual shall be prepared and submitted for approval together with the final grading and landscaping Plans.
2. All storm water treatment and bio-retention facilities and their drains including the bio-retention basins, shall be considered private. The responsibility for maintenance of these post construction storm water treatment facilities shall be that of the project owner.
3. The project owner shall be required to sign, notarize, and record a Storm Water Control Facility Maintenance Agreement. A signed copy of the agreement shall be provided to the City Engineer prior to approval final plans.

WATER SUPPLY

1. The project owner shall design and construct water system improvements with Fire Hydrants and Fire Detector Check Assemblies at locations determined by the Fire Marshall and approved by the Utilities Engineer.
2. The project owner shall be responsible for abandoning all existing public water system to the satisfaction of the Utilities Engineer.

WASTEWATER SUPPLY

1. The project owner shall provide wastewater service for the project to the requirements of the Utilities Engineer and Building Official.
2. No trees or deep rooted plants shall be planted within 15' of the private sewer mains or laterals.
3. Any new development whose wastewater discharge may contain pollutants not normally found in or in concentrations in excess of those normally found in domestic waste water shall require a Wastewater Discharge Permit according to the Escondido Municipal Code, Chapter 22, Article 8. New users shall apply at least ninety (90) days prior to connecting to the City's wastewater system and a permit must be obtained prior to commencement of any discharge to the City system. The Wastewater Discharge permit may require monitoring, mitigation, or alternate disposal methods.

CASH SECURITIES AND FEES

1. A cash security shall be posted to pay any costs incurred by the City to clean-up eroded soils and debris, repair damage to public or private property and improvements, install new BMPs, and stabilize and/or close-up a non-responsive or abandoned project. Any moneys used by the City for cleanup or damage will be drawn from this security and the grading permit will be revoked by written notice to the developer until the required cash security is replaced. The cleanup cash security shall be released upon final acceptance of the grading and improvements for this project. The amount of the cash security shall be 10% of the total estimated cost of the grading, drainage, landscaping, and best management practices items of work with a minimum of \$5,000 up to a maximum of \$50,000, unless a higher amount is deemed necessary by the Director of Engineering Services.
2. The project owner shall provide the City with traffic mitigation fair share cash contribution in the amount of \$99,000, towards future ultimate improvement of Lincoln Parkway, between Fig St and Ash St. Payment of cash contribution shall be made prior to issuance of Building Permit.
3. The project owner shall provide the City with traffic mitigation cash contribution in the amount of \$39,000 towards future ultimate improvement of Mission Ave

between Centre City Parkway and Escondido Blvd. Payment of cash contribution shall be made prior to issuance of Building Permit.

4. The project owner is eligible for traffic impact fee credit for construction of offsite improvements at the intersection of Lincoln Ave and Fig St and restriping of Fig St. The amount of fee credit will be based on a cost estimate prepared by the property owner's engineer and approved by the City Engineer.

UTILITY UNDERGROUNDING AND RELOCATION

1. All new utilities to serve the project shall be constructed underground.
2. The project owner shall sign a written agreement stating that he has made all such arrangements as may be necessary to coordinate and provide utility construction, relocation and undergrounding. All new utilities shall be constructed underground

EASEMENTS

1. All existing and proposed easements, both private and public, affecting subject property shall be shown and labeled on the grading and improvement plans.
2. The owner is responsible for making the arrangements to quitclaim all easements of record which conflict with the proposed development prior to the approval of the grading plans. If an easement of record contains an existing utility that must remain in service, proof of arrangements to quitclaim the easement must be submitted to the City Engineer for review and approval prior to the approval of the grading plans.
3. A 20' wide Public Waterline Easement shall be granted to the City of Escondido for all public water mains within the project site. The easement shall include all fire hydrants, water meters and other appurtenances. No private utilities or drainage pipes shall run parallel within nor shall drainage basins be located over this proposed public waterline easement.
4. A current preliminary title report shall be submitted with the grading plans.

DRAFT

Centerpointe 78

CANDIDATE'S FINAL CEQA FINDINGS OF FACT AND STATEMENT OF OVERRIDING CONSIDERATIONS

Final Environmental Impact Report, SCH #2014061031
City Project #ADM 13-0127 / ENV 13-0009

October 28, 2015



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

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Section

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I. INTRODUCTION

A. Findings of Fact and Statement of Overriding Considerations

The California Environmental Quality Act (CEQA) (Pub. Res. Code §§ 21000, et seq.) and the CEQA Guidelines (Guidelines) (14 Cal. Code Regs §§ 15000, et seq.) promulgated thereunder, require that the environmental impacts of a project be examined before a project is approved. In addition, once significant impacts have been identified, CEQA and the Guidelines require that certain findings be made before project approval. It is the exclusive discretion of the decision-maker certifying the Environmental Impact Report (EIR) to determine the adequacy of the proposed candidate findings. It is the role of staff to independently evaluate the proposed candidate findings and to make a recommendation to the decision-maker regarding their legal adequacy. Specifically, regarding findings, Guidelines Section 15091 provides:

- (a) No public agency shall approve or carry out a project for which an EIR has been certified which identifies one or more significant environmental effects of the project unless the public agency makes one or more written findings for each of those significant effects, accompanied by a brief explanation of the rationale for each finding. The possible findings are:
 - 1. Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.
 - 2. Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
 - 3. Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the final EIR.
- (b) The findings required by subdivision (a) shall be supported by substantial evidence in the record.
- (c) The finding in subdivision (a)(2) shall not be made if the agency making the finding has concurrent jurisdiction with another agency to deal with identified feasible mitigation measures or alternatives. The finding in subdivision (a)(3) shall describe the specific reasons for rejecting identified mitigation measures and project alternatives.
- (d) When making the findings required in subdivision (a)(1), the agency shall also adopt a program for reporting on or monitoring the changes which it has either required in the project or made a condition of approval to avoid or substantially lessen significant environmental effects. These measures must be fully enforceable through permit conditions, agreements, or other measures.

- (e) The public agency shall specify the location and custodian of the documents or other materials which constitute the record of the proceedings upon which its decision is based.
- (f) A statement made pursuant to Section 15093 does not substitute for the findings required by this section.

The "changes or alterations" referred to in Section 15091(a)(1) above, that are required in, or incorporated into, the project which mitigate or avoid the significant environmental effects of the project, may include a wide variety of measures or actions as set forth in Guidelines Section 15370, including:

- (a) Avoiding the impact altogether by not taking a certain action or parts of an action.
- (b) Minimizing impacts by limiting the degree or magnitude of the action and its implementation.
- (c) Rectifying the impact by repairing, rehabilitating, or restoring the impacted environment.
- (d) Reducing or eliminating the impact over time by preservation and maintenance operations during the life of the action.
- (e) Compensating for the impact by replacing or providing substitute resources or environments.

Should significant and unavoidable impacts remain after changes or alterations are applied to the project, a Statement of Overriding Considerations must be prepared. The statement provides the lead agency's views on the ultimate balancing of the merits of approving a project despite its environmental damage. Regarding a Statement of Overriding Considerations, Guidelines section 15093 provides:

- (a) CEQA requires the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits of a proposed project against its unavoidable environmental risks when determining whether to approve the project. If the specific economic, legal, social, technological, or other benefits of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered "acceptable."
- (b) When the lead agency approves a project which will result in the occurrence of significant effects which are identified in the final EIR but are not avoided or substantially lessened, the agency shall state in writing the specific reasons to support its action based on the final EIR and/or other information in the record. The statement of overriding considerations shall be supported by substantial evidence in the record.
- (c) If an agency makes a statement of overriding considerations, the statement should be included in the record of the project approval and should be mentioned in the notice of determination. This statement does not substitute for, and shall be in addition to, findings required pursuant to Section 15091.

The following Candidate Findings of Fact and Statement of Overriding Considerations have been prepared by the Community Development Department, Planning Division as Candidate Findings of Fact and Statement of Overriding Considerations (Findings) to be made by the decision-making body. Ultimately, the decision-making body must decide to either adopt these or reject these findings.

Having received, reviewed, and considered the Final Environmental Impact Report for Centerpointe 78, State Clearinghouse No. 2014061031 (FEIR), as well as all other information in the Record of Proceedings (as defined below) on this matter, the following Findings are hereby adopted by the City of Escondido (City) in its capacity as the CEQA Lead Agency. These Findings set forth the environmental basis for current and subsequent discretionary actions to be undertaken by the City and responsible agencies for the implementation of the project.

B. Record of Proceedings

For purposes of CEQA and these Findings, the Record of Proceedings for the proposed project consists of the following documents and other evidence, at a minimum:

- The Notice of Preparation (NOP) and all other public notices issued by the City in conjunction with the proposed project;
- Comments received on the NOP;
- The Draft EIR;
- The FEIR (including public comments and responses);
- The reports and technical memoranda included or referenced in the FEIR;
- All documents, studies, EIRs, or other materials incorporated by reference or cited to in the FEIR;
- The Mitigation Monitoring and Reporting Program (MMRP);
- Matters of common knowledge to the City, including but not limited to federal, state and local laws and regulations;
- Any documents expressly cited in these Findings;
- City staff report prepared for this project and any exhibits thereto;
- Project permit conditions; and
- Any other relevant materials required to be in the record of proceedings by CEQA Section 21167.6(e).

Additionally, the Draft EIR and related technical studies were made available for review during the public review period online at <http://www.escondido.org/centerpointe-78-commercial-project.aspx>, as well as at:

- Escondido Public Library (239 S. Kalmia Street) and
- Escondido City Hall (201 N. Broadway)

C. Custodian and Location of Records

The documents and other materials which constitute the administrative record for the City's actions related to the project, as detailed in Section I.B. above, are located at the Escondido City Hall (201 N. Broadway). The City is the custodian of the administrative record for the project. Copies of these documents, which constitute the Record of Proceedings, are and at all relevant and required times have been and will be available upon request at the offices of the City Hall. This information is provided in compliance with Public Resources Code Section 21081.6(a)(2) and Guidelines Section 15091(e).

II. PROJECT SUMMARY

A. Project Location

The 3.7-acre project site is located at 925 N. Broadway, at the northwestern corner of State Route (SR-) 78 and N. Broadway, in the City of Escondido. Six assessor's parcels are included in the site; Assessor's Parcel Numbers 229-121-09 to 229-121-14. The site is bounded by Lincoln Avenue to the north, North Broadway to the east, SR-78 to the south, and residences to the west. Based on historical aerials, historical uses of the site include residential, agricultural institutional (church), and commercial (automotive sales) uses. Currently, the site is developed with a vacant automotive sales facility.

B. Project Description

The project consists of redeveloping the site with a grocery market and quick service restaurant. The grocery market building proposes approximately 43,500 square feet located in the western portion of the site. The restaurant pad would be 3,200 square feet located on the eastern portion of the site adjacent to N. Broadway and includes a drive through. The project would also include demolition, grading, construction, landscaping, and utilities.

The market would include a loading dock area with two large rollup doors, a trash compactor, cardboard bailer, and recycling and trash bin area on the west side of the building. Rooftop equipment would be recessed below the wall parapet to provide screening from off-site vantage points. Market signage would be installed on the front of the building (facing Broadway) and the south side of the building, facing SR-78. A 20-foot-high pylon sign is proposed near the corner of N. Broadway and SR-78 in addition to two 6-foot-high monument signs on Lincoln Avenue.

Access to the site would be from Lincoln Avenue that borders the north side of the property. As a project component, Lincoln Avenue would be reconfigured within the existing pavement width to include a center left-turn lane and removal of parking on both sides of the street along the project frontage to facilitate access to the site. A total of 199 parking spaces are proposed, which exceed minimum requirement. Street improvements include intersection modifications at Lincoln Avenue/N. Broadway, N. Broadway/SR-78/Lincoln Parkway, Lincoln Avenue/Escondido Boulevard, Lincoln Avenue/Garrick Way, El Norte Parkway/Escondido Boulevard, and Lincoln Avenue/Fig Street. Removal of street parking is proposed on Fig Street between Lincoln and Mission avenues, on Lincoln Avenue between Ash and Rose streets, on Escondido Boulevard between Mission and Lincoln avenues, and on Escondido Boulevard between Decatur Way and El Norte Parkway. Off-site traffic mitigation involves street improvements, including the removal of street parking in several area neighborhoods.

C. Discretionary Actions

The following discretionary action is being considered by the City Council with advisory votes by the Planning Commission:

- Site Plan

D. Statement of Objectives

As described in Section 3.5 of the FEIR, the following objectives are identified for the proposed project:

- Redevelop an underutilized site into a viable commercial use that would serve the local area.
- Promote the development of jobs and the City's tax base.
- Achieve smart growth by providing development in an urbanized area where services and utilities are existing and available to serve the development.

III. ENVIRONMENTAL REVIEW AND PUBLIC PARTICIPATION

In accordance with Guidelines Section 15082, the City distributed an NOP of an EIR to the State Clearinghouse, local and regional responsible agencies, and other interested parties on June 4, 2014. Various agencies and other interested parties responded to the NOP. The City's NOP and associated comments are included in the FEIR as Appendix A.

The Draft EIR for the proposed project was then prepared and circulated for review and comment by the public, agencies, and organizations for a public review period that began on August 14 to September 28, 2015. Notice of Completion of the Draft EIR was sent to the State Clearinghouse and the Draft EIR was circulated to state agencies for review through the State Clearinghouse, Office of Planning and Research (SCH No. 2014061031). A Notice of Availability of the Draft EIR for review was mailed to organizations and parties expressing interest in the project. The Notice of Availability was also filed with the City Clerk and published in the San Diego Union Tribune.

As noted above, the public comment period on the Draft EIR concluded on September 28, 2015. The City received four comment letters on the proposed project. The City completed responses to those comments on October 19, 2015. Those response to comments have been incorporated into the FEIR. The FEIR is intended as a "project EIR" under CEQA and the Guidelines. As described in Section 15161 of the Guidelines, a project EIR is typically prepared for a specific construction-level project.

On November 10, 2015, the City of Escondido Planning Commission (Planning Commission) held a public hearing on the proposed project. The Planning Commission recommended _____. On December 9, 2015, the City of Escondido City Council (City Council) held a public hearing on the proposed project.

IV. GENERAL FINDINGS

The City hereby finds as follows:

- Pursuant to Guidelines Sections 15050 and 15051, the City is the "Lead Agency" for the proposed project evaluated in the FEIR.

- The Draft EIR and FEIR were prepared in compliance with CEQA and the Guidelines.
- The City has independently reviewed and analyzed the Draft EIR and FEIR, and these documents reflect the independent judgment of the City Council and the City.
- The City's review of the Draft EIR and the FEIR is based upon CEQA and the City's regulations.
- An MMRP has been prepared for the proposed project, which the City has adopted or made a condition of approval of the proposed project. That MMRP is incorporated herein by reference and is considered part of the Record for the proposed project;
- The MMRP designates responsibility and anticipated timing for the implementation of mitigation measures. The City will serve as the MMRP Coordinator;
- In determining whether the proposed project has a significant impact on the environment, and in adopting these Findings pursuant to Section 21081 of CEQA, the City has based its decision on substantial evidence and has complied with CEQA Sections 21081.5 and 21082.2 and Guidelines Section 15901(b);
- The impacts of the proposed project have been analyzed to the extent feasible at the time of certification of the FEIR;
- The City reviewed the comments received on the Draft EIR and FEIR and the responses thereto and has determined that neither the comments received nor the responses to such comments add significant new information regarding environmental impacts to the Draft EIR or FEIR. The City has based its actions on the Final EIR and associated Record, including all formal written comments received up to the date of adoption of these Findings;
- The response to comments on the Draft EIR, which are contained in the FEIR, clarify and amplify the analysis in the Draft EIR;
- The City has made no decisions that constitute an irretrievable commitment of resources toward the proposed project prior to certification of the FEIR, nor has the City previously committed to a definite course of action with respect to the proposed project;
- Copies of all the documents incorporated by reference in the FEIR are and have been available upon request at all times at the offices of the City, custodian of record for such documents or other materials; and
- Having received, reviewed, and considered all information and documents in the record, the City hereby conditions the proposed project and finds as stated in these Findings.

V. SUMMARY OF IMPACTS

In identifying the following impacts, the City has considered project design features, as well as the applicable plans, programs, regulations, and policies. The project design features are part of the proposed project that the City has considered, regardless of whether they are explicitly made conditions of the project approval, and the City may assume that the project will be implemented consistent with the project description, project design features and applicable plans, programs, regulations and policies that the proposed project is subject to.

The FEIR concludes that the Project will have no significant impacts and require no mitigation measures with respect to the following issues:

- Aesthetics,
- Agriculture and forestry resources,
- Air quality,
- Biological resources,
- Cultural resources,
- Geology/soils
- Paleontological resources,
- Greenhouse gas emissions,
- Hydrology and water quality,
- Land use,
- Mineral resources,
- Population and housing,
- Public services,
- Recreation, and
- Utilities and services systems.

The FEIR concludes that implementation of the Original Project could result in **potentially significant impacts that would be mitigated to below a level of significance with respect to the following issues:**

- Hazards and hazardous materials (Impacts HAZ-1 and HAZ-2), and
- Transportation and traffic (Impacts TR-1 through TR-4, and TR-7 through TR-17).

The following impacts **would remain significant despite the adoption of all feasible mitigation measures:**

- Noise (Impact NOS-1), and
- Transportation and traffic (Impacts TR-5, TR-6, TR-11 and TR-13).

VI. FINDINGS REGARDING SIGNIFICANT IMPACTS

The Guidelines state that an agency's findings must be "accompanied by a brief explanation of the rationale for each finding" (Guidelines § 15091(a)). This requirement applies to the findings relating to mitigation of significant impacts, mitigation measures under the jurisdiction of another agency, and infeasibility of mitigation measures and alternatives required under CEQA Section 21081(a) and Guidelines Section 15091(a), (c). Detailed findings on an issue are not required if the basis for the agency's decision is found in the EIR and the agency's findings incorporate or adopt the EIR's discussion and analysis. Accordingly, every citation to the FEIR or other documents identified in these findings is hereby incorporated by reference as if fully set forth herein. In making each of the findings below, the City has considered the project design features and applicable plans, programs, and policies listed in the

FEIR. Additionally, every response to comment in the FEIR relating to said citations to the FEIR are also hereby incorporated by reference as if fully set forth herein.

A. Findings Regarding Significant Impacts That Can be Mitigated to Below a Level of Significance (CEQA §21081(A)(1) and CEQA Guidelines §15091(a)(1))

The City, having reviewed and considered the information contained in the FEIR, and the Record of Proceedings pursuant to Public Resource Code Section 21081(a)(1) and Guidelines Section 15091(a)(1), adopts the following findings regarding the significant effects of the proposed project, as follows:

- (1) Changes or alterations have been required in, or incorporated into, the project which would mitigate, avoid, or substantially lessen the significant environmental effects as identified in the FEIR as described below:

HAZARDS AND HAZARDOUS

Significant Effect

As identified in FEIR Section 4.4, Hazards and Hazardous Materials, implementation of the proposed project has the potential to result in significant impacts related to the disturbance of lead and asbestos containing materials during the demolition of existing structures on-site. More specifically, the proposed project demolition could result in lead- and asbestos-containing materials becoming airborne and inhalable. The exposure of workers and potentially adjacent residences and schools to lead- or asbestos-containing dust would result in a potentially significant hazardous material impact (Impacts HAZ-1 and HAZ-2).

Facts in Support of Finding

The proposed project's potentially significant impacts to hazards and hazardous materials would be mitigated to below a level of significance with implementation of the mitigation measures identified in Section 4.4.6 of the FEIR, which are listed below.

HAZ-1: Prior to issuance of a building permit or other applicable permit that includes demolition or renovation of on-site structures, a facility survey shall be performed to determine the presence or absence of Asbestos-Containing Materials (ACMs) in all buildings located at the Centerpointe 78 project site (925 North Broadway) that are to be demolished. Suspect materials that will be disturbed by the demolition or renovation activities shall be sampled and analyzed for asbestos content, or assumed to be asbestos containing. The survey shall be conducted by a person certified by Cal/OSHA pursuant to regulations implementing subdivision (b) of Section 9021.5 of the Labor Code, and shall have taken and passed an EPA-approved Building Inspector Course. Should regulated asbestos containing materials be found, it shall be handled in compliance with the San Diego County Air Pollution Control District Rule 361.145 – Standard for Demolition and Renovation. Evidence of completion of the facility survey shall consist of a signed, stamped statement from the person certified to complete the facility survey indicating that the survey has been completed and that either regulated asbestos is present or absent. If present, the letter shall describe the procedures that will be taken to remediate the hazard.

HAZ-2: Prior to issuance of a building permit or other applicable permit that includes demolition or renovation of on-site structures, a survey shall be performed by a California Department of Health Services certified lead inspector/risk assessor to determine the presence or absence of lead based paint located in all buildings located at the Centerpointe 78 project site (925 North Broadway) that are to be demolished. All lead-containing materials scheduled for demolition must comply with applicable regulations for demolition methods and dust suppression. Lead-containing materials shall be managed in accordance with applicable regulations including, at a minimum, the hazardous waste disposal requirements (Title 22 CCR Division 4.5), the worker health and safety requirements (Title 8 CCR Section 1532.1), and the State Lead Accreditation, Certification, and Work Practice Requirements (Title 17 CCR Division 1, Chapter 8).

Rationale and Conclusion

With the implementation of mitigation measures HAZ-1 and HAZ-2, the project would have a less than significant impact related to asbestos (Impact HAZ-1) and lead (Impact HAZ-2) hazardous material emissions. The requirement for abatement of lead and asbestos in accordance with regulations prior to demolition would ensure that workers and people in the surrounding area are not exposed to significant hazardous material emissions. Implementation of this mitigation measure would be assured through incorporation into the proposed project's MMRP. With implementation of the mitigation measures identified in the FEIR, hazards and hazardous materials impacts resulting from the proposed project would be mitigated to below a level of significance.

TRANSPORTATION AND TRAFFIC

Significant Effect

As identified in FEIR Section 4.8, Transportation and Traffic, implementation of the proposed project would result in additional traffic that would degrade the following traffic facilities:

- Impact TR-1: Segment #3. Escondido Boulevard, El Norte Parkway to Decatur Way
- Impact TR-2: Segment #6. Escondido Boulevard, Mission Avenue to Washington Avenue
- Impact TR-3: Segment #9. Fig Street, Lincoln Avenue to Mission Avenue
- Impact TR-4: Segment #15. Lincoln Parkway/Lincoln Avenue, Garrick Way to Fig Street
- Impact TR-7: Intersection #6. Escondido Boulevard at El Norte Parkway
- Impact TR-8: Intersection #7. Escondido Boulevard at Lincoln Avenue
- Impact TR-9: Intersection #11. North Broadway at Lincoln Avenue
- Impact TR-10: Intersection #12. North Broadway at SR 78/Lincoln Parkway
- Impact TR-12: Segment #11. El Norte Parkway, Centre City Parkway to Escondido Boulevard
- Impact TR-14: Segment #16: Lincoln Avenue, Fig Street to Ash Street

- Impact TR-15: Segment #21: Mission Avenue, Centre City Parkway to Escondido Boulevard
- Impact TR-16: Intersection #15: Fig Street at Lincoln Avenue

Based on the City's thresholds, the operations degradation would result in significant direct and cumulative impacts at TR-1 to TR-4 and TR-7 to TR-10, and significant cumulative impacts at TR-11 to TR-16. (Note that Impacts TR-5, TR-6, TR-11 and TR-13 would be significant as well, but are discussed in Section C below).

In addition, the project has potential to result in site access safety issues related to driveway sight distances (Impact TR-17).

Facts in Support of Finding

The proposed project's potentially significant impacts to transportation and traffic would be mitigated to below a level of significance with implementation of the mitigation measures identified in Section 4.8.6 of the FEIR, which are listed below.

- TR-1:** Prior to the issuance of occupancy permits, parking shall be prohibited on the west side of Escondido Boulevard (El Norte Parkway to Decatur Way) and a two-way left-turn lane shall be installed by the applicant. This shall result in the loss of 22 parking spaces.
- TR-2:** Prior to the issuance of occupancy permits, parking shall be prohibited on the east side of Escondido Boulevard (Mission Avenue to Washington Avenue) and "No Parking" signs a two-way left-turn lane, consistent with Collector Street standards shall be installed by the applicant. This shall result in the loss of 14 parking spaces.
- TR-3:** Prior to the issuance of occupancy permits, parking shall be prohibited on the both sides of Fig Street (Lincoln Avenue to Mission Avenue) and a two-way left-turn lane shall be installed by the applicant. The Traffic Impact Fee payment provided for this project will fund the installation of these improvements. This will require the loss of 13 parking spaces.
- TR-4:** Prior to the issuance of occupancy permits, the applicant shall (1) install a dedicated WB right-turn lane at Lincoln Avenue/Garrick Way intersection and a dedicated EB right-turn lane at Lincoln Avenue/Fig Street intersection (this work may involve shifting power poles in the immediate vicinity to accommodate the intersection widening), and (2) re-time traffic signals at these intersections, as needed. The Traffic Impact Fee payment provided for this project will fund the installation of these improvements.
- TR-5:** Prior to the issuance of occupancy permits, the applicant shall (1) install a raised median on El Norte Parkway in order to restrict access from Escondido Boulevard onto El Norte Parkway to right-turns only, (2) install a dedicated right-turn lane from northbound Escondido Boulevard to eastbound El Norte Parkway, (3) modify the El Norte Parkway raised median to lengthen the two left-turn lanes from westbound El Norte Parkway to southbound Centre City Parkway to accommodate a U-turn movement, and (4) modify the median and left-hand turn lane on El Norte Parkway, between Escondido Boulevard and Broadway to accommodate a U-turn on El Norte Parkway.

- TR-6:** Prior to the issuance of occupancy permits, the applicant shall install a traffic signal at the Escondido Boulevard/Lincoln Avenue intersection.
- TR-7:** Prior to the issuance of occupancy permits, the applicant shall (1) install a traffic signal at the North Broadway/Lincoln Avenue intersection, (2) restripe eastbound and westbound approaches of that intersection to include a shared through/left-turn lane and dedicated right-turn lane, and (3) install a "Keep Clear" sign at the intersection.
- TR-8:** Prior to the issuance of occupancy permits, the applicant shall provide a dedicated southbound right-turn lane and install a southbound right-turn overlap (prohibit eastbound U-turns) at the North Broadway at SR-78/Lincoln Parkway intersection to the satisfaction of the City and Caltrans.
- TR-9:** Prior to the issuance of occupancy permits, the applicant shall provide a fair-share contribution to the City's satisfaction towards widening Lincoln Avenue (Fig Street to Ash Street) to six lanes.
- TR-10:** Prior to the issuance of occupancy permits, the applicant shall provide a fair-share contribution to the City's satisfaction towards widening Mission Avenue (Centre City Parkway to Escondido Boulevard) to 6 lanes.
- TR-11:** Prior to the issuance of occupancy permits, the project shall restripe the Fig Street/Lincoln Avenue intersection northbound lanes to include two dedicated left-turn lanes and a shared through/right-turn lane. To accommodate the dual northbound left-turns, the southbound approach shall be "shadowed" and parking shall be removed as needed. The Traffic Impact Fee payment provided for this project will fund the installation of these improvements.
- TR-12:** Prior to issuance of final grading and construction plans, a limited use area shall be established near project driveways to provide adequate sight distance pursuant to City requirements and to the satisfaction of the City.

Rationale and Conclusion

With the implementation of measures TR-1 to TR-11, level of service Impacts TR-1, TR-2, TR-3, TR-4, TR-7, TR-8, TR-9, TR-10, TR-12, TR-14, TR-15, and TR-16 would be reduced to below the City's thresholds (refer to Appendix H-2, Tables 5A to 7B). More specifically, the mitigation would reduce the project's contribution to delays at impacted intersections to below 2 seconds and would reduce the project's V/C contribution at significantly impacted roadway segments to below 0.02. Impact TR-17 related to adequate sight distance would be fully mitigated by measure TR-12, as it would ensure adequate sight distance is provided. Thus, Impacts TR-1, TR-2, TR-3, TR-4, TR-7, TR-8, TR-9, TR-10, TR-12, TR-14, TR-15, and TR-16 would be less than significant with the incorporation of mitigation.

B. Findings Regarding Mitigation Measures Which are the Responsibility of Another Agency (CEQA § 21081(A)(2) and Guidelines § 15091(a)(2))

The City, having reviewed and considered the information contained in the FEIR, finds pursuant to CEQA Section 21081(a)(2) and Guidelines Section 15091(a)(2) that there are no changes or alterations which could reduce significant impacts that are within the responsibility and jurisdiction of another public agency.

C. Findings Regarding Infeasible Mitigation Measures (CEQA § 21081(A)(3) and Guidelines § 15091(a)(3))

Under CEQA, “[i]t is the policy of the state that public agencies should not approve projects as proposed if there are feasible alternatives or feasible mitigation measures available which would substantially lessen the significant environmental effects of such projects...The Legislature further finds and declares that in the event specific economic, social, or other conditions make infeasible such project alternatives or such mitigation measures, individual projects may be approved in spite of one or more significant effects thereof.” (Pub. Res. Code § 21002.) (Emphasis added.) Moreover, CEQA defines “feasible” as “capable of being accomplished in a successful manner within a reasonable period of time, taking into account, economic, social, legal, and technological factors.” (Guidelines §15364.)

In accordance with CEQA, the FEIR evaluated potential mitigation measures for traffic and noise impacts, but certain factors make the potential measures infeasible.

NOISE

Significant Effect

The project would increase traffic volumes on local roadways. The existing noise level at 50 feet from the centerline of the segment of Lincoln Avenue between Escondido Boulevard and North Broadway is 56 CNEL and the project would result in a noise increase of 5 decibels. There are noise-sensitive residential and school uses adjacent to this segment of Lincoln Avenue. This increase in noise would exceed the City’s standards and, therefore, the project would have a significant ambient traffic noise impact (Impact NOS-1). Refer to FEIR Section 4.7.3.3 for additional details.

Similar to direct traffic noise impacts, a cumulative traffic noise impact occurs when a substantial noise level increase occurs. The future (without project) traffic noise level at 50 feet from the centerline of the segment of Lincoln Avenue between Escondido Boulevard and North Broadway is 57 CNEL and the project would result in a noise increase of 4 dB. As discussed previously, there are noise-sensitive residential and school uses adjacent to this segment of Lincoln Avenue. This increase in noise would exceed the City’s thresholds, and impacts would be cumulatively significant (Impact NOS-1). Refer to FEIR Section 4.7.4 for additional details.

Facts in Support of Finding

Measures were considered to reduce the ambient traffic noise impact (see FEIR Section 4.7.6), but mitigation to reduce this potential impact to below a level of significance was determined infeasible for the reasons identified below.

Rerouting project traffic to reduce the traffic noise along Lincoln Avenue is not feasible, as taking access from a different surrounding roadway is not possible. As the City does not have jurisdiction over SR-78, the City cannot provide the approval for the site to take access from this roadway or provide enforcement of such a measure. Access to the site from North Broadway is not feasible due to the minimum distances required from intersections. Thus, Lincoln Avenue is the only roadway adjacent to the project where adequate access could be provided and a measure requiring alternative site access is infeasible.

A measure that required the Applicant to install a noise wall adjacent to the roadway was considered. This measure would require obtaining additional right-of-way and because the properties in this area front on Lincoln Avenue the noise wall would need to include gaps to preserve the properties' direct access to the street thus rendering the noise wall ineffective. In addition, this mitigation would negatively affect community character and visual resources. Thus, this measure is also infeasible.

In conclusion, there is no feasible mitigation to avoid the ambient traffic noise impact along Lincoln Avenue (Impact NOS-1), and this impact would remain significant and unavoidable.

Rationale and Conclusion

Direct and cumulative impacts associated with the permanent increase in ambient noise levels adjacent to Lincoln Avenue (between Escondido Boulevard and North Broadway) would exceed the City's noise thresholds and, therefore would be significant (Impact NOS-1). There is no feasible mitigation to avoid this ambient noise impact. Thus, impacts would remain significant and unavoidable.

TRANSPORTATION AND TRAFFIC

Significant Effect

As identified in FEIR Section 4.8, Transportation and Traffic, implementation of the proposed project would result in additional traffic that would degrade the following segment operations:

- Impact TR-5: Segment #17. Lincoln Parkway/Lincoln Avenue, Ash Street to Harding Street
- Impact TR-6: Segment #18. Lincoln Parkway/Lincoln Avenue, Harding Street to Rose Street
- Impact TR-11: Segment #4. Escondido Boulevard, Decatur Way to Lincoln Avenue
- Impact TR-13: Segment #12: Lincoln Avenue, Escondido Boulevard to North Broadway

Based on the City's thresholds, the degradation would result in significant direct and cumulative impacts at impact locations TR-4 and TR-5, and significant cumulative impacts at impact locations TR-11 and TR-13.

Facts in Support of Finding

As detailed in FEIR Section 4.8.6, the proposed project's significant direct and cumulative impacts to these roadway segments could potentially be mitigated to below a level of significance with implementation of the mitigation measures described below (also see FEIR Appendix H-2, Tables 5A to 7B):

In order to mitigate the project's direct/cumulative Impact TR-5 (Segment #17: Lincoln Avenue - Ash Street to Harding Street), two options were considered. The options considered include the following:

- (1) Prior to the issuance of occupancy permits, the applicant shall restripe Lincoln Avenue (Ash Street to Harding Street) to provide a two-way left-turn lane as well as dedicated left-turn pockets at Harding Street and Pioneer Elementary School.

- (2) Prior to the issuance of occupancy permits, additional right-of-way along Lincoln Avenue (Ash Street to Harding Street) shall be obtained and a two-way left-turn lane as well as dedicated left-turn pockets at Harding Street and Pioneer Elementary School shall be installed by the applicant.

In order to mitigate the project's direct/cumulative Impact TR-6 (Segment #18: Lincoln Avenue - Harding Street to Rose Street), two options were considered. The options considered the following:

- (1) Prior to the issuance of occupancy permits, the applicant shall restripe Lincoln Avenue (Harding Street to Rose Street) to provide a two-way left-turn lane and a dedicated left-turn pocket at Harding Street.
- (2) Prior to the issuance of occupancy permits, additional right-of-way along Lincoln Avenue (Harding Street to Rose Street) shall be obtained and a two-way left-turn lane and a dedicated left-turn pocket at Harding Street shall be installed by the applicant.

The above mitigation for Impacts TR-5 and TR-6 was determined to be infeasible by the City Council. The removal of parking is infeasible to complete for social reasons, as the Escondido community prefers to retain existing parking for adjacent residential property owner/users convenience. The measures that require obtaining additional right-of-way (e.g., taking properties adjacent to the roadways) are also considered potentially infeasible, as the street widening is considered less important than retaining the existing residential uses along these roadways at this time.

In order to mitigate the project's cumulative Impact TR-11 (Segment #4: Escondido Boulevard, Decatur Way to Lincoln Avenue), the following mitigation was considered:

- (1) Prior to the issuance of occupancy permits, a fair-share contribution to the City's satisfaction shall be paid towards the future widening of Escondido Boulevard (between Decatur Way to Lincoln Avenue) to Collector standards.

In order to mitigate the project's cumulative Impact TR-13 (Segment #12: Lincoln Avenue, Escondido Boulevard to North Broadway), the following mitigation was considered:

- (1) Prior to the issuance of occupancy permits, a fair-share contribution to the City's satisfaction shall be paid towards the future widening of Lincoln Avenue, between Escondido Boulevard to North Broadway, to Local Collector standards.

The above mitigation for Impacts TR-5 and TR-6 was determined to be infeasible by the City Council. Both options would be assuming that the City would widen the roadway in the future. However, the City has no plans at this time to complete such improvements. Widening these roadways would require either the removal of a significant number of street parking spaces or obtaining additional right-of-way. Both such options are considered infeasible, as the community has a preference to retain parking as well as the existing uses adjacent to the roadways over the roadway widening at this time. Also, the project is already removing parking along the Lincoln Avenue project frontage, and the removal of additional parking would be opposed by the community.

Rationale and Conclusion

The mitigation measures considered included increases in roadway and intersection capacity via additional travel lanes or turn lanes, which would reduce the project's v/c contribution or intersection

delay contribution to below a level of significance (refer to Appendix H-2, Tables 5A to 7B). Two potential methods to achieve the capacity increases were considered for each of these significant impacts, including (1) removing street parking along the residential streets to accommodate additional travel or turn lanes or (2) obtaining additional right-of-way to accommodate additional travel lanes or turn lanes. However, both of these potential mitigation options would be infeasible. The removal of parking is infeasible to complete for social reasons, as the Escondido community prefers to retain existing parking for adjacent residential property owner/users convenience. Off-street parking in these residential areas is limited. The removal of adjacent street parking would create potential unacceptable social issues, as it could result in blight associated with increased yard parking on properties abutting streets with no parking permitted and impacts to adjacent neighborhoods due to increased parking on streets in surrounding areas. The measures that require obtaining additional right-of-way (e.g., taking properties adjacent to the roadways) are also considered infeasible, as the street widening has been determined to be a lower priority by the City than retaining the existing residential uses along these roadways at this time.

D. Findings Regarding Alternatives Considered and Rejected

Pursuant to Guidelines Section 15126.6, the range of potential alternatives to the proposed project shall include those that could feasibly accomplish most of the basic objectives of the project and could avoid or substantially lessen one or more of the significant effects. The EIR should briefly describe the rationale for selecting the alternatives to be discussed. The EIR should also identify any alternatives that were considered by the lead agency, but were rejected as infeasible during the seeping process and briefly explain the reasons underlying the Lead Agency's determination. Additional information explaining the choice of alternative may be included in the administrative record. Among the factors that may be used to eliminate alternatives from detailed consideration in an EIR are (i) failure to meet most the basic project objectives, (ii) infeasibility, or (iii) inability to avoid significant environmental impacts.

Two alternatives to the project were considered but rejected, and included Buildout Retail Commercial Alternative; and Alternative Location Alternative. Among factors used to eliminate alternatives from detailed consideration in the EIR is failure to meet most of the basic project objectives, inability to avoid significant environmental effects, inability to add a meaningful analysis, and feasibility. Under Buildout Retail Commercial Alternative, the project site would be redeveloped with the maximum allowed retail commercial uses. This alternative was rejected because it would not avoid any of the project's significant environmental impacts. The Alternative Location Alternative consisted of building the same development, but at an alternative location. This alternative was rejected because the applicant cannot reasonably acquire an alternative site. In addition, the alternatives analysis already included a reasonable range and this alternative and would not add a meaningful analysis on how to avoid a significant, unmitigated project impact.

E. Findings Regarding Alternatives Considered in the FEIR

The FEIR examined three alternatives: a No Project (No New Development) Alternative, a Reduced Project Alternative, and an Alternate Use Alternative. These project alternatives are summarized below, along with the findings relevant to each alternative.

Because the proposed project could cause one or more unavoidable significant environmental effects, the City must consider the feasibility of alternatives to the proposed project, evaluating whether these alternatives could avoid or substantially lessen the proposed project's unavoidable significant

environmental effects while achieving most of its objectives (listed in Section II.E above or Section 5.2 of the FEIR).

Findings for All Alternatives

The City, having reviewed and considered the information contained in the FEIR and the Record of Proceedings, and pursuant to CEQA Section 21081(a)(3) and Guidelines Section 15091(a)(3), finds that specific economic, legal, social, technological, or other considerations, including considerations of the provision of employment opportunities for highly trained workers, make infeasible the alternatives identified in the FEIR as described below. More specifically, based upon the administrative record for the proposed project, the City makes the following findings concerning the alternatives to the proposed project.

No Project (No New Development) Alternative

A No Project Alternative wherein the existing structures remain unoccupied would be infeasible; as such continuation of unoccupied structures and no maintenance would result in code compliance action. Therefore, the No New Development Alternative assumes that the site is re-occupied by a use allowed by the zoning code. No redevelopment or discretionary actions would occur under this alternative.

As the No Project (No New Development) Alternative would not involve any demolition, this alternative would avoid the significant hazardous material issues (asbestos and lead). In addition, this alternative would generate less traffic than the project and would avoid the traffic noise and traffic capacity impacts of the project. This alternative would not avoid the significant access safety issue and it would remain significant and unmitigated under this alternative.

Potentially Significant Effects and Grounds for Infeasibility

Significant Effects

This alternative would avoid the significant hazards and hazardous material (Impacts HAZ-1 and HAZ-2), significant traffic operation impacts (TR-1 to TR-16), and the significant traffic noise impact (Impact NOS-1) of the project. This alternative would result in the significant access safety traffic impact (Impact TR-17) and, as reoccupation would be allowed without permits, this impact would remain significant and unmitigated.

Facts in Support of Finding

The No Project (No New Development) Alternative would meet two of the three project objectives, including the objective to promote jobs and the City's tax base as well as smart growth by reusing a site within an urban area. This alternative would not meet the project objective of redeveloping an underutilized site, as it would not redevelop the site. Overall, this alternative would reduce all of the project's significant impacts and would meet the majority of the project objectives.

Ultimately, this alternative would not be feasible. The land owner has been actively pursuing tenants for the existing buildings since 2007. However, the buildings have been constructed for automobile sale, display and repair, which limit their ability for an alternative use. In addition, the outdated architecture and unique floor plan pose challenges for reusing the buildings for an alternative use without significant alterations. Considering the owner has been unable to find an occupant over the last 8 years, it is not

guaranteed that a tenant can be found in a reasonable amount of time. Thus, this No Project (No New Development) alternative is considered infeasible.

Finding

While adoption of the No Project (No Development) Alternative would avoid the proposed project's significant impacts and meet the basic project objectives, this alternative is infeasible due to the inability to find a tenant for the site in its current condition.

Reduced Project Alternative

This alternative reduces the development intensity in order to reduce traffic impacts. This alternative would, therefore, omit the drive-through restaurant pad. Development under the Reduced Project Alternative would be limited to the 43,500 square feet of specialty local market. Removal of the drive-through restaurant would correspondingly reduce the number of daily trips and the amount of required on-site parking.

Potentially Significant Effects and Grounds for Infeasibility

Significant Effects

The Reduced Project Alternative would avoid one significant traffic impact (Impact TR-14), and would not avoid the project's significant ambient traffic noise impact (Impact NOS-1), hazards impacts (Impacts HAZ-1 and HAZ-2), or other significant traffic impacts (TR-1 to TR-13, and TR-14 to TR-16).

Facts in Support of Finding

The Reduced Project Alternative would meet the first project objective, as redevelopment of the site would occur, similar to the project with a viable commercial use. This alternative would likewise create new jobs and bolster the City's tax base; however, not to the same extent as the project considering its less intensive use. Finally, the Reduced Project Alternative would meet the third project objective, as it would include development located within an urbanized area, where public facilities and services are available.

Finding

Ultimately, this alternative would not be feasible. The site's location within the City's urban core and adjacent to a major freeway where infrastructure and services already exist calls for maximizing the development potential within a reasonable expectation in order to relieve pressure of over-development in outlying areas.

Alternative Use Alternative

This alternative addresses an alternate use for the project site. Under this alternative, the project site would be redeveloped with general office uses. Assuming the same FAR indicated in the General Plan for General Commercial uses (0.50), the site could be redeveloped with approximately 80,586 square feet of office space consistent with the General Plan and Zoning Code. In order to accommodate parking and minimize grading costs, it is reasonable to assume this alternative would likely involve one or two multi-story buildings surrounded by surface parking. As with the project, this alternative would

make any other necessary improvements relative to circulation and access and would incorporate landscaping pursuant to the City's Zoning Ordinance.

Significant Effects

The Alternate Use Alternative would avoid most of the significant traffic impacts and avoids the significant ambient traffic noise impact. More specifically, trips would be reduced from the project's 8,605 ADT to 1,370 ADT. This would result in the avoidance of all the project's significant direct segment impacts (projects Impact TR-2 to TR-6), except the direct impacts to Segment #3 (project Impact TR-1). The Alternate Use Alternative would also avoid all of the project's significant cumulative segment impacts (project Impacts TR-2 to TR-6, and TR-11 to TR-15) except Segment #3 (project Impact TR-1). Due to the significant decrease in trip generation relative to the project (i.e., traffic reduced by more than 50 percent), this alternative would avoid the significant traffic noise impact of the project. This alternative would result in significant hazards impacts (Impacts HAZ-1 and HAZ-2) similar to the project.

Facts in Support of Finding

The Alternate Use Alternative would meet the first project objective, as redevelopment of the site would occur with an allowable commercial use. This alternative would also create new jobs and bolster the City's tax base in accordance with the second project objective. Finally, the Alternate Use Alternative would meet the third project objective, as it would include development located within an urbanized area where public facilities and services are available.

Finding

Ultimately, this alternative would not be feasible. Recent studies on the City's office space inventory have concluded that a surplus of general office square footage exists in the area with several vacancies currently being marketed in the vicinity.

VII. STATEMENT OF OVERRIDING CONSIDERATIONS

As identified above, the proposed project will result in significant and unavoidable noise and transportation/circulation impacts. The City, after balancing the specific economic, legal, social, technological, and other benefits of the proposed project, has determined that the unavoidable adverse environmental impacts identified above are considered "acceptable" because the benefits of the project outweigh the unavoidable adverse environmental impacts of the project. Each of the separate benefits of the proposed project, as stated herein, is determined to be, unto itself and independent of the other project benefits, a basis for overriding all unavoidable adverse environmental impacts identified in these Findings. The following statement of overriding considerations is provided to satisfy CEQA Guidelines Section 15093, which requires the lead agency to state in writing the specific reasons to support the approval of a project with significant effects that are not avoided or substantially lessened through mitigation. The information supporting these findings are located at the City of Escondido City Hall. The following describes the specific considerations utilized.

A. Economic Benefits

- The project will make use of a vacant, underutilized property, and will improve the economic prosperity of the City.

- The project provides a specialty grocery store to the neighborhood, which would keep sales within the City.
- The improved property will increase the site's property value and would likely result in a positive effect on surrounding property values.
- Increased property values and sales within the City would lead to an increase in the tax base.
- The project would result in additional jobs within the City, including construction employment opportunities as well as sales and management and other positions during operations.

B. Social Benefits

- The project will improve the aesthetics of the site, as it would replace a run-down, out-of-date vacant former automotive dealership with a vibrant commercial development.
- The project would provide a safe alternative drop-off and pick-up area on-site, as well as an improved pedestrian crossing to the elementary school to the north.
- The project provides a specialty grocery store with access to fresh food within walking distance from the adjacent neighborhood, which would be a benefit to surrounding residences and will reduce the distance residents need to travel to purchase goods. This is especially important considering the site is within the viewshed of SR-78 that serves as a gateway into the City.

C. Sustainability Benefits

- The project is considered smart growth, as it consists of redeveloping a site in an urbanized area where infrastructure and services already exist.
- The project will have higher energy and water efficiency than the existing development fixtures, as the proposed structures would meet the current California Green Building Code (CALGreen Code) requirements.
- The project will include improved storm water best management practices in accordance with current regulations such as on-site bio-retention, which will improve water quality.
- The project includes bicycle parking and an enhanced pedestrian crossing, which will promote alternative transportation use in the City.

D. Public Improvements

- The project includes SR-78 improvements requested by Caltrans, which will improve a regional gateway access to the City. These improvements consist of extending two eastbound SR-78 left-turn lanes at the SR-78/North Broadway intersection and require the relocation of a storm drain grate and restriping.
- The project includes frontage improvements to North Broadway, Lincoln Avenue, and the North Broadway/Lincoln Avenue intersection, which will improve access to the local area.

- The project will provide improvements or contribute monetarily to improving the following City Streets towards their roadway buildout classifications:

Improvements to:

- Escondido Boulevard (El Norte Parkway to Decatur Way)
- Escondido Boulevard (Mission Avenue to Washington Avenue)
- Fig Street (Lincoln Avenue to Mission Avenue)
- Lincoln Avenue (Garrick Way to Fig Street)
- Escondido Boulevard/El Norte Parkway
- Escondido Boulevard/Lincoln Avenue
- North Broadway/Lincoln Avenue
- North Broadway at SR-78/Lincoln Parkway
- Fig Street/Lincoln Avenue

Contribution to:

- Lincoln Avenue (Fig Street to Ash Street)
- Mission Avenue (Centre City Parkway to Escondido Boulevard)

- The project will improve pedestrian safety by removing the sidewalk along the North Broadway project frontage. This change will discourage pedestrians from crossing SR-78 from the west side of Broadway and from walking along SR-78 to the west of Broadway where pedestrians are prohibited for safety reasons.

VIII. CONCLUSION

For the foregoing reasons, the City of Escondido concludes the following: (1) the proposed Centerpointe 78 will result in a number of significant impacts, including significant and unavoidable impacts to noise and transportation/circulation; and (2) the proposed project will also result in numerous public benefits related to improved economic, employment and environmental conditions, each of which individually is sufficient to outweigh the unavoidable environmental impacts of the proposed project. Therefore, the City of Escondido has adopted this Statement of Overriding Considerations.

RESOLUTION NO. 2015-203

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, APPROVING A PLOT PLAN AND ADOPTING A FINAL ENVIRONMENTAL IMPACT REPORT, CEQA FINDINGS, STATEMENT OF OVERRIDING CONSIDERATIONS, AND MITIGATION MONITORING AND REPORTING PROGRAM, FOR CENTERPOINTE 78, A COMMERCIAL ESTABLISHMENT TO INCLUDE A 43,681-SF GROCERY STORE AND 3,200-SF DRIVE-THRU RESTAURANT

Case No. ADM 13-0127 / ENV 13-0009

WHEREAS, a Final Environmental Impact Report has been prepared for the Centerpointe 78 project, a Plot Plan for a commercial establishment to include a 43,681-SF grocery store, a 3,200-SF drive-thru restaurant, and associated parking, lighting, landscaping, and utilities, at former Toyota of Escondido site addressed as 925 North Broadway; and

WHEREAS, the City Council of the City of Escondido as the lead agency under the California Environmental Quality Act ("CEQA") is responsible for certification of the Final Environmental Impact Report; and

WHEREAS, the City Council of the City of Escondido did on December 9, 2015, hold a meeting to consider the Plot Plan and certification of the Final Environmental Impact Report and associated Mitigation Monitoring and Reporting Program and CEQA findings; and

WHEREAS, the City Council has reviewed and considered the Final Environmental Impact Report and associated Mitigation Monitoring and Reporting

Program prepared for the project, and has determined that it adequately addresses all environmental issues associated with the project; and

WHEREAS, the City Council desires at this time, and deems it to be in the best public interest, to approve the Plot Plan and certify the Final Environmental Impact Report for the Centerpointe 78 project.

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 Project Findings of Fact attached as Exhibit "A" and incorporated by this reference, were considered and made by the City Council.
3. That the CEQA Findings and Statement of Overriding Considerations attached as Exhibit "B" and incorporated by this reference, was considered and is hereby adopted by the the City Council.
4. That the Mitigation Monitoring and Reporting Program attached as Exhibit "C," and incorporated by this reference, addresses mitigation for potential project related impacts and that the report will sufficiently mitigate and assign on-going responsibility for carrying out mitigation responsibilities, which are appropriate to address and mitigate project-related impacts.
5. That upon consideration of the staff report (a copy of which is on file in the Planning Division), the Planning Commission comments provided at a public hearing on November 10, 2015, public testimony presented at the City Council hearing, the findings, and applicable law, the City Council finds that the project is consistent with the General Plan and hereby approves the Plot Plan, subject to the Conditions of Approval attached

as Exhibit “D” and incorporated by this reference, and certifies the Final Environmental Impact Report prepared for the Centerpointe 78 project.

FINDINGS OF FACT
ADM 13-00127 / ENV 13-0009

1. The use proposed for the site is consistent with the General Commercial designation as described in the Escondido General Plan, since it will include a local-serving grocery store and an eating or drinking establishment. The project is consistent with goals and policies within the General Plan pertaining to Commercial Land Uses, since a traffic and circulation study was prepared, points of access were located so as not to be too close to intersections, and the environmental analysis performed for the project included the drive-through feature at the proposed restaurant. The project is also consistent with the guiding principle of the Highway 78/Broadway Target Area that calls for higher development intensities along the Broadway corridor.
2. A Draft EIR was released for public review from August 14 to September 28, 2015. A Final EIR was provided on October 22, 2015 to incorporate comments received during the review period and their responses, and to make other revisions. The EIR identified significant project-related impacts with respect to hazards, noise, and traffic. Mitigation measures were proposed to reduce most of these impacts to a less than significant level. However, one noise impact (permanent ambient noise related to increased traffic on West Lincoln Avenue, between Escondido Boulevard and Broadway) was found to be significant and unavoidable. Four traffic impacts were found to be potentially significant and unavoidable, though the EIR deferred to the decision-making body as to whether they could be mitigated through the removal of traffic or acquisition of additional right-of-way to create new traffic lanes. Should the City Council decide to approve the project and certify the EIR despite the unavoidable noise impact and the potentially unavoidable traffic impacts, a Statement of Overriding Considerations shall also be adopted that finds that the social, economic, sustainability, and public improvement benefits of the project will outweigh the significant and unavoidable impacts identified in the EIR.
3. The proposed location will allow the future commercial uses to be adequately serviced by existing or proposed public facilities or services since the surrounding road network has already been constructed and all utilities are in close proximity to the project site.
4. The overall design of the proposed commercial development will produce an attractive, efficient development that utilizes complementary building materials with adequate parking and pedestrian linkages through the site. The project has undergone staff design review and recommendations from that review have been incorporated into the conditions of approval.
5. As proposed, the project will be well integrated with its setting and the surrounding area since the property was previously graded to accommodate an automobile dealership and is relatively flat. The height of the proposed grocery store building will

be comparable to similar grocery stores in the community and in compliance with the development standards of the Commercial General (CG) zoning district. Though no building design is proposed for the restaurant at this time, this building will be subject to additional Plot Plan review and required to conform to CG development standards. The grocery store underwent staff design review in July of 2014 and recommendations from that meeting have been incorporated into the conditions of approval.

6. The proposed grocery store and restaurant shall have a beneficial effect by providing services needed by city residents.
7. An appropriate number of parking spaces will be provided for the combined grocery store and restaurant uses.

DRAFT

Centerpointe 78

CANDIDATE'S FINAL CEQA FINDINGS OF FACT AND STATEMENT OF OVERRIDING CONSIDERATIONS

Final Environmental Impact Report, SCH #2014061031
City Project #ADM 13-0127 / ENV 13-0009

October 28, 2015



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

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Section

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I. INTRODUCTION

A. Findings of Fact and Statement of Overriding Considerations

The California Environmental Quality Act (CEQA) (Pub. Res. Code §§ 21000, et seq.) and the CEQA Guidelines (Guidelines) (14 Cal. Code Regs §§ 15000, et seq.) promulgated thereunder, require that the environmental impacts of a project be examined before a project is approved. In addition, once significant impacts have been identified, CEQA and the Guidelines require that certain findings be made before project approval. It is the exclusive discretion of the decision-maker certifying the Environmental Impact Report (EIR) to determine the adequacy of the proposed candidate findings. It is the role of staff to independently evaluate the proposed candidate findings and to make a recommendation to the decision-maker regarding their legal adequacy. Specifically, regarding findings, Guidelines Section 15091 provides:

- (a) No public agency shall approve or carry out a project for which an EIR has been certified which identifies one or more significant environmental effects of the project unless the public agency makes one or more written findings for each of those significant effects, accompanied by a brief explanation of the rationale for each finding. The possible findings are:
 - 1. Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.
 - 2. Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
 - 3. Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the final EIR.
- (b) The findings required by subdivision (a) shall be supported by substantial evidence in the record.
- (c) The finding in subdivision (a)(2) shall not be made if the agency making the finding has concurrent jurisdiction with another agency to deal with identified feasible mitigation measures or alternatives. The finding in subdivision (a)(3) shall describe the specific reasons for rejecting identified mitigation measures and project alternatives.
- (d) When making the findings required in subdivision (a)(1), the agency shall also adopt a program for reporting on or monitoring the changes which it has either required in the project or made a condition of approval to avoid or substantially lessen significant environmental effects. These measures must be fully enforceable through permit conditions, agreements, or other measures.

- (e) The public agency shall specify the location and custodian of the documents or other materials which constitute the record of the proceedings upon which its decision is based.
- (f) A statement made pursuant to Section 15093 does not substitute for the findings required by this section.

The "changes or alterations" referred to in Section 15091(a)(1) above, that are required in, or incorporated into, the project which mitigate or avoid the significant environmental effects of the project, may include a wide variety of measures or actions as set forth in Guidelines Section 15370, including:

- (a) Avoiding the impact altogether by not taking a certain action or parts of an action.
- (b) Minimizing impacts by limiting the degree or magnitude of the action and its implementation.
- (c) Rectifying the impact by repairing, rehabilitating, or restoring the impacted environment.
- (d) Reducing or eliminating the impact over time by preservation and maintenance operations during the life of the action.
- (e) Compensating for the impact by replacing or providing substitute resources or environments.

Should significant and unavoidable impacts remain after changes or alterations are applied to the project, a Statement of Overriding Considerations must be prepared. The statement provides the lead agency's views on the ultimate balancing of the merits of approving a project despite its environmental damage. Regarding a Statement of Overriding Considerations, Guidelines section 15093 provides:

- (a) CEQA requires the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits of a proposed project against its unavoidable environmental risks when determining whether to approve the project. If the specific economic, legal, social, technological, or other benefits of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered "acceptable."
- (b) When the lead agency approves a project which will result in the occurrence of significant effects which are identified in the final EIR but are not avoided or substantially lessened, the agency shall state in writing the specific reasons to support its action based on the final EIR and/or other information in the record. The statement of overriding considerations shall be supported by substantial evidence in the record.
- (c) If an agency makes a statement of overriding considerations, the statement should be included in the record of the project approval and should be mentioned in the notice of determination. This statement does not substitute for, and shall be in addition to, findings required pursuant to Section 15091.

The following Candidate Findings of Fact and Statement of Overriding Considerations have been prepared by the Community Development Department, Planning Division as Candidate Findings of Fact and Statement of Overriding Considerations (Findings) to be made by the decision-making body. Ultimately, the decision-making body must decide to either adopt these or reject these findings.

Having received, reviewed, and considered the Final Environmental Impact Report for Centerpointe 78, State Clearinghouse No. 2014061031 (FEIR), as well as all other information in the Record of Proceedings (as defined below) on this matter, the following Findings are hereby adopted by the City of Escondido (City) in its capacity as the CEQA Lead Agency. These Findings set forth the environmental basis for current and subsequent discretionary actions to be undertaken by the City and responsible agencies for the implementation of the project.

B. Record of Proceedings

For purposes of CEQA and these Findings, the Record of Proceedings for the proposed project consists of the following documents and other evidence, at a minimum:

- The Notice of Preparation (NOP) and all other public notices issued by the City in conjunction with the proposed project;
- Comments received on the NOP;
- The Draft EIR;
- The FEIR (including public comments and responses);
- The reports and technical memoranda included or referenced in the FEIR;
- All documents, studies, EIRs, or other materials incorporated by reference or cited to in the FEIR;
- The Mitigation Monitoring and Reporting Program (MMRP);
- Matters of common knowledge to the City, including but not limited to federal, state and local laws and regulations;
- Any documents expressly cited in these Findings;
- City staff report prepared for this project and any exhibits thereto;
- Project permit conditions; and
- Any other relevant materials required to be in the record of proceedings by CEQA Section 21167.6(e).

Additionally, the Draft EIR and related technical studies were made available for review during the public review period online at <http://www.escondido.org/centerpointe-78-commercial-project.aspx>, as well as at:

- Escondido Public Library (239 S. Kalmia Street) and
- Escondido City Hall (201 N. Broadway)

C. Custodian and Location of Records

The documents and other materials which constitute the administrative record for the City's actions related to the project, as detailed in Section I.B. above, are located at the Escondido City Hall (201 N. Broadway). The City is the custodian of the administrative record for the project. Copies of these documents, which constitute the Record of Proceedings, are and at all relevant and required times have been and will be available upon request at the offices of the City Hall. This information is provided in compliance with Public Resources Code Section 21081.6(a)(2) and Guidelines Section 15091(e).

II. PROJECT SUMMARY

A. Project Location

The 3.7-acre project site is located at 925 N. Broadway, at the northwestern corner of State Route (SR-) 78 and N. Broadway, in the City of Escondido. Six assessor's parcels are included in the site; Assessor's Parcel Numbers 229-121-09 to 229-121-14. The site is bounded by Lincoln Avenue to the north, North Broadway to the east, SR-78 to the south, and residences to the west. Based on historical aerials, historical uses of the site include residential, agricultural institutional (church), and commercial (automotive sales) uses. Currently, the site is developed with a vacant automotive sales facility.

B. Project Description

The project consists of redeveloping the site with a grocery market and quick service restaurant. The grocery market building proposes approximately 43,500 square feet located in the western portion of the site. The restaurant pad would be 3,200 square feet located on the eastern portion of the site adjacent to N. Broadway and includes a drive through. The project would also include demolition, grading, construction, landscaping, and utilities.

The market would include a loading dock area with two large rollup doors, a trash compactor, cardboard bailer, and recycling and trash bin area on the west side of the building. Rooftop equipment would be recessed below the wall parapet to provide screening from off-site vantage points. Market signage would be installed on the front of the building (facing Broadway) and the south side of the building, facing SR-78. A 20-foot-high pylon sign is proposed near the corner of N. Broadway and SR-78 in addition to two 6-foot-high monument signs on Lincoln Avenue.

Access to the site would be from Lincoln Avenue that borders the north side of the property. As a project component, Lincoln Avenue would be reconfigured within the existing pavement width to include a center left-turn lane and removal of parking on both sides of the street along the project frontage to facilitate access to the site. A total of 199 parking spaces are proposed, which exceed minimum requirement. Street improvements include intersection modifications at Lincoln Avenue/N. Broadway, N. Broadway/SR-78/Lincoln Parkway, Lincoln Avenue/Escondido Boulevard, Lincoln Avenue/Garrick Way, El Norte Parkway/Escondido Boulevard, and Lincoln Avenue/Fig Street. Removal of street parking is proposed on Fig Street between Lincoln and Mission avenues, on Lincoln Avenue between Ash and Rose streets, on Escondido Boulevard between Mission and Lincoln avenues, and on Escondido Boulevard between Decatur Way and El Norte Parkway. Off-site traffic mitigation involves street improvements, including the removal of street parking in several area neighborhoods.

C. Discretionary Actions

The following discretionary action is being considered by the City Council with advisory votes by the Planning Commission:

- Site Plan

D. Statement of Objectives

As described in Section 3.5 of the FEIR, the following objectives are identified for the proposed project:

- Redevelop an underutilized site into a viable commercial use that would serve the local area.
- Promote the development of jobs and the City's tax base.
- Achieve smart growth by providing development in an urbanized area where services and utilities are existing and available to serve the development.

III. ENVIRONMENTAL REVIEW AND PUBLIC PARTICIPATION

In accordance with Guidelines Section 15082, the City distributed an NOP of an EIR to the State Clearinghouse, local and regional responsible agencies, and other interested parties on June 4, 2014. Various agencies and other interested parties responded to the NOP. The City's NOP and associated comments are included in the FEIR as Appendix A.

The Draft EIR for the proposed project was then prepared and circulated for review and comment by the public, agencies, and organizations for a public review period that began on August 14 to September 28, 2015. Notice of Completion of the Draft EIR was sent to the State Clearinghouse and the Draft EIR was circulated to state agencies for review through the State Clearinghouse, Office of Planning and Research (SCH No. 2014061031). A Notice of Availability of the Draft EIR for review was mailed to organizations and parties expressing interest in the project. The Notice of Availability was also filed with the City Clerk and published in the San Diego Union Tribune.

As noted above, the public comment period on the Draft EIR concluded on September 28, 2015. The City received four comment letters on the proposed project. The City completed responses to those comments on October 19, 2015. Those response to comments have been incorporated into the FEIR. The FEIR is intended as a "project EIR" under CEQA and the Guidelines. As described in Section 15161 of the Guidelines, a project EIR is typically prepared for a specific construction-level project.

On November 10, 2015, the City of Escondido Planning Commission (Planning Commission) held a public hearing on the proposed project. The Planning Commission recommended approval. On December 9, 2015, the City of Escondido City Council (City Council) held a public hearing on the proposed project.

IV. GENERAL FINDINGS

The City hereby finds as follows:

- Pursuant to Guidelines Sections 15050 and 15051, the City is the "Lead Agency" for the proposed project evaluated in the FEIR.

- The Draft EIR and FEIR were prepared in compliance with CEQA and the Guidelines.
- The City has independently reviewed and analyzed the Draft EIR and FEIR, and these documents reflect the independent judgment of the City Council and the City.
- The City's review of the Draft EIR and the FEIR is based upon CEQA and the City's regulations.
- An MMRP has been prepared for the proposed project, which the City has adopted or made a condition of approval of the proposed project. That MMRP is incorporated herein by reference and is considered part of the Record for the proposed project;
- The MMRP designates responsibility and anticipated timing for the implementation of mitigation measures. The City will serve as the MMRP Coordinator;
- In determining whether the proposed project has a significant impact on the environment, and in adopting these Findings pursuant to Section 21081 of CEQA, the City has based its decision on substantial evidence and has complied with CEQA Sections 21081.5 and 21082.2 and Guidelines Section 15901(b);
- The impacts of the proposed project have been analyzed to the extent feasible at the time of certification of the FEIR;
- The City reviewed the comments received on the Draft EIR and FEIR and the responses thereto and has determined that neither the comments received nor the responses to such comments add significant new information regarding environmental impacts to the Draft EIR or FEIR. The City has based its actions on the Final EIR and associated Record, including all formal written comments received up to the date of adoption of these Findings;
- The response to comments on the Draft EIR, which are contained in the FEIR, clarify and amplify the analysis in the Draft EIR;
- The City has made no decisions that constitute an irretrievable commitment of resources toward the proposed project prior to certification of the FEIR, nor has the City previously committed to a definite course of action with respect to the proposed project;
- Copies of all the documents incorporated by reference in the FEIR are and have been available upon request at all times at the offices of the City, custodian of record for such documents or other materials; and
- Having received, reviewed, and considered all information and documents in the record, the City hereby conditions the proposed project and finds as stated in these Findings.

V. SUMMARY OF IMPACTS

In identifying the following impacts, the City has considered project design features, as well as the applicable plans, programs, regulations, and policies. The project design features are part of the proposed project that the City has considered, regardless of whether they are explicitly made conditions of the project approval, and the City may assume that the project will be implemented consistent with the project description, project design features and applicable plans, programs, regulations and policies that the proposed project is subject to.

The FEIR concludes that the Project will have no significant impacts and require no mitigation measures with respect to the following issues:

- Aesthetics,
- Agriculture and forestry resources,
- Air quality,
- Biological resources,
- Cultural resources,
- Geology/soils
- Paleontological resources,
- Greenhouse gas emissions,
- Hydrology and water quality,
- Land use,
- Mineral resources,
- Population and housing,
- Public services,
- Recreation, and
- Utilities and services systems.

The FEIR concludes that implementation of the Original Project could result in **potentially significant impacts that would be mitigated to below a level of significance with respect to the following issues:**

- Hazards and hazardous materials (Impacts HAZ-1 and HAZ-2), and
- Transportation and traffic (Impacts TR-1 through TR-4, and TR-7 through TR-17).

The following impacts **would remain significant despite the adoption of all feasible mitigation measures:**

- Noise (Impact NOS-1), and
- Transportation and traffic (Impacts TR-5, TR-6, TR-11 and TR-13).

VI. FINDINGS REGARDING SIGNIFICANT IMPACTS

The Guidelines state that an agency's findings must be "accompanied by a brief explanation of the rationale for each finding" (Guidelines § 15091(a)). This requirement applies to the findings relating to mitigation of significant impacts, mitigation measures under the jurisdiction of another agency, and infeasibility of mitigation measures and alternatives required under CEQA Section 21081(a) and Guidelines Section 15091(a), (c). Detailed findings on an issue are not required if the basis for the agency's decision is found in the EIR and the agency's findings incorporate or adopt the EIR's discussion and analysis. Accordingly, every citation to the FEIR or other documents identified in these findings is hereby incorporated by reference as if fully set forth herein. In making each of the findings below, the City has considered the project design features and applicable plans, programs, and policies listed in the

FEIR. Additionally, every response to comment in the FEIR relating to said citations to the FEIR are also hereby incorporated by reference as if fully set forth herein.

A. Findings Regarding Significant Impacts That Can be Mitigated to Below a Level of Significance (CEQA §21081(A)(1) and CEQA Guidelines §15091(a)(1))

The City, having reviewed and considered the information contained in the FEIR, and the Record of Proceedings pursuant to Public Resource Code Section 21081(a)(1) and Guidelines Section 15091(a)(1), adopts the following findings regarding the significant effects of the proposed project, as follows:

- (1) Changes or alterations have been required in, or incorporated into, the project which would mitigate, avoid, or substantially lessen the significant environmental effects as identified in the FEIR as described below:

HAZARDS AND HAZARDOUS

Significant Effect

As identified in FEIR Section 4.4, Hazards and Hazardous Materials, implementation of the proposed project has the potential to result in significant impacts related to the disturbance of lead and asbestos containing materials during the demolition of existing structures on-site. More specifically, the proposed project demolition could result in lead- and asbestos-containing materials becoming airborne and inhalable. The exposure of workers and potentially adjacent residences and schools to lead- or asbestos-containing dust would result in a potentially significant hazardous material impact (Impacts HAZ-1 and HAZ-2).

Facts in Support of Finding

The proposed project's potentially significant impacts to hazards and hazardous materials would be mitigated to below a level of significance with implementation of the mitigation measures identified in Section 4.4.6 of the FEIR, which are listed below.

HAZ-1: Prior to issuance of a building permit or other applicable permit that includes demolition or renovation of on-site structures, a facility survey shall be performed to determine the presence or absence of Asbestos-Containing Materials (ACMs) in all buildings located at the Centerpointe 78 project site (925 North Broadway) that are to be demolished. Suspect materials that will be disturbed by the demolition or renovation activities shall be sampled and analyzed for asbestos content, or assumed to be asbestos containing. The survey shall be conducted by a person certified by Cal/OSHA pursuant to regulations implementing subdivision (b) of Section 9021.5 of the Labor Code, and shall have taken and passed an EPA-approved Building Inspector Course. Should regulated asbestos containing materials be found, it shall be handled in compliance with the San Diego County Air Pollution Control District Rule 361.145 – Standard for Demolition and Renovation. Evidence of completion of the facility survey shall consist of a signed, stamped statement from the person certified to complete the facility survey indicating that the survey has been completed and that either regulated asbestos is present or absent. If present, the letter shall describe the procedures that will be taken to remediate the hazard.

HAZ-2: Prior to issuance of a building permit or other applicable permit that includes demolition or renovation of on-site structures, a survey shall be performed by a California Department of Health Services certified lead inspector/risk assessor to determine the presence or absence of lead based paint located in all buildings located at the Centerpointe 78 project site (925 North Broadway) that are to be demolished. All lead-containing materials scheduled for demolition must comply with applicable regulations for demolition methods and dust suppression. Lead-containing materials shall be managed in accordance with applicable regulations including, at a minimum, the hazardous waste disposal requirements (Title 22 CCR Division 4.5), the worker health and safety requirements (Title 8 CCR Section 1532.1), and the State Lead Accreditation, Certification, and Work Practice Requirements (Title 17 CCR Division 1, Chapter 8).

Rationale and Conclusion

With the implementation of mitigation measures HAZ-1 and HAZ-2, the project would have a less than significant impact related to asbestos (Impact HAZ-1) and lead (Impact HAZ-2) hazardous material emissions. The requirement for abatement of lead and asbestos in accordance with regulations prior to demolition would ensure that workers and people in the surrounding area are not exposed to significant hazardous material emissions. Implementation of this mitigation measure would be assured through incorporation into the proposed project's MMRP. With implementation of the mitigation measures identified in the FEIR, hazards and hazardous materials impacts resulting from the proposed project would be mitigated to below a level of significance.

TRANSPORTATION AND TRAFFIC

Significant Effect

As identified in FEIR Section 4.8, Transportation and Traffic, implementation of the proposed project would result in additional traffic that would degrade the following traffic facilities:

- Impact TR-1: Segment #3. Escondido Boulevard, El Norte Parkway to Decatur Way
- Impact TR-2: Segment #6. Escondido Boulevard, Mission Avenue to Washington Avenue
- Impact TR-3: Segment #9. Fig Street, Lincoln Avenue to Mission Avenue
- Impact TR-4: Segment #15. Lincoln Parkway/Lincoln Avenue, Garrick Way to Fig Street
- Impact TR-7: Intersection #6. Escondido Boulevard at El Norte Parkway
- Impact TR-8: Intersection #7. Escondido Boulevard at Lincoln Avenue
- Impact TR-9: Intersection #11. North Broadway at Lincoln Avenue
- Impact TR-10: Intersection #12. North Broadway at SR 78/Lincoln Parkway
- Impact TR-12: Segment #11. El Norte Parkway, Centre City Parkway to Escondido Boulevard
- Impact TR-14: Segment #16. Lincoln Avenue, Fig Street to Ash Street

- Impact TR-15: Segment #21: Mission Avenue, Centre City Parkway to Escondido Boulevard
- Impact TR-16: Intersection #15: Fig Street at Lincoln Avenue

Based on the City's thresholds, the operations degradation would result in significant direct and cumulative impacts at TR-1 to TR-4 and TR-7 to TR-10, and significant cumulative impacts at TR-11 to TR-16. (Note that Impacts TR-5, TR-6, TR-11 and TR-13 would be significant as well, but are discussed in Section C below).

In addition, the project has potential to result in site access safety issues related to driveway sight distances (Impact TR-17).

Facts in Support of Finding

The proposed project's potentially significant impacts to transportation and traffic would be mitigated to below a level of significance with implementation of the mitigation measures identified in Section 4.8.6 of the FEIR, which are listed below.

- TR-1:** Prior to the issuance of occupancy permits, parking shall be prohibited on the west side of Escondido Boulevard (El Norte Parkway to Decatur Way) and a two-way left-turn lane shall be installed by the applicant. This shall result in the loss of 22 parking spaces.
- TR-2:** Prior to the issuance of occupancy permits, parking shall be prohibited on the east side of Escondido Boulevard (Mission Avenue to Washington Avenue) and "No Parking" signs a two-way left-turn lane, consistent with Collector Street standards shall be installed by the applicant. This shall result in the loss of 14 parking spaces.
- TR-3:** Prior to the issuance of occupancy permits, parking shall be prohibited on the both sides of Fig Street (Lincoln Avenue to Mission Avenue) and a two-way left-turn lane shall be installed by the applicant. The Traffic Impact Fee payment provided for this project will fund the installation of these improvements. This will require the loss of 13 parking spaces.
- TR-4:** Prior to the issuance of occupancy permits, the applicant shall (1) install a dedicated WB right-turn lane at Lincoln Avenue/Garrick Way intersection and a dedicated EB right-turn lane at Lincoln Avenue/Fig Street intersection (this work may involve shifting power poles in the immediate vicinity to accommodate the intersection widening), and (2) re-time traffic signals at these intersections, as needed. The Traffic Impact Fee payment provided for this project will fund the installation of these improvements.
- TR-5:** Prior to the issuance of occupancy permits, the applicant shall (1) install a raised median on El Norte Parkway in order to restrict access from Escondido Boulevard onto El Norte Parkway to right-turns only, (2) install a dedicated right-turn lane from northbound Escondido Boulevard to eastbound El Norte Parkway, (3) modify the El Norte Parkway raised median to lengthen the two left-turn lanes from westbound El Norte Parkway to southbound Centre City Parkway to accommodate a U-turn movement, and (4) modify the median and left-hand turn lane on El Norte Parkway, between Escondido Boulevard and Broadway to accommodate a U-turn on El Norte Parkway.

- TR-6:** Prior to the issuance of occupancy permits, the applicant shall install a traffic signal at the Escondido Boulevard/Lincoln Avenue intersection.
- TR-7:** Prior to the issuance of occupancy permits, the applicant shall (1) install a traffic signal at the North Broadway/Lincoln Avenue intersection, (2) restripe eastbound and westbound approaches of that intersection to include a shared through/left-turn lane and dedicated right-turn lane, and (3) install a "Keep Clear" sign at the intersection.
- TR-8:** Prior to the issuance of occupancy permits, the applicant shall provide a dedicated southbound right-turn lane and install a southbound right-turn overlap (prohibit eastbound U-turns) at the North Broadway at SR-78/Lincoln Parkway intersection to the satisfaction of the City and Caltrans.
- TR-9:** Prior to the issuance of occupancy permits, the applicant shall provide a fair-share contribution to the City's satisfaction towards widening Lincoln Avenue (Fig Street to Ash Street) to six lanes.
- TR-10:** Prior to the issuance of occupancy permits, the applicant shall provide a fair-share contribution to the City's satisfaction towards widening Mission Avenue (Centre City Parkway to Escondido Boulevard) to 6 lanes.
- TR-11:** Prior to the issuance of occupancy permits, the project shall restripe the Fig Street/Lincoln Avenue intersection northbound lanes to include two dedicated left-turn lanes and a shared through/right-turn lane. To accommodate the dual northbound left-turns, the southbound approach shall be "shadowed" and parking shall be removed as needed. The Traffic Impact Fee payment provided for this project will fund the installation of these improvements.
- TR-12:** Prior to issuance of final grading and construction plans, a limited use area shall be established near project driveways to provide adequate sight distance pursuant to City requirements and to the satisfaction of the City.

Rationale and Conclusion

With the implementation of measures TR-1 to TR-11, level of service Impacts TR-1, TR-2, TR-3, TR-4, TR-7, TR-8, TR-9, TR-10, TR-12, TR-14, TR-15, and TR-16 would be reduced to below the City's thresholds (refer to Appendix H-2, Tables 5A to 7B). More specifically, the mitigation would reduce the project's contribution to delays at impacted intersections to below 2 seconds and would reduce the project's V/C contribution at significantly impacted roadway segments to below 0.02. Impact TR-17 related to adequate sight distance would be fully mitigated by measure TR-12, as it would ensure adequate sight distance is provided. Thus, Impacts TR-1, TR-2, TR-3, TR-4, TR-7, TR-8, TR-9, TR-10, TR-12, TR-14, TR-15, and TR-16 would be less than significant with the incorporation of mitigation.

B. Findings Regarding Mitigation Measures Which are the Responsibility of Another Agency (CEQA § 21081(A)(2) and Guidelines § 15091(a)(2))

The City, having reviewed and considered the information contained in the FEIR, finds pursuant to CEQA Section 21081(a)(2) and Guidelines Section 15091(a)(2) that there are no changes or alterations which could reduce significant impacts that are within the responsibility and jurisdiction of another public agency.

C. Findings Regarding Infeasible Mitigation Measures (CEQA § 21081(A)(3) and Guidelines § 15091(a)(3))

Under CEQA, "[i]t is the policy of the state that public agencies should not approve projects as proposed if there are feasible alternatives or feasible mitigation measures available which would substantially lessen the significant environmental effects of such projects...The Legislature further finds and declares that in the event specific economic, social, or other conditions make infeasible such project alternatives or such mitigation measures, individual projects may be approved in spite of one or more significant effects thereof." (Pub. Res. Code § 21002.) (Emphasis added.) Moreover, CEQA defines "feasible" as "'capable of being accomplished in a successful manner within a reasonable period of time, taking into account, economic, social, legal, and technological factors.'" (Guidelines §15364.)

In accordance with CEQA, the FEIR evaluated potential mitigation measures for traffic and noise impacts, but certain factors make the potential measures infeasible.

NOISE

Significant Effect

The project would increase traffic volumes on local roadways. The existing noise level at 50 feet from the centerline of the segment of Lincoln Avenue between Escondido Boulevard and North Broadway is 56 CNEL and the project would result in a noise increase of 5 decibels. There are noise-sensitive residential and school uses adjacent to this segment of Lincoln Avenue. This increase in noise would exceed the City's standards and, therefore, the project would have a significant ambient traffic noise impact (Impact NOS-1). Refer to FEIR Section 4.7.3.3 for additional details.

Similar to direct traffic noise impacts, a cumulative traffic noise impact occurs when a substantial noise level increase occurs. The future (without project) traffic noise level at 50 feet from the centerline of the segment of Lincoln Avenue between Escondido Boulevard and North Broadway is 57 CNEL and the project would result in a noise increase of 4 dB. As discussed previously, there are noise-sensitive residential and school uses adjacent to this segment of Lincoln Avenue. This increase in noise would exceed the City's thresholds, and impacts would be cumulatively significant (Impact NOS-1). Refer to FEIR Section 4.7.4 for additional details.

Facts in Support of Finding

Measures were considered to reduce the ambient traffic noise impact (see FEIR Section 4.7.6), but mitigation to reduce this potential impact to below a level of significance was determined infeasible for the reasons identified below.

Rerouting project traffic to reduce the traffic noise along Lincoln Avenue is not feasible, as taking access from a different surrounding roadway is not possible. As the City does not have jurisdiction over SR-78, the City cannot provide the approval for the site to take access from this roadway or provide enforcement of such a measure. Access to the site from North Broadway is not feasible due to the minimum distances required from intersections. Thus, Lincoln Avenue is the only roadway adjacent to the project where adequate access could be provided and a measure requiring alternative site access is infeasible.

A measure that required the Applicant to install a noise wall adjacent to the roadway was considered. This measure would require obtaining additional right-of-way and because the properties in this area front on Lincoln Avenue the noise wall would need to include gaps to preserve the properties' direct access to the street thus rendering the noise wall ineffective. In addition, this mitigation would negatively affect community character and visual resources. Thus, this measure is also infeasible.

In conclusion, there is no feasible mitigation to avoid the ambient traffic noise impact along Lincoln Avenue (Impact NOS-1), and this impact would remain significant and unavoidable.

Rationale and Conclusion

Direct and cumulative impacts associated with the permanent increase in ambient noise levels adjacent to Lincoln Avenue (between Escondido Boulevard and North Broadway) would exceed the City's noise thresholds and, therefore would be significant (Impact NOS-1). There is no feasible mitigation to avoid this ambient noise impact. Thus, impacts would remain significant and unavoidable.

TRANSPORTATION AND TRAFFIC

Significant Effect

As identified in FEIR Section 4.8, Transportation and Traffic, implementation of the proposed project would result in additional traffic that would degrade the following segment operations:

- Impact TR-5: Segment #17. Lincoln Parkway/Lincoln Avenue, Ash Street to Harding Street
- Impact TR-6: Segment #18. Lincoln Parkway/Lincoln Avenue, Harding Street to Rose Street
- Impact TR-11: Segment #4. Escondido Boulevard, Decatur Way to Lincoln Avenue
- Impact TR-13: Segment #12: Lincoln Avenue, Escondido Boulevard to North Broadway

Based on the City's thresholds, the degradation would result in significant direct and cumulative impacts at impact locations TR-4 and TR-5, and significant cumulative impacts at impact locations TR-11 and TR-13.

Facts in Support of Finding

As detailed in FEIR Section 4.8.6, the proposed project's significant direct and cumulative impacts to these roadway segments could potentially be mitigated to below a level of significance with implementation of the mitigation measures described below (also see FEIR Appendix H-2, Tables 5A to 7B):

In order to mitigate the project's direct/cumulative Impact TR-5 (Segment #17: Lincoln Avenue - Ash Street to Harding Street), two options were considered. The options considered include the following:

- (1) Prior to the issuance of occupancy permits, the applicant shall restripe Lincoln Avenue (Ash Street to Harding Street) to provide a two-way left-turn lane as well as dedicated left-turn pockets at Harding Street and Pioneer Elementary School.

- (2) Prior to the issuance of occupancy permits, additional right-of-way along Lincoln Avenue (Ash Street to Harding Street) shall be obtained and a two-way left-turn lane as well as dedicated left-turn pockets at Harding Street and Pioneer Elementary School shall be installed by the applicant.

In order to mitigate the project's direct/cumulative Impact TR-6 (Segment #18: Lincoln Avenue - Harding Street to Rose Street), two options were considered. The options considered the following:

- (1) Prior to the issuance of occupancy permits, the applicant shall restripe Lincoln Avenue (Harding Street to Rose Street) to provide a two-way left-turn lane and a dedicated left-turn pocket at Harding Street.
- (2) Prior to the issuance of occupancy permits, additional right-of-way along Lincoln Avenue (Harding Street to Rose Street) shall be obtained and a two-way left-turn lane and a dedicated left-turn pocket at Harding Street shall be installed by the applicant.

The above mitigation for Impacts TR-5 and TR-6 was determined to be infeasible by the City Council. The removal of parking is infeasible to complete for social reasons, as the Escondido community prefers to retain existing parking for adjacent residential property owner/users convenience. The measures that require obtaining additional right-of-way (e.g., taking properties adjacent to the roadways) are also considered potentially infeasible, as the street widening is considered less important than retaining the existing residential uses along these roadways at this time.

In order to mitigate the project's cumulative Impact TR-11 (Segment #4. Escondido Boulevard, Decatur Way to Lincoln Avenue), the following mitigation was considered:

- (1) Prior to the issuance of occupancy permits, a fair-share contribution to the City's satisfaction shall be paid towards the future widening of Escondido Boulevard (between Decatur Way to Lincoln Avenue) to Collector standards.

In order to mitigate the project's cumulative Impact TR-13 (Segment #12: Lincoln Avenue, Escondido Boulevard to North Broadway), the following mitigation was considered:

- (1) Prior to the issuance of occupancy permits, a fair-share contribution to the City's satisfaction shall be paid towards the future widening of Lincoln Avenue, between Escondido Boulevard to North Broadway, to Local Collector standards.

The above mitigation for Impacts TR-5 and TR-6 was determined to be infeasible by the City Council. Both options would be assuming that the City would widen the roadway in the future. However, the City has no plans at this time to complete such improvements. Widening these roadways would require either the removal of a significant number of street parking spaces or obtaining additional right-of-way. Both such options are considered infeasible, as the community has a preference to retain parking as well as the existing uses adjacent to the roadways over the roadway widening at this time. Also, the project is already removing parking along the Lincoln Avenue project frontage, and the removal of additional parking would be opposed by the community.

Rationale and Conclusion

The mitigation measures considered included increases in roadway and intersection capacity via additional travel lanes or turn lanes, which would reduce the project's v/c contribution or intersection

delay contribution to below a level of significance (refer to Appendix H-2, Tables 5A to 7B). Two potential methods to achieve the capacity increases were considered for each of these significant impacts, including (1) removing street parking along the residential streets to accommodate additional travel or turn lanes or (2) obtaining additional right-of-way to accommodate additional travel lanes or turn lanes. However, both of these potential mitigation options would be infeasible. The removal of parking is infeasible to complete for social reasons, as the Escondido community prefers to retain existing parking for adjacent residential property owner/users convenience. Off-street parking in these residential areas is limited. The removal of adjacent street parking would create potential unacceptable social issues, as it could result in blight associated with increased yard parking on properties abutting streets with no parking permitted and impacts to adjacent neighborhoods due to increased parking on streets in surrounding areas. The measures that require obtaining additional right-of-way (e.g., taking properties adjacent to the roadways) are also considered infeasible, as the street widening has been determined to be a lower priority by the City than retaining the existing residential uses along these roadways at this time.

D. Findings Regarding Alternatives Considered and Rejected

Pursuant to Guidelines Section 15126.6, the range of potential alternatives to the proposed project shall include those that could feasibly accomplish most of the basic objectives of the project and could avoid or substantially lessen one or more of the significant effects. The EIR should briefly describe the rationale for selecting the alternatives to be discussed. The EIR should also identify any alternatives that were considered by the lead agency, but were rejected as infeasible during the seeping process and briefly explain the reasons underlying the Lead Agency's determination. Additional information explaining the choice of alternative may be included in the administrative record. Among the factors that may be used to eliminate alternatives from detailed consideration in an EIR are (i) failure to meet most the basic project objectives, (ii) infeasibility, or (iii) inability to avoid significant environmental impacts.

Two alternatives to the project were considered but rejected, and included Buildout Retail Commercial Alternative; and Alternative Location Alternative. Among factors used to eliminate alternatives from detailed consideration in the EIR is failure to meet most of the basic project objectives, inability to avoid significant environmental effects, inability to add a meaningful analysis, and feasibility. Under Buildout Retail Commercial Alternative, the project site would be redeveloped with the maximum allowed retail commercial uses. This alternative was rejected because it would not avoid any of the project's significant environmental impacts. The Alternative Location Alternative consisted of building the same development, but at an alternative location. This alternative was rejected because the applicant cannot reasonably acquire an alternative site. In addition, the alternatives analysis already included a reasonable range and this alternative and would not add a meaningful analysis on how to avoid a significant, unmitigated project impact.

E. Findings Regarding Alternatives Considered in the FEIR

The FEIR examined three alternatives: a No Project (No New Development) Alternative, a Reduced Project Alternative, and an Alternate Use Alternative. These project alternatives are summarized below, along with the findings relevant to each alternative.

Because the proposed project could cause one or more unavoidable significant environmental effects, the City must consider the feasibility of alternatives to the proposed project, evaluating whether these alternatives could avoid or substantially lessen the proposed project's unavoidable significant

environmental effects while achieving most of its objectives (listed in Section II.E above or Section 5.2 of the FEIR).

Findings for All Alternatives

The City, having reviewed and considered the information contained in the FEIR and the Record of Proceedings, and pursuant to CEQA Section 21081(a)(3) and Guidelines Section 15091(a)(3), finds that specific economic, legal, social, technological, or other considerations, including considerations of the provision of employment opportunities for highly trained workers, make infeasible the alternatives identified in the FEIR as described below. More specifically, based upon the administrative record for the proposed project, the City makes the following findings concerning the alternatives to the proposed project.

No Project (No New Development) Alternative

A No Project Alternative wherein the existing structures remain unoccupied would be infeasible; as such continuation of unoccupied structures and no maintenance would result in code compliance action. Therefore, the No New Development Alternative assumes that the site is re-occupied by a use allowed by the zoning code. No redevelopment or discretionary actions would occur under this alternative.

As the No Project (No New Development) Alternative would not involve any demolition, this alternative would avoid the significant hazardous material issues (asbestos and lead). In addition, this alternative would generate less traffic than the project and would avoid the traffic noise and traffic capacity impacts of the project. This alternative would not avoid the significant access safety issue and it would remain significant and unmitigated under this alternative.

Potentially Significant Effects and Grounds for Infeasibility

Significant Effects

This alternative would avoid the significant hazards and hazardous material (Impacts HAZ-1 and HAZ-2), significant traffic operation impacts (TR-1 to TR-16), and the significant traffic noise impact (Impact NOS-1) of the project. This alternative would result in the significant access safety traffic impact (Impact TR-17) and, as reoccupation would be allowed without permits, this impact would remain significant and unmitigated.

Facts in Support of Finding

The No Project (No New Development) Alternative would meet two of the three project objectives, including the objective to promote jobs and the City's tax base as well as smart growth by reusing a site within an urban area. This alternative would not meet the project objective of redeveloping an underutilized site, as it would not redevelop the site. Overall, this alternative would reduce all of the project's significant impacts and would meet the majority of the project objectives.

Ultimately, this alternative would not be feasible. The land owner has been actively pursuing tenants for the existing buildings since 2007. However, the buildings have been constructed for automobile sale, display and repair, which limit their ability for an alternative use. In addition, the outdated architecture and unique floor plan pose challenges for reusing the buildings for an alternative use without significant alterations. Considering the owner has been unable to find an occupant over the last 8 years, it is not

guaranteed that a tenant can be found in a reasonable amount of time. Thus, this No Project (No New Development) alternative is considered infeasible.

Finding

While adoption of the No Project (No Development) Alternative would avoid the proposed project's significant impacts and meet the basic project objectives, this alternative is infeasible due to the inability to find a tenant for the site in its current condition.

Reduced Project Alternative

This alternative reduces the development intensity in order to reduce traffic impacts. This alternative would, therefore, omit the drive-through restaurant pad. Development under the Reduced Project Alternative would be limited to the 43,500 square feet of specialty local market. Removal of the drive-through restaurant would correspondingly reduce the number of daily trips and the amount of required on-site parking.

Potentially Significant Effects and Grounds for Infeasibility

Significant Effects

The Reduced Project Alternative would avoid one significant traffic impact (Impact TR-14), and would not avoid the project's significant ambient traffic noise impact (Impact NOS-1), hazards impacts (Impacts HAZ-1 and HAZ-2), or other significant traffic impacts (TR-1 to TR-13, and TR-14 to TR-16).

Facts in Support of Finding

The Reduced Project Alternative would meet the first project objective, as redevelopment of the site would occur, similar to the project with a viable commercial use. This alternative would likewise create new jobs and bolster the City's tax base; however, not to the same extent as the project considering its less intensive use. Finally, the Reduced Project Alternative would meet the third project objective, as it would include development located within an urbanized area, where public facilities and services are available.

Finding

Ultimately, this alternative would not be feasible. The site's location within the City's urban core and adjacent to a major freeway where infrastructure and services already exist calls for maximizing the development potential within a reasonable expectation in order to relieve pressure of over-development in outlying areas.

Alternative Use Alternative

This alternative addresses an alternate use for the project site. Under this alternative, the project site would be redeveloped with general office uses. Assuming the same FAR indicated in the General Plan for General Commercial uses (0.50), the site could be redeveloped with approximately 80,586 square feet of office space consistent with the General Plan and Zoning Code. In order to accommodate parking and minimize grading costs, it is reasonable to assume this alternative would likely involve one or two multi-story buildings surrounded by surface parking. As with the project, this alternative would

make any other necessary improvements relative to circulation and access and would incorporate landscaping pursuant to the City's Zoning Ordinance.

Significant Effects

The Alternate Use Alternative would avoid most of the significant traffic impacts and avoids the significant ambient traffic noise impact. More specifically, trips would be reduced from the project's 8,605 ADT to 1,370 ADT. This would result in the avoidance of all the project's significant direct segment impacts (projects Impact TR-2 to TR-6), except the direct impacts to Segment #3 (project Impact TR-1). The Alternate Use Alternative would also avoid all of the project's significant cumulative segment impacts (project Impacts TR-2 to TR-6, and TR-11 to TR-15) except Segment #3 (project Impact TR-1). Due to the significant decrease in trip generation relative to the project (i.e., traffic reduced by more than 50 percent), this alternative would avoid the significant traffic noise impact of the project. This alternative would result in significant hazards impacts (Impacts HAZ-1 and HAZ-2) similar to the project.

Facts in Support of Finding

The Alternate Use Alternative would meet the first project objective, as redevelopment of the site would occur with an allowable commercial use. This alternative would also create new jobs and bolster the City's tax base in accordance with the second project objective. Finally, the Alternate Use Alternative would meet the third project objective, as it would include development located within an urbanized area where public facilities and services are available.

Finding

Ultimately, this alternative would not be feasible. Recent studies on the City's office space inventory have concluded that a surplus of general office square footage exists in the area with several vacancies currently being marketed in the vicinity.

VII. STATEMENT OF OVERRIDING CONSIDERATIONS

As identified above, the proposed project will result in significant and unavoidable noise and transportation/circulation impacts. The City, after balancing the specific economic, legal, social, technological, and other benefits of the proposed project, has determined that the unavoidable adverse environmental impacts identified above are considered "acceptable" because the benefits of the project outweigh the unavoidable adverse environmental impacts of the project. Each of the separate benefits of the proposed project, as stated herein, is determined to be, unto itself and independent of the other project benefits, a basis for overriding all unavoidable adverse environmental impacts identified in these Findings. The following statement of overriding considerations is provided to satisfy CEQA Guidelines Section 15093, which requires the lead agency to state in writing the specific reasons to support the approval of a project with significant effects that are not avoided or substantially lessened through mitigation. The information supporting these findings are located at the City of Escondido City Hall. The following describes the specific considerations utilized.

A. Economic Benefits

- The project will make use of a vacant, underutilized property, and will improve the economic prosperity of the City.

- The project provides a specialty grocery store to the neighborhood, which would keep sales within the City.
- The improved property will increase the site's property value and would likely result in a positive effect on surrounding property values.
- Increased property values and sales within the City would lead to an increase in the tax base.
- The project would result in additional jobs within the City, including construction employment opportunities as well as sales and management and other positions during operations.

B. Social Benefits

- The project will improve the aesthetics of the site, as it would replace a run-down, out-of-date vacant former automotive dealership with a vibrant commercial development.
- The project would provide a safe alternative drop-off and pick-up area on-site, as well as an improved pedestrian crossing to the elementary school to the north.
- The project provides a specialty grocery store with access to fresh food within walking distance from the adjacent neighborhood, which would be a benefit to surrounding residences and will reduce the distance residents need to travel to purchase goods. This is especially important considering the site is within the viewshed of SR-78 that serves as a gateway into the City.

C. Sustainability Benefits

- The project is considered smart growth, as it consists of redeveloping a site in an urbanized area where infrastructure and services already exist.
- The project will have higher energy and water efficiency than the existing development fixtures, as the proposed structures would meet the current California Green Building Code (CALGreen Code) requirements.
- The project will include improved storm water best management practices in accordance with current regulations such as on-site bio-retention, which will improve water quality.
- The project includes bicycle parking and an enhanced pedestrian crossing, which will promote alternative transportation use in the City.

D. Public Improvements

- The project includes SR-78 improvements requested by Caltrans, which will improve a regional gateway access to the City. These improvements consist of extending two eastbound SR-78 left-turn lanes at the SR-78/North Broadway intersection and require the relocation of a storm drain grate and restriping.
- The project includes frontage improvements to North Broadway, Lincoln Avenue, and the North Broadway/Lincoln Avenue intersection, which will improve access to the local area.

- The project will provide improvements or contribute monetarily to improving the following City Streets towards their roadway buildout classifications:

Improvements to:

- Escondido Boulevard (El Norte Parkway to Decatur Way)
- Escondido Boulevard (Mission Avenue to Washington Avenue)
- Fig Street (Lincoln Avenue to Mission Avenue)
- Lincoln Avenue (Garrick Way to Fig Street)
- Escondido Boulevard/El Norte Parkway
- Escondido Boulevard/Lincoln Avenue
- North Broadway/Lincoln Avenue
- North Broadway at SR-78/Lincoln Parkway
- Fig Street/Lincoln Avenue

Contribution to:

- Lincoln Avenue (Fig Street to Ash Street)
- Mission Avenue (Centre City Parkway to Escondido Boulevard)

- The project will improve pedestrian safety by removing the sidewalk along the North Broadway project frontage. This change will discourage pedestrians from crossing SR-78 from the west side of Broadway and from walking along SR-78 to the west of Broadway where pedestrians are prohibited for safety reasons.

VIII. CONCLUSION

For the foregoing reasons, the City of Escondido concludes the following: (1) the proposed Centerpointe 78 will result in a number of significant impacts, including significant and unavoidable impacts to noise and transportation/circulation; and (2) the proposed project will also result in numerous public benefits related to improved economic, employment and environmental conditions, each of which individually is sufficient to outweigh the unavoidable environmental impacts of the proposed project. Therefore, the City of Escondido has adopted this Statement of Overriding Considerations.

MITIGATION MONITORING PROGRAM

PROJECT NAME: Centerpointe 78
 PROJECT LOCATION: 925 North Broadway
 PROJECT DESCRIPTION: Site Plan for Commercial Redevelopment
 PROJECT NUMBER: ADM 13-0127 / ENV 13-0009
 APPROVAL BODY/DATE: City Council / December 9, 2015
 CONTACT: Ann Dolmage, Associate Planner
 PHONE NUMBER: 760-839-4548

Impact	Mitigation Measure	Location in Document	Responsible Party	Certified Completion	Comments
<u>Hazardous Materials</u>					
Impact HAZ-1: Demolition of potential Asbestos-containing materials that could become inhalable and result in health affects	Mitigation HAZ-1: Prior to issuance of a building permit or other applicable permit that includes demolition or renovation of on-site structures, a facility survey shall be performed to determine the presence or absence of asbestos-containing materials (ACMs) in all buildings located at the Centerpointe 78 project site (925 North Broadway) that are to be demolished. Suspect materials that will be disturbed by the demolition or renovation activities shall be sampled and analyzed for asbestos content, or assumed to be asbestos containing. The survey shall be conducted by a person certified by Cal/OSHA pursuant to regulations implementing subdivision (b) of Section 9021.5 of the Labor Code, and shall have taken and passed an EPA-approved Building Inspector Course. Should regulated asbestos containing materials be found, it shall be handled in compliance with the San Diego County Air Pollution Control District Rule 361.145 – Standard for Demolition and Renovation. Evidence of completion of the facility survey shall consist of a signed, stamped statement from the person certified to complete the facility survey indicating that the survey has been completed and that either regulated asbestos is present or absent. If present, the letter shall describe the procedures that will be taken to remediate the hazard.	EIR Section 4.4, Hazards and Hazardous Materials	Applicant		

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Impact	Mitigation Measure	Location in Document	Responsible Party	Certified Completion	Comments
Impact HAZ-2: Demolition of potential lead-containing materials that could become inhalable and result in health affects	Mitigation HAZ-2: Prior to issuance of a building permit or other applicable permit that includes demolition or renovation of on-site structures, a survey shall be performed by a California Department of Health Services certified lead inspector/risk assessor to determine the presence or absence of lead based paint located in all buildings located at the Centerpointe 78 project site (925 North Broadway) that are to be demolished. All lead-containing materials scheduled for demolition must comply with applicable regulations for demolition methods and dust suppression. Lead-containing materials shall be managed in accordance with applicable regulations including, at a minimum, the hazardous waste disposal requirements (Title 22 CCR Division 4.5), the worker health and safety requirements (Title 8 CCR Section 1532.1), and the State Lead Accreditation, Certification, and Work Practice Requirements (Title 17 CCR Division 1, Chapter 8).	EIR Section 4.4, Hazards and Hazardous Materials	Applicant		
<u>Transportation and Traffic</u>					
Impact TR-1: Escondido Boulevard, El Norte Parkway to Decatur Way	Mitigation TR-1: Prior to the issuance of occupancy permits, parking shall be prohibited on the west side of Escondido Boulevard (El Norte Parkway to Decatur Way) and a two-way left-turn lane shall be installed by the applicant. This shall result in the loss of 22 parking spaces.	EIR Section 4.8, Transportation and Traffic	Applicant		
Impact TR-2: Escondido Boulevard, Mission Avenue to Washington Avenue	Mitigation TR-2: Prior to the issuance of occupancy permits, parking shall be prohibited on the east side of Escondido Boulevard (Mission Avenue to Washington Avenue) and "No Parking" signs shall be installed by the applicant. This shall result in the loss of 14 parking spaces.	EIR Section 4.8, Transportation and Traffic	Applicant		
Impact TR-3: Fig Street, Lincoln Avenue to Mission Avenue	Mitigation TR-3: Prior to the issuance of occupancy permits, parking shall be prohibited on the both sides of Fig Street (Lincoln Avenue to Mission Avenue) and a two-way left-turn lane shall be installed by the applicant. This will require the loss of 13 parking spaces. The Traffic Impact Fee payment provided for this project will fund the installation of these improvements.	EIR Section 4.8, Transportation and Traffic	Applicant		

Impact	Mitigation Measure	Location in Document	Responsible Party	Certified Completion	Comments
Impact TR-4: Lincoln Parkway/ Lincoln Avenue, Garrick Way to Fig Street	Mitigation TR-4: Prior to the issuance of occupancy permits, the applicant shall (1) install a dedicated westbound right-turn lane at Lincoln Avenue/Garrick Way intersection and a dedicated eastbound right-turn lane at Lincoln Avenue/Fig Street intersection (this work may involve shifting power poles in the immediate vicinity to accommodate the intersection widening), and (2) re-time traffic signals at these intersections, as needed. The Traffic Impact Fee payment provided for this project will fund the installation of these improvements.	EIR Section 4.8, Transportation and Traffic	Applicant		
Impact TR-7: Escondido Boulevard at El Norte Parkway Impact TR-12: El Norte Parkway, Centre City Parkway to Escondido Boulevard	Mitigation TR-5: Prior to the issuance of occupancy permits, the applicant shall (1) install a raised median on El Norte Parkway in order to restrict access from Escondido Boulevard onto El Norte Parkway to right-turns only, (2) install a dedicated right-turn lane from northbound Escondido Boulevard to eastbound El Norte Parkway (to be accomplished with striping), (3) modify the El Norte Parkway raised median to lengthen the two left-turn lanes from westbound El Norte Parkway to southbound Centre City Parkway to accommodate a U-turn movement, and (4) modify the median and left-hand turn lane on El Norte Parkway, between Escondido Boulevard and Broadway to accommodate a U-turn on El Norte Parkway.	EIR Section 4.8, Transportation and Traffic	Applicant		
Impact TR-8: Escondido Boulevard at Lincoln Avenue	Mitigation TR-6: Prior to the issuance of occupancy permits, the applicant shall install a traffic signal at the Escondido Boulevard/Lincoln Avenue intersection.	EIR Section 4.8, Transportation and Traffic	Applicant		
Impact TR-9: North Broadway at Lincoln Avenue	Mitigation TR-7: Prior to the issuance of occupancy permits, the applicant shall (1) install a traffic signal at the North Broadway/Lincoln Avenue intersection, (2) restripe eastbound and westbound approaches of that intersection to include a shared through/left-turn lane and dedicated right-turn lane, and (3) install a "Keep Clear" sign at the intersection.	EIR Section 4.8, Transportation and Traffic	Applicant		
Impact TR-10: North Broadway at SR 78/Lincoln Parkway	Mitigation TR-8: Prior to the issuance of occupancy permits, the applicant shall provide a dedicated southbound right-turn lane and install a southbound right-turn overlap (prohibit eastbound U-turns) at the North Broadway at SR-78/Lincoln Parkway intersection to the satisfaction of the City and Caltrans.	EIR Section 4.8, Transportation and Traffic	Applicant		

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Impact	Mitigation Measure	Location in Document	Responsible Party	Certified Completion	Comments
Impact TR-14: Lincoln Avenue, Fig Street to Ash Street	Mitigation TR-9: Prior to the issuance of occupancy permits, the applicant shall provide a fair-share contribution to the City's satisfaction towards widening Lincoln Avenue (Fig Street to Ash Street) to 6 lanes.	EIR Section 4.8, Transportation and Traffic	Applicant		
Impact TR-15: Mission Avenue, Centre City Parkway to Escondido Boulevard	Mitigation TR-10: Prior to the issuance of occupancy permits, the applicant shall provide a fair-share contribution to the City's satisfaction towards widening Mission Avenue (Centre City Parkway to Escondido Boulevard) to 6 lanes.	EIR Section 4.8, Transportation and Traffic	Applicant		
Impact TR-16: Fig Street at Lincoln Avenue	Mitigation TR-11: Prior to the issuance of occupancy permits, the project shall restripe the Fig Street/Lincoln Avenue intersection northbound lanes to include two dedicated left-turn lanes and a shared through/right-turn lane. To accommodate the dual northbound left-turns, the southbound approach shall be "shadowed" and parking shall be removed as needed. The Traffic Impact Fee payment provided for this project will fund the installation of these improvements.	EIR Section 4.8, Transportation and Traffic	Applicant		
Impact TR-17: Site access safety	Mitigation TR-12: Prior to issuance of final grading and construction plans, a limited use area shall be established near project driveways to provide adequate sight distance pursuant to City requirements and to the satisfaction of the City.	EIR Section 4.8, Transportation and Traffic	Applicant		

Note: Mitigation was determined infeasible for Impacts NOS-1 (permanent traffic noise increase along Lincoln Avenue between Escondido Boulevard and North Broadway); TR-5 (traffic increase on Lincoln Parkway/ Lincoln Avenue, Ash Street to Harding Street); TR-6 (traffic increase on Lincoln Parkway/ Lincoln Avenue, Harding Street to Rose Street); TR-11 (traffic increase on Escondido Boulevard, Decatur Way to Lincoln Avenue); and TR-13 (traffic increase on Lincoln Avenue, Escondido Boulevard to North Broadway). Refer to the Centerpointe 78 Environmental Impact Report (prepared October 2015) for additional information.

CONDITIONS OF APPROVAL
ADM 13-00127 / ENV 13-0009

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Mitigation Measures

HAZ-1: Prior to issuance of a building permit or other applicable permit that includes demolition or renovation of on-site structures, a facility survey shall be performed to determine the presence or absence of Asbestos-Containing Materials (ACMs) in all buildings located at the Centerpointe 78 project site (925 North Broadway) that are to be demolished. Suspect materials that will be disturbed by the demolition or renovation activities shall be sampled and analyzed for asbestos content, or assumed to be asbestos containing. The survey shall be conducted by a person certified by Cal/OSHA pursuant to regulations implementing subdivision (b) of Section 9021.5 of the Labor Code, and shall have taken and passed an EPA-approved Building Inspector Course. Should regulated asbestos containing materials be found, it shall be handled in compliance with the San Diego Air Pollution Control District Rule 361.145 – Standard for Demolition and Renovation. Evidence of completion of the facility survey shall consist of a signed, stamped statement from the person certified to complete the facility survey indicating that the survey has been completed and that either regulated asbestos is present or absent. If present, the letter shall describe the procedures that will be taken to remediate the hazard. (Impact HAZ-1)

HAZ-2: Prior to issuance of a building permit or other applicable permit that includes demolition or renovation of on-site structures, a survey shall be performed by a California Department of Health Services certified lead inspector/risk assessor to determine the presence or absence of lead based paint located in all buildings located at the Centerpointe 78 project site (925 North Broadway) that are to be demolished. All lead-containing materials scheduled for demolition must comply with applicable regulations for demolition methods and dust suppression. Lead-containing materials shall be managed in accordance with applicable regulations including, at a minimum, the hazardous waste disposal requirements (Title 22 CCR Division 4.5), the worker health and safety requirements (Title 8 CCR Section 1532.1), and the State Lead Accreditation, Certification, and Work Practice Requirements (Title 17 CCR Division 1, Chapter 8). (Impact HAZ-2)

TR-1: Prior to the issuance of occupancy permits, parking shall be prohibited on the west side of Escondido Boulevard (El Norte Parkway to Decatur Way) and a two-way left-turn lane shall be installed by the applicant. This shall result in the loss of 22 parking spaces. (Impact TR-1)

TR-2: Prior to the issuance of occupancy permits, parking shall be prohibited on the east side of Escondido Boulevard (Mission Avenue to Washington Avenue) and "No Parking" signs shall be installed by the applicant. This shall result in the loss of 14 parking spaces. (Impact TR-2)

TR-3: Prior to the issuance of occupancy permits, parking shall be prohibited on both sides of Fig Street (Lincoln Avenue to Mission Avenue) and a two-way left-turn lane shall be installed by the applicant. This will require the loss of 13 parking spaces. The Traffic Impact Fee payment provided for this project will fund the installation of these improvements. (Impact TR-3)

TR-4: Prior to the issuance of occupancy permits, the applicant shall (1) install a dedicated WB right-turn lane at Lincoln Avenue/Garrick Way intersection and a dedicated EB right-turn lane at Lincoln

Avenue/Fig Street intersection (this work may involve shifting power poles in the immediate vicinity to accommodate the intersection widening), and (2) re-time traffic signals at these intersections, as needed. The Traffic Impact Fee payment provided for this project will fund the installation of these improvements. (Impact TR-4)

TR-5: Prior to the issuance of occupancy permits, the applicant shall (1) install a raised median on El Norte Parkway in order to restrict access from Escondido Boulevard onto El Norte Parkway to right-turns only, (2) install a dedicated right-turn lane from northbound Escondido Boulevard to eastbound El Norte Parkway (to be accomplished with striping), (3) modify the El Norte Parkway raised median to lengthen the two left-turn lanes from westbound El Norte Parkway to southbound Centre City Parkway to accommodate a U-turn movement, and (4) modify the median and left-hand turn lane on El Norte Parkway, between Escondido Boulevard and Broadway to accommodate a U-turn on El Norte Parkway. (Impacts TR-7 and TR-12)

TR-6: Prior to the issuance of occupancy permits, the applicant shall install a traffic signal at the Escondido Boulevard/Lincoln Avenue intersection. (Impact TR-8)

TR-7: Prior to the issuance of occupancy permits, the applicant shall (1) install a traffic signal at the North Broadway/Lincoln Avenue intersection, (2) restripe eastbound and westbound approaches of that intersection to include a shared through/left-turn lane and dedicated right-turn lane, and (3) install a "Keep Clear" sign at the intersection. (Impact TR-9)

TR-8: Prior to the issuance of occupancy permits, the applicant shall provide a dedicated southbound right-turn lane and install a southbound right-turn overlap (prohibit eastbound U-turns) at the North Broadway at SR 78/Lincoln Parkway intersection to the satisfaction of the City and Caltrans. (Impact TR-10)

TR-9: Prior to the issuance of occupancy permits, the applicant shall provide a fair-share contribution to the City's satisfaction towards widening Lincoln Avenue (Fig Street to Ash Street) to six lanes. (Impact TR-14)

TR-10: Prior to the issuance of occupancy permits, the applicant shall provide a fair-share contribution to the City's satisfaction towards widening Mission Avenue (Centre City Parkway to Escondido Boulevard) to six lanes. (Impact TR-15)

TR-11: Prior to the issuance of occupancy permits, the project shall restripe the Fig Street/Lincoln Avenue intersection northbound lanes to include two dedicated left-turn lanes and a shared through/right-turn lane. To accommodate the dual northbound left-turns, the southbound approach shall be "shadowed" and parking shall be removed as needed. The Traffic Impact Fee payment provided for this project will fund the installation of these improvements. (Impact TR-16)

TR-12: Prior to issuance of final grading and construction plans, a limited use area shall be established near project driveways to provide adequate sight distance pursuant to City requirements and to the satisfaction of the City. (Impact TR-17)

Planning Division

1. The shopping center shall post no signs preventing parents/families of Lincoln Elementary School students from using the shopping center parking lot to drop off and pick up students.
2. Food truck deliveries shall be restricted to the hours of 9 P.M. to 6 A.M. (no daytime deliveries) to avoid conflicts with school operations.
3. The project shall conform to the following recommendations from the Design Review Committee meeting of July 3, 2014:
 - a. On the north elevation, the grocery store façade with the flat roofline (on either side of the façade with the barrel-topped parapet) shall be recessed a minimum of two feet to provide appropriate variation on this side of the building.
 - b. The 12 trellises on the north elevation shall be varied in height and placement to provide a pedestrian-friendly scale along the sidewalk.
 - c. On the east elevation, canopy elements shall be incorporated over the entries and other portions of the façade to “break up” the massing.
 - d. The loading dock/receiving area adjacent to SR 78 shall be screened from view of the freeway with a wall or other feature, to conceal large vehicles and the trash compactor.
 - e. Cardboard recycling storage area(s) shall be sufficiently sized and located, and called out on the building plans.
 - f. Parking lot landscaping shall conform to Article 62 of the City of Escondido Zoning Code. Parking lot trees shall be provided at a minimum ratio of one tree per four parking spaces.
 - g. Two cart corrals were proposed on the site plan submitted on August 15, 2013. A minimum of four additional corrals (six total) shall be provided and located so as to provide sufficient parking lot coverage, to the satisfaction of the Planning Department.
 - h. Building plans shall indicate where shopping carts are to be stored/located for customer use in the store (i.e. a cart storage area inside at the entrance, or outside at the entrance). If carts are to be stored outside near the entrance, a solid masonry screening wall shall be provided for carts to be stored behind.
 - i. The “Campfire” and “Marigold” paint colors proposed for the building exterior shall be softened to be less bright and distracting.
 - j. Building plans shall include the location of trash enclosures. All trash enclosures shall have a solid roof covering.
 - k. Building plans shall clearly indicate the parapet height and demonstrate adequate screening of rooftop equipment.
4. All street improvements proposed for the SR 78 corridor shall be in place prior to operation of the restaurant drive-through.
5. Prior to occupancy, the applicant shall provide a minimum of 194 striped parking spaces (174 for the grocery store and 20 for the restaurant). Parking spaces shall be striped and dimensioned per City standards. The striping shall be drawn on the plan or a note shall be included on the plan indicating the intent to stripe per City standards. Parking for disabled persons shall be provided (including “Van Accessible” spaces) in full compliance with Chapter 2-71, Part 2 of Title 24 of the State Building Code, including signage.

6. A separate sign permit shall be required prior to the installation of any signs. All proposed signage associated with the shopping center must comply with the signage plan approved as part of this project.
7. Four revised copies of the plot plan reflecting all conditions of approval and modifications shall be submitted to the Planning Division and approved prior to issuance of grading or building permits.
8. Four copies of a detailed landscape and irrigation plan(s) shall be submitted to the Engineering Division prior to issuance of grading or building permits. A plan check fee will be collected at the time of submittal. The required landscape and irrigation plan(s) shall comply with the provisions, requirements and standards in Escondido Zoning Code Article 62 (Water Efficient Landscape Standards) and include a drought tolerant design. The plans shall be prepared by, or under the supervision of a licensed landscape architect.
9. Any existing trees to remain and any trees to be removed shall be identified on the landscape and grading plans, to the satisfaction of the Planning Division. Specimen sized trees (min. 24" box) shall be used to replace any mature trees to be removed.
10. All landscaping shall be permanently maintained in a flourishing manner. All irrigation shall be maintained in fully operational condition.
11. Prior to occupancy of future buildings, all required landscape improvements shall be installed and all vegetation growing in an established, flourishing manner. The required landscaped areas shall be free of all foreign matter, weeds and plant material not approved as part of the landscape plan.
12. In accordance with the Escondido Climate Action Plan (E-CAP), the applicant shall complete and submit a Greenhouse Gas Reduction Screening Checklist with a score of at least 100 points. The checklist shall be submitted to Planning staff prior to issuance of any grading or building permits.
13. The legal description attached to the application has been provided by the applicant and neither the City of Escondido nor any of its employees assume responsibility for the accuracy of said legal description.
14. All construction shall comply with all applicable requirements of the Escondido Zoning Code and requirements of the Planning Department, Director of Building, and the Fire Chief.
15. Prior to or concurrent with the issuance of building permits, the appropriate development fees and Citywide Facility fees shall be paid in accordance with the prevailing fee schedule in effect at the time of building permit issuance, to the satisfaction of the Director of Community Development.
16. All exterior lighting shall conform to the requirements of Article 35 of the City of Escondido Zoning Code (Ordinance No. 2014-20).
17. All project-generated noise shall conform to the City's Noise Ordinance (Ordinance 90-08).

18. The project shall conform to the Public Art Partnership Program, Article 37 of the Escondido Zoning Code.
19. No outdoor storage is approved in conjunction with this project.
20. All new utilities and utility runs shall be underground.
21. No expansion of this facility shall be permitted without approval of the Director of Community Development subject to the appropriate review process and any necessary permits.
22. The Plot Plan shall be null and void if not utilized within twelve months of the effective date of approval.
23. A copy of these Conditions of Approval shall be submitted with the building plans indicating compliance with all of the Conditions of Approval and Details of Request and exhibits contained in the Planning Commission staff report.
24. The City of Escondido hereby notifies the applicant that State Law (SB 1535) effective January 1, 2007, requires certain projects to pay fees for purposes of funding the California Department of Fish and Game. If the project is found to have a significant impact to wildlife resources and/or sensitive habitat, in accordance with State law, the applicant should remit to the City of Escondido Planning Division, within two (2) working days of the effective date of this approval ("the effective date" being the end of the appeal period, if applicable) a certified check payable to the "County Clerk," in the amount of \$3,119.75 for a project with an Environmental Impact Report, which includes an additional authorized County administrative handling fee of \$50.00 (\$3,069.75 + \$50.00). Failure to remit the required fees in full within the specified time noted above will result in County notification to the State that a fee was required but not paid, and could result in State imposed penalties and recovery under the provisions of the Revenue and Taxation code. In addition, Section 21089(b) of the Public Resources Code, and Section 711.4(c) of the Fish and Game Code provide that no project shall be operative, vested, or final until all the required filing fees are paid. If the fee increase after the date of this approval, the applicant shall be responsible for the increase.
25. Traffic impact fee credits in the amount of \$163,000 shall be applied to the project for implementation of traffic mitigation measures to the satisfaction of the City Engineer.
26. Rooftop equipment must be fully screened from all public view utilizing materials and colors which match the building(s).

Police Department

1. Shopping carts shall have automatic locking wheels to prevent removal from the property.
2. Trash enclosures shall be locked when not in use, to discourage rummaging.
3. Graffiti resistant paint shall be used for the trash enclosures and building exteriors.

Fire Department

The following items shall be completed or shown on the plans to satisfaction of the Fire Marshal:

1. A minimum 11" x 17" page size file copy of the project shall be provided showing building plan and site plan (Tif. 150 dpi).
2. An NFPA 13 automatic fire sprinkler system may be required.
3. Sprinklers are required on all overhangs exceeding four feet in residential and commercial projects.
4. An approved fire alarm system may be required.
5. A fire hydrant is required to be located within 50 feet of the fire department connection, unless otherwise specified. Please show location on building plans.
6. Fire hydrants shall be required every 300 feet.
7. Additional hydrants may be required near intersections, fire department connections, or other locations.
8. An approved UL300 fire suppression system is required for hood systems.
9. Extinguishers must be provided at all locations indicated with a minimum rating of 2A-10B:C in a visible and accessible location, at an exit or in the exit pathway. Walking distance is not to exceed 75 feet (must comply with 2010 CFC Section 906). Extinguishers must be mounted not more than 5 feet nor less than 3.5 feet above the floor. Extinguisher signage may be required.
10. Speed humps/bumps are not allowed on fire access roads.
11. All-weather, paved access must be able to support the weight of fire apparatus (75k lbs.) and approved fire hydrants must be installed and in service prior to placing any combustible materials on the job site. (Escondido Ordinance 2011-03 (RR), Section 503.2.1).
12. All gated entrances must be equipped with electric switches accessible from both sides and operable by dual-keyed switches for both fire and police. Electric gates must be operable by the Fire Department strobe detectors and allow free exiting. A funding method to provide ongoing maintenance of fire lanes, electric gates, and other fire & life safety requirements must be provided for in the CC&Rs, and/or the Association, to the satisfaction of the Fire Department. A responsible property manager must be easily accessible to the Fire Department.
13. A Knox box will be required where access to or within a structure or an area is restricted (CFC Section 506). (Escondido Ordinance 2011-03 (RR), Section 506.1).

14. A 28-foot turning radius will be required on all corners.
15. Barricades must not obstruct fire hydrants or impede emergency vehicle access.
16. Vertical clearances of 13'6" must be provided in all access and driveway areas. Trees that obstruct the vertical clearance or access width must be trimmed or removed and provisions to provide ongoing maintenance must be reflected in the CC&Rs. A copy of the CC&Rs listing this requirement must be submitted.
17. Red curbs with 4-inch white lettering "NO PARKING FIRE LANE" signs are required in 24'-wide access areas and provisions to provide ongoing maintenance must be reflected in the CC&Rs. A copy of the CC&Rs listing this requirement must be submitted to the Escondido Planning Department. "FIRE LANE" signs and red curbs must meet specifications of the Escondido Fire Department.

Building Division

The following items shall be completed or shown on the plans to satisfaction of the Building Official:

1. Building plans shall include allowable area calculations for the "M" occupancy market.
2. Building plans shall include designated parking for low-emitting, fuel-efficient and carpool/vanpool vehicles per CGBC Table 5.106.5.2.
3. Building plans shall include disabled accessible path of travel from the public way to the market building.

Engineering Division

TRAFFIC

1. The project owner is responsible to prepare improvement plans including street, traffic signal, signing and striping for review and approval by the City Engineer and construct the following traffic mitigation measures to the requirements of the City Engineer;
 - a) Install a multi-phase traffic signal at the intersection of Escondido Blvd and Lincoln Avenue and upgrade existing signing, striping and curb ramps to current standards.
 - b) Install an eight (8) phase traffic signal at the intersection of North Broadway and Lincoln Ave and upgrade existing signing, striping and curb ramps to current standards. The developer shall be responsible for establishing timing for the signal system and coordination with the existing traffic signal system at the intersection of Lincoln Pkwy and N. Broadway.

- c) Extend existing raised median on El Norte Parkway from Centre City Parkway to approximately 100 feet east of the intersection of Escondido Blvd to provide for additional left turn pocket storage at Centre City Parkway and restrict left turns at the intersection of El Norte and Escondido Blvd.
- d) Modify the east bound approach at the intersection of Lincoln Ave and Fig St to allow for a dedicated right-turn lane. Improvements include relocation of a type 1A signal pole, signal detection modification, and corner improvements reconstruction to the requirements of the City Engineer. The signal system for Lincoln Ave and Fig St shall be retimed and coordinated with the traffic signal system at the intersection of Lincoln Pkwy and Garrick Way.
- e) Modify existing signing and striping along El Norte Parkway (Between the easterly end of the required median and intersection of N. Broadway) to accommodate for creating a U-Turn on El Norte Parkway between Escondido Blvd and N. Broadway.
- f) Modify signing and striping along Escondido Blvd, Lincoln Ave to Decatur Way to provide for a two-way left turn lane and restriction of parking on west side of street.
- g) Install No-Parking signs along east side of Escondido Blvd between Mission Ave to Washington to restrict parking and provide more capacity for the street.
- h) Modify signing and striping on Fig St, between Lincoln Ave and Mission Ave. to prohibit parking on both sides of Fig St and Install a two-way left-turn lane.
- i) Modify signing and striping at the intersection of Fig St and Lincoln Ave to include two dedicated N/B left-turn lanes and a shared thru/right-turn lane. SB approach would need to be restriped to shadow the NB lanes. Parking shall be removed as required.
- j) Modify the existing striping along west bound Lincoln Parkway at Garrick Way intersection to provide for a dedicated right-turn lane from Lincoln parkway on to Garrick Way.

All public improvements shall be designed and constructed to the requirements of the City Engineer. All improvements shall be approved and bonded prior to issuance of Building Permit.

- 2. The project owner is responsible to modify the existing traffic signal system and signing and striping at the intersection of North Broadway and SR-78/Lincoln Parkway to accommodate for additional capacity for the project traffic. All improvements shall be designed and constructed to the requirements of the responsible jurisdiction (Caltrans or City Engineer).
- 3. The project owner shall be responsible for design and construction of frontage improvements on Lincoln Ave and N. Broadway in accordance with the Local Collector standards, approved site plan and to the requirements of City Engineer. Lincoln Avenue shall be sealed or overlaid to the requirements of the City Engineer within the areas of work. Adequate line of sight in accordance with City Standards shall be provided at all project driveways.

4. The project owner shall be responsible for any damage to the frontage and offsite existing public improvements as the result of construction activities and shall repair or replace damaged improvements to the satisfaction of the City Engineer prior to occupancy.
5. All onsite private improvements shall be designed in accordance with the City Design standards and shall be subject to review and approval by the Engineering and Planning Departments.
6. The developer shall prepare and submit an onsite signing and striping plans for review and approval by the City Engineer. The Developer's contractor shall install all onsite signing and striping in accordance with the approved plans.
7. The developer will be required to provide a detailed detour and traffic control plan, for all construction within existing rights-of-way, to the satisfaction of the Field Engineer. This plan shall be approved prior the issuance of an Encroachment Permit for construction within the public right-of-way.
8. The developer's engineer shall prepare a complete signing and striping plan for all improved roadways. All the removal of existing striping and new signing and striping shall be done by the developer's contractor.
9. The project owner shall obtain encroachment permit from Caltrans prior to start work within Caltrans right-of-way.

Engineered plans are required for traffic signal, roadway, signing and striping improvements. The developer shall post security for these improvements and plan shall be approved by the City Engineer prior to issuance of any grading permit.

GRADING

1. A site grading, drainage and erosion control/pollution prevention plan shall be approved by the Engineering and Planning Divisions prior to issuance of Grading Permit.
2. A General Construction Activity Storm Water Permit is required from the State Water Resources Board for all storm water discharges associated with a construction activity where clearing, grading and excavation results in a land disturbance of one or more acres. One copy of the Storm Water Pollution Prevention Plan shall be submitted to the City. The project owner is required to implement Best Management Practices in accordance with the project erosion control/pollution prevention plan during all phases of the project construction.
3. The developer shall be responsible for the recycling of all excavated materials designated as Industrial Recyclables (soil, asphalt, sand, concrete, land clearing brush and rock) at a recycling center or other location(s) approved by the City Engineer.

Grading, site improvements and erosion control plans shall be prepared by a Registered Civil Engineer. A separate submittal to the Engineering Department is required for the site grading and erosion control plans.

DRAINAGE

1. A final Water Quality Technical Report in compliance with the 2015 Model HMP Manual shall be prepared and submitted for approval together with the final grading and landscaping Plans.
2. All storm water treatment and bio-retention facilities and their drains including the bio-retention basins, shall be considered private. The responsibility for maintenance of these post construction storm water treatment facilities shall be that of the project owner.
3. The project owner shall be required to sign, notarize, and record a Storm Water Control Facility Maintenance Agreement. A signed copy of the agreement shall be provided to the City Engineer prior to approval final plans.

WATER SUPPLY

1. The project owner shall design and construct water system improvements with Fire Hydrants and Fire Detector Check Assemblies at locations determined by the Fire Marshall and approved by the Utilities Engineer.
2. The project owner shall be responsible for abandoning all existing public water system to the satisfaction of the Utilities Engineer.

WASTEWATER SUPPLY

1. The project owner shall provide wastewater service for the project to the requirements of the Utilities Engineer and Building Official.
2. No trees or deep rooted plants shall be planted within 15' of the private sewer mains or laterals.
3. Any new development whose wastewater discharge may contain pollutants not normally found in or in concentrations in excess of those normally found in domestic waste water shall require a Wastewater Discharge Permit according to the Escondido Municipal Code, Chapter 22, Article 8. New users shall apply at least ninety (90) days prior to connecting to the City's wastewater system and a permit must be obtained prior to commencement of any discharge to the City system. The Wastewater Discharge permit may require monitoring, mitigation, or alternate disposal methods.

CASH SECURITIES AND FEES

1. A cash security shall be posted to pay any costs incurred by the City to clean-up eroded soils and debris, repair damage to public or private property and improvements, install new BMPs, and stabilize and/or close-up a non-responsive or abandoned project. Any moneys used by the City for cleanup or damage will be drawn from this security and the grading permit will be revoked by written notice to the developer until the required cash security is replaced. The cleanup cash security shall be released upon final acceptance of the grading and improvements for this project. The amount of the cash security shall be 10% of the total estimated cost of the grading, drainage, landscaping, and best management practices items of work with a minimum of \$5,000 up to a

maximum of \$50,000, unless a higher amount is deemed necessary by the Director of Engineering Services.

2. The project owner shall provide the City with traffic mitigation fair share cash contribution in the amount of \$99,000, towards future ultimate improvement of Lincoln Parkway, between Fig St and Ash St. Payment of cash contribution shall be made prior to issuance of Building Permit.
3. The project owner shall provide the City with traffic mitigation cash contribution in the amount of \$39,000 towards future ultimate improvement of Mission Ave between Centre City Parkway and Escondido Blvd. Payment of cash contribution shall be made prior to issuance of Building Permit.
4. The project owner is eligible for traffic impact fee credit in the amount of \$163,000 for construction of offsite improvements.

UTILITY UNDERGROUNDING AND RELOCATION

1. All new utilities to serve the project shall be constructed underground.
2. The project owner shall sign a written agreement stating that he has made all such arrangements as may be necessary to coordinate and provide utility construction, relocation and undergrounding. All new utilities shall be constructed underground

EASEMENTS

1. All existing and proposed easements, both private and public, affecting subject property shall be shown and labeled on the grading and improvement plans.
2. The owner is responsible for making the arrangements to quitclaim all easements of record which conflict with the proposed development prior to the approval of the grading plans. If an easement of record contains an existing utility that must remain in service, proof of arrangements to quitclaim the easement must be submitted to the City Engineer for review and approval prior to the approval of the grading plans.
3. A 20' wide Public Waterline Easement shall be granted to the City of Escondido for all public water mains within the project site. The easement shall include all fire hydrants, water meters and other appurtenances. No private utilities or drainage pipes shall run parallel within nor shall drainage basins be located over this proposed public waterline easement.
4. A current preliminary title report shall be submitted with the grading plans.

CITY COUNCIL

For City Clerk's Use:

☐

APPROVED

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DENIED

Reso No. _____

File No. _____

Ord No. _____

Agenda Item No.: 13

Date: December 9, 2015

TO: Honorable Mayor and Members of the City Council

FROM: Michael Lowry, Fire Chief

SUBJECT: 2014 Assistance to Firefighters Grant (AFG)

RECOMMENDATION:

It is requested that Council authorize the Escondido Fire Department to accept a grant award of \$498,518 (90% Federal share) in Federal grant funding from the Federal FY2014 Assistance to Firefighters Grant (AFG) Program and to fund \$49,852 (10% matching share) with General Capital Funds. Staff is also requesting authorization for the Fire Chief to execute grant documents on behalf of the City and authorization for needed budget adjustments to track spending of grant funds.

FISCAL ANALYSIS:

The City has been awarded a total of \$548,370 from the FY2014 AFG Program. This is a reimbursable award grant with a matching funds requirement. The Federal share of the project (90%) will be \$498,518 and the matching share (10%) will be \$49,852. Once all the Federal share costs have been paid, the City will be reimbursed. In order to fund the matching portion, the Fire Department will reduce an already existing project funded with General Capital funds.

PREVIOUS ACTION:

The Fire Department has been awarded previous grants under the AFG and Council has previously authorized staff to accept AFG funds for the following items:

- FY04 – Installation of diesel exhaust removal systems in all stations and upgrades for EKG monitors
- FY05 – Purchase of firefighter safety clothing
- FY06 – Implementation of a Firefighter Wellness and Fitness Program
- FY07 – Purchase of EMS training manikins
- FY08 – Purchase of a decontamination unit and carbon monoxide pulse oximeters
- FY09 – Purchase of intraosseous infusion systems and a thermal imaging camera.
- FY10 – Purchase of firefighter safety clothing and high pressure carbon fiber breathing cylinders
- FY11 – Purchase of P25 compliant radios, helmets and wireless communication devices
- FY12 – Purchase of EKG Cardiac Monitors utilizing a regional grant with the City of San Marcos

BACKGROUND:

Self-Contained Breathing Apparatus (SCBA) are a device worn by firefighters to provide breathable air during emergencies that pose respiratory hazards. By law, firefighters cannot enter environments which are Immediately Dangerous to Life and Health (IDLH) without wearing an (SCBA). This critical personal protective equipment (PPE) allows Escondido's Firefighters to enter burning buildings, battle vehicle fires and mitigate hazardous materials incidents. The National Fire Protection Association (NFPA) 1981 standard on open circuit SCBA for emergency services sets the national standard for the design, purchase and the maintenance of SCBA's. Significant enhancements have been made to SCBA's in the area of firefighter safety that our current SCBA's do not have.

The Escondido Fire Department purchased our current SCBA's in 1999 and now are three (3) NFPA standards past compliant. Once SCBA's are more than two (2) NFPA standards past compliant the vendors are forced to stop manufacturing and providing replacement parts. In as little as two (2) years, it will become impossible to maintain our current SCBA's.

Anticipating the inability to maintain properly functioning vital safety equipment, the Escondido Fire Department submitted Capital Improvement Budget requests for two fiscal years. Due to the economic climate and the large replacement cost, funds have not been available. Therefore, the Fire Department sought out grant funding opportunities. In December 2014, a grant request was submitted to the Assistance to Firefighter Grant Program, which is designed to assist agencies to protect the health and safety of the public and firefighting personnel against fire and fire-related hazards. This grant request totaled \$887,317 which included one air compressor fill station, two rapid intervention crew / (RIC) bags, seventy SCBA's and seventy additional face pieces and spare cylinders.

In September 2015, the Escondido Fire Department received notification of the grant award totaling \$548,370 (including matching share), approximately \$339,000 less than anticipated. Due to the grant award being reduced, the Fire Department met with the grant program coordinator and vendors to discuss alternative approaches to fulfilling the department needs and keeping within the grant awarded funds. The Fire Department was able to obtain reduced pricing compared to the retail price on which the grant was based upon. In addition, the Fire Department will re-program the money allocated for the air compressor and RIC bags towards purchasing SCBA's. The Fire Department will look for alternative funding sources to purchase unfunded items. With these modifications, we anticipate successfully meeting the safety needs of our personnel within the grant award.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael Lowry", written in a cursive style.

Michael Lowry
Fire Chief



CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST

Date of Request: December 1, 2015
Department: Fire Department
Division: Administration
Project/Budget Manager: Lisa Bertrand 5407
Name Extension
Council Date (if applicable): December 9, 2015
(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
FY14 Assistance to Firefighters Grant	451-New	498,518	
SCBA - Equipment (Matching)	229-New	49,852	
Mobile Data Computers	229-106201		49,852
Federal Grant - Reimbursement (Revenue)	4128-451	498,518	

Explanation of Request:

The EFD has been awarded \$548,370 from the FY2014 Assistance to Firefighters Grant (AFG) program. The AFG program is to protect the health and safety of the public and firefighting personnel against fire and fire-related hazards. Federal share is 90% (\$498,518) of the approved amount and the City share is 10% (\$49,852). The matching portion is to be funded with Gen. Capital Funds by reducing an already funded Gen. Capital Project.

APPROVALS



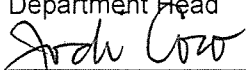
Department Head

12/1/15

Date

City Manager

Date



Finance

12/2/15

Date

City Clerk

Date

Distribution (after approval):

Original: Finance

CITY COUNCIL

For City Clerk's Use:

☐ **APPROVED** ☐ **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 14

Date: December 9, 2015

TO: Honorable Mayor and Members of the City Council

FROM: Sheryl Bennett, Director of Administrative Services
Joan Ryan, Assistant Director of Finance

SUBJECT: 2015-2016 City Council Action Plan – Fiscal Management

RECOMMENDATION:

It is requested that Council approve Resolution 2015-215 to amend the City's Fund Balance policy to establish the appropriate General Fund target Reserve based on a risk-based analysis as recommended by the Government Finance Officers Association (GFOA).

CORRELATION TO THE CITY COUNCIL ACTION PLAN:

This item relates to the 2015-2016 City Council Action Plan regarding Fiscal Management.

PREVIOUS ACTION:

Council held a workshop on February 11, 2015, in which they developed goals for the 2015-16 City Council Action Plan. At the August 12, 2015, City Council meeting, Staff presented the strategies and a timeline to achieve the four primary goal categories; Council approved this plan. One of the primary goal categories of the plan is Fiscal Management. A specific goal of the Fiscal Management category is to set an appropriate Reserve for the General Fund. On October 28, 2015, Staff presented Council a strategy recommended by GFOA to evaluate an appropriate Reserve based on a risk factor analysis. Council approved of this strategy and directed Staff to return to Council with the outcome of this analysis which will be incorporated in the revised City Fund Balance Policy.

BACKGROUND:

Reserves provide a city with financial flexibility to respond to unexpected issues and offer a buffer during financial downturns. Maintaining a reserve balance allows a city to continue operations while responding to short-term problems, eliminating the need to reduce service levels when these temporary fluctuations occur. It also provides an organization time to address longer term problems while comprehensive response plans are developed. This eliminates the need to resort to extreme crisis actions. There is a misconception that a large reserve balance reflects the fiscal strength of an

organization. Better indicators of fiscal strength are the ability of an organization over time, to use ongoing revenues to adequately meet day-to-day service needs, capital improvements and debt service payments. A reserve balance is more an indicator of the ability of an organization to manage risk when faced with both temporary and longer term problems.

In comparing reserve levels between government agencies, it is important to recognize that “one size does not fit all”. In short, other than having a reserve at all, there is not a “right” level: it depends on the circumstances in each agency. Questions that should be asked when establishing reserve levels include the potential impact of risk (loss) and how much fiscal capacity (measured in time) does the organization think is prudent in developing and implementing plans to respond to unexpected circumstances. Several factors should be considered in determining a prudent reserve amount. By analyzing the risks that influence the level of reserves, the City can determine a reserve level that can hedge against uncertainty and loss. This is a sensitive issue, because money held in reserve is money not used for providing services to the community. On the other hand, insufficient reserves may put the City at risk during an unexpected event.

RISK-BASED ANALYSIS:

The Government Finance Officers Association (GFOA) provided cities access to a risk evaluation tool that can be used to help determine the right size of reserve for a city. This tool was used by City staff to reach a recommendation for a target reserve for the City’s General Fund. Below is the analysis of the risks that influence the level of reserves that the City’s General Fund will need to hedge against uncertainty and loss. These eight risk factors include: revenue stability, vulnerability to extreme events, liquidity, expenditure volatility, leverage, capital projects, other funds’ dependency, and growth. A score between 1 through 5 is assigned to these risk factors based on how important it is for the City to retain this risk through General Fund reserves. A score of 1 is very unimportant and a score of 5 is very important, indicating the greatest need to retain reserves. Below are the individual results for each of the risk factors facing the City of Escondido.

- 1. Risk Factor – Revenue Stability assigned a score of 4.** Volatile revenue sources call for higher reserve levels in order to avoid the need for sudden service cutbacks should revenues drop unexpectedly. Sales tax is the General Fund’s major revenue source and makes up 40 percent of total revenue. The other major revenue sources are property tax and other taxes that make up 26 percent and 14 percent of General Fund revenue, respectively. Sales tax volatility for the City is almost entirely due to economic cycles, as the City receives 30 percent of sales tax from new and used auto sales and 13 percent from construction materials. These revenue sources tend to rise and fall quickly during economic changes. During the worst two years of the Great Recession, General Fund revenue decreased by 15.4 percent or about \$12.4 million. Of this amount, \$8.4 million or 65 percent of this decline came from sales tax, which dropped 28 percent during this two year period. Property taxes also declined by about \$2 million but dropped by a slower rate of

about 9 percent. In the past, the City has been able to lower the risk of using reserves by reducing spending during downturns. This decreases the reserves needed to cover the full amount of the revenue decline. In addition, the City's other revenue sources have historically been more stable. The score of 4 was assigned to revenue stability because although the City's sales tax is volatile and makes up 40 percent of General Fund revenue, the City has demonstrated in past history that this risk can be mitigated by reducing costs thus reducing the need to use reserves. In addition, the City's other revenue sources are less volatile.

- 2. Risk Factor – Vulnerability to Extreme Events assigned a score of 4.** This factor concerns the extreme events (natural disasters) the City is vulnerable to, the public safety programs that must be funded during the occurrence of an extreme event, and the federal or state programs that would help and how long it would take to get assistance. The City is subject to extreme events, particularly wildfires, which pose a significant threat to life and property. Historical experience has demonstrated that the financial impacts of these events have been manageable in the long term with aid from Federal Emergency Management Agency (FEMA), California Office of Emergency Services (OES) and insurance. However in the short term, public safety programs must be funded and that is why a score of 4 was assigned to this risk.
- 3. Risk Factor – Liquidity assigned a score of 3.** A larger reserve may be needed to avoid cash flow problems if the flow of cash is not received equally during the year. For example, the City's General Fund historically has negative cash flow of about \$11 to \$15 million in the first half of the year, which is reversed in the second half of the year when cash flow has always been positive; the net effect for the year is a positive cash flow. The major reason for this negative cash flow during the first half of the year was the passage by the State legislators of the triple flip and property tax in lieu of Vehicle License Fee (VLF) that went into effect on July 1, 2004. These two revenues are now paid twice a year in January and May and total about \$20 million. Before 2004, these receipts were more evenly paid through-out the year as part of the monthly sales tax allocation and VLF payments. A score of 3 was assigned to the liquidity factor as the triple flip, which accounts for \$8.3 million in cash flow, ended in October 2015. In addition the City has cash of about \$115 million in all the other City funds that can be loaned to the General Fund in the short term to meet cash-flow needs.
- 4. Risk Factor – Expenditure Volatility assigned a score of 3.** This risk factor refers to potential spikes in expenditure, usually arising from special, non-recurring circumstances. Examples of this might include lawsuits against the City. Expenditures of a recurring nature should not be addressed through the use of reserves but accommodated in the operating budget. A score of 3 was assigned to expenditure volatility. The General Fund is projecting increased costs in the next five years due to PERS rate increases, negotiated salary increases, and other employee benefit increases; however, these increased costs have been built into the General Fund Financial Plan.

In addition, the City is facing several lawsuits that could entail settlement costs; however, reserves for these judgments are set aside in the General Liability Fund reserve.

5. **Risk Factor – Leverage assigned a score of 3.** A highly leveraged City has less flexibility. Examples of leverage include long-term debt, pension obligations, unfunded asset maintenance and post-employment health care. High leverage may call for higher reserves. A score of 3 was assigned to the leverage risk factor for the General Fund. This is because the General Fund has always been able to meet its yearly debt service payments through the annual budget process, even during the past economic downturn. In addition, PERS has developed a plan for cities to meet their unfunded pension liability in 30 years, by ramping up rates for the next 5 years beginning in fiscal year 2015/16, along with a 20-year amortization period, and then a 5 year ramp down in rates. Staff is also recommending that the City meet any unfunded asset maintenance liability outside of general fund reserves.
6. **Risk Factor – Capital Projects assigned a score of 2.** A City's capital improvement plan is used to determine if there are high priority projects without a funding source. A score of 2 was assigned to the capital projects risk factor for the City because it is not very likely that Council will allow reserves to be used as a funding source for major capital projects. A year-end General Fund surplus could be used as a funding source for capital projects with Councils approval.
7. **Risk Factor – Other Funds' Dependence assigned a score of 3.** This risk factor identifies other funds that have significant dependence on the General Fund. Dependence will usually be indicated by regular operating transfers that are an unusually high percentage of the receiving funds expenditure budget. Funds that are dependent on the General Fund include the Vehicle Parking District, Reidy Creek Golf Course and Community Services. A score of 3 was assigned to the other funds' dependence risk factor as the percentage of expenditures transferred to other funds' from the General Fund is less than 1 percent of total operating expenditures.
8. **Risk Factor – Growth assigned a score of 2.** This factor is only relevant if significant growth is a realistic possibility in the next three to five years. Rapid growth of a community could call for larger levels of reserves as there may be a timing difference for revenue to catch up to service level requirements (property tax revenue may not be received until a couple of years after development). A score of 2 was assigned to the growth risk factor for the General Fund as any future growth should only cause a minor imbalance between the timing of revenues and expenditures.

RECOMMENDATION:

Based on the results of this risk evaluation tool, the City faces a low to moderate level of risk needed to be retained through reserves. The General Fund should consider adopting a reserve target of

between 17 to 25 percent of General Fund operating revenues. Using Fiscal Year 2014/15 General Fund operating revenue of \$83.1 million, this will result in a target Reserve balance of \$14.1 to \$20.8 million. The current General Fund Reserve balance is \$16.9 million. With Council's approval of Resolution 2015-215, the City's Fund Balance Policy will be revised to include a General fund Reserve target of between 17 to 25 percent of General Fund operating revenues and direct staff to review the risk factor analysis every two years to determine if the Reserve target has changed. Attachment A shows the suggested changes to the Reserve section of the City's Fund Balance Policy.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Sheryl Bennett', with a large, stylized flourish extending from the end.

Sheryl Bennett
Director of Administrative Services

A handwritten signature in black ink, appearing to read 'Joan Ryan', with a large, stylized flourish extending from the end.

Joan Ryan
Assistant Finance Director

Summary of Revisions to Reserve Section of City's Fund Balance Policy

Committed Fund Balance

The City Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment, a resolution. City Council action to commit fund balance needs to occur within the fiscal reporting period; however, the amount can be determined subsequently. The following will be classified as committed fund balance.

General Fund

Reserve

The City Council has established a target Reserve balance of between 17 to 25 percent of General Fund operating revenues ~~The City will commit the remaining fund balance in the General Fund at year end~~ in order to maintain adequate levels of fund balance to mitigate current and future risks and to adequately provide for cash flow requirements and contingencies for unseen operating or capital needs the City. The Reserve balance is available to fund one-time unanticipated expenditure requirements, local disasters, or when actual revenue received is less than the amount budgeted resulting in an operating deficit in the General Fund.

When Reserve Funds are used the method for replenishing deficiencies including the source of funding and time period for replenishment to occur will be defined in the resolution.

The City Council may, by the affirming vote of three members, change the amount of this commitment and/or specific use of these funds.

The City Council has directed staff to review the General Fund target Reserve risk factor analysis every 2 years to determine if the target Reserve balance has changed.

RESOLUTION NO. 2015-215

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING AN AMENDMENT TO THE
ESCONDIDO FUND BALANCE POLICY TO
ESTABLISH A GENERAL FUND TARGET
RESERVE BALANCE**

WHEREAS, the Governmental Accounting Standards Board ("GASB") has issued its Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, with the intent of improving financial reporting by providing fund balance categories that will be more easily understood; and

WHEREAS, the City Council of the City of Escondido has adopted Resolution No. 2012-133R, the Fund Balance Policy; and

WHEREAS, the Fund Balance Policy provides that the City Council may commit funds for specific purposes by taking formal action and these committed amounts cannot be used for any other purpose unless the City Council removes or changes the specific use through the same formal action to establish the commitment; and

WHEREAS, the City Council adopted Resolution No. 2015-174 that committed funds of \$16,892,319 to a General Fund Reserve to maintain adequate levels of fund balance to mitigate current and future risks and to adequately provide for cash flow requirements and contingencies for unseen operating or capital needs of the City; and

WHEREAS, the City Council desires at this time and deems it to be in the best public interest to amend the Fund Balance Policy and establish a General Fund target Reserve balance of between 17 to 25 percent of General Fund operating revenues; and

Whereas, the City Council desires at this time and deems it to be in the best public interest to include in the Fund Balance Policy direction to staff to review the General Fund target Reserve risk factor analysis every two years to determine if the Reserve target has changed;

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

1. That the above recitations are true.
2. That the City Council hereby adopts the modified attached Fund Balance Policy presented in Exhibit "A," attached to this Resolution and incorporated by this reference.

City of Escondido Fund Balance Policy

Purpose

This Fund Balance Policy establishes the procedures for reporting unrestricted fund balance in the General Fund financial statements. Certain commitments and assignments of fund balance will help ensure that there will be adequate financial resources to protect the City against unforeseen circumstances and events such as revenue shortfalls and unanticipated expenditures. The policy also authorizes and directs the Finance Director to prepare financial reports which accurately categorize fund balance as per Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

Procedures

Fund Balance is essentially the difference between the assets and liabilities reported in a governmental fund. There are five separate components of fund balance, each of which identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts can be spent:

- Nonspendable fund balance (inherently nonspendable)
- Restricted fund balance (externally enforceable limitations on use)
- Committed fund balance (self-imposed limitations on use)
- Assigned fund balance (limitation resulting from intended use)
- Unassigned fund balance (residual net resources)

The first two components listed above are not addressed in this policy due to the nature of their restrictions. An example of nonspendable fund balance is inventory. Restricted fund balance is either imposed by law or constrained by grantors, contributors, or laws or regulations of other governments. This policy is focused on financial reporting of unrestricted fund balance, or the last three components listed above. These three components are further defined below.

Committed Fund Balance

The City Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment, a resolution. City Council action to commit fund balance needs to occur within the fiscal reporting period; however, the amount can be determined subsequently. The following will be classified as committed fund balance.

General Fund

Reserve

The City Council has established a target Reserve balance of between 17 to 25 percent of General Fund operating revenues in order to maintain adequate levels of fund balance to mitigate current and future risks and to adequately provide for cash flow requirements and contingencies for unseen operating or capital needs of the City. The Reserve balance is available to fund one-time unanticipated expenditure requirements, local disasters, or when actual revenue received is less than the amount budgeted resulting in an operating deficit in the General Fund.

When Reserve Funds are used the method for replenishing deficiencies including the source of funding and time period for replenishment to occur will be defined in the resolution.

The City Council may, by the affirming vote of three members, change the amount of this commitment and/or specific use of these funds.

The City Council has directed staff to review the General Fund target Reserve risk factor analysis every 2 years to determine if the target Reserve balance has changed.

Special Revenue Funds

Center for the Arts

The City will commit that portion of fund balance derived from charges for services generated from Arts Center Activities for the operations of the California Center for the Arts.

Parks & Recreation

The City will commit that portion of fund balance received from operating activities of City facilities (charges for services) for the operation of City parks and recreation facilities.

Reidy Creek Golf Course Fund

The City will commit that portion of fund balance received from operating activities of the golf course (charges for services) for the operation of the Reidy Creek Golf Course.

Vehicle Parking District

The City will commit that portion of fund balance provided by parking permit revenues for the maintenance and operation of City-owned public parking lots.

Ryan Trust

The City will commit monies received from the Frances B. Ryan Trust, which was established to create the Pioneer Room, a historical perspective of Escondido, to provide financing for its ongoing operation.

Hegyí Trust

The City will commit Funds received for the Hegyi Family Trust to be used to recognize library volunteers.

Assigned Fund Balance

Amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance.

This policy hereby delegates the authority to assign amounts to be used for specific purposes to the Finance Director for the purpose of reporting these amounts in the annual financial statements. A few examples of assigned fund balance follow.

Continuing Appropriations

Fund balance levels must be sufficient to meet funding requirements for projects approved in prior years and which must be carried forward into the new fiscal year.

Debt Service

Established to provide for future debt service obligations

Unassigned Fund Balance

These are residual positive net resources of the general fund in excess of what can properly be classified in one of the other four categories.

Fund Balance Classification

The accounting policies of the City consider restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

This policy is in place to provide a measure of protection for the City against unforeseen circumstances and to comply with GASB Statement No. 54.

CITY COUNCIL

For City Clerk's Use:

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APPROVED

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DENIED

Reso No. _____

File No. _____

Ord No. _____

Agenda Item No.: 15

Date: December 9, 2015

TO: Honorable Mayor and Members of the City Council

FROM: Christopher W. McKinney, Utilities Director

SUBJECT: Budget Adjustment Request for the Escondido-Vista Water Treatment Plant Disinfection and Electrical System Upgrades Project

RECOMMENDATION:

The Utilities Department requests that Council approve a budget adjustment in the amount of \$1,144,000 to Capital Improvement Program (CIP) No. 701001 from CIP 704201 (80%) and CIP Reimbursement (20%) to cover the costs of potential changes required to complete construction of the Escondido-Vista Water Treatment Plant Disinfection and Electrical System Upgrades Project ("the Project"). This budget adjustment will transfer 9% of the permitted 10% contingency to the project budget.

FISCAL ANALYSIS:

As of October 31, 2015, CIP 701001 had an available project balance of \$27,141. A budget adjustment in the amount of \$915,200 (80% of the requested Contingency funds) from CIP 704201 Lindley Reservoir Replacement will be processed to cover potential cost changes required to complete the Project. Vista Irrigation District (VID) will be responsible for 20% of the requested Contingency funds as a CIP Reimbursement in the amount of \$228,800.

PREVIOUS ACTION:

The original Consulting Agreement to perform Phase II – Detailed Design was approved at the City Council Meeting on February 16, 2011, as Resolution No. 2011-125 in the amount of \$619,014. The First Amendment to the Consulting Agreement with Black & Veatch Corporation was approved at the City Council Meeting on February 1, 2012, as Resolution No. 2012-15 in the amount of \$214,707.

On April 6, 2011, the VID Board approved VID's participation in the design phase of the Escondido-Vista Water Treatment Plant (EVWTP) Disinfection and Electrical System Upgrades Project. On January 18, 2012, the VID Board approved VID's participation in Amendment No. 1 to the Consulting Agreement with Black & Veatch Corporation. VID staff went to the VID Board of Directors on August 6, 2014, to approve VID's participation in the construction phase of the Project.

December 9, 2015

Budget Adjustment Request for the Escondido-Vista Water Treatment Plant Disinfection and Electrical System Upgrades Project

Page 2

The bid award to Pacific Hydrotech Corporation was approved at the City Council Meeting on August 6, 2014, as Resolution No. 2014-116 in the amount of \$12,381,800.

The authorization to execute a Consulting Agreement with RBF Consulting (now Michael Baker International) for Construction Management Services was approved at the City Council Meeting on August 6, 2014, as Resolution No. 2014-119 in the amount of \$847,592.

The authorization to execute a Consulting Agreement with Black & Veatch Corporation for Engineering Services during construction was approved at the City Council Meeting on August 6, 2014, as Resolution No. 2014-120 in the amount of \$84,380.

The authorization to execute a Consulting Agreement with Water Synergy for Engineering Services during construction was approved at the City Council Meeting on August 6, 2014, as Resolution No. 2014-121 in the amount of \$106,904.

BACKGROUND:

Construction of the EVWTP Disinfection and Electrical System Upgrades Project has been underway since October 2014. The Project is approximately 50% complete and the estimated completion date is November 2016.

This complex project will replace the existing disinfection system and aging plant electrical power systems at the 38-year-old EVWTP while the plant is in operation. The main elements of this project include: 1) replacing the existing disinfection system with a system that converts salt to sodium hypochlorite onsite (including new brine and sodium hypochlorite storage tanks, metering and application of the sodium hypochlorite); 2) replacing the existing chlorine dioxide system with a new chlorine dioxide system that is compatible with sodium hypochlorite; 3) furnishing new emergency power generators capable of delivering the peak power demand of the Water Treatment Plant and new disinfection equipment; 4) replacing aging and undersized 480 VAC electrical switchgear and conductors; and 5) integrating all the new systems with the WTP's existing monitoring and control system. All of these upgrades will allow the City to provide a safer working environment for staff, and increase efficiencies and reliability in providing clean drinking water for the public.

The EVWTP operates 24 hours per day, 365 days per year. It is Escondido's only water treatment facility and is the primary source of potable water. There are no options to allow the facility to shut-down for long periods of time to perform upgrades or extensive repairs such as construction projects. It is critical that the plant runs with little disruption to the treatment process.

Due to the complexity of this project, a 10% contingency (10% of the original contract with Pacific Hydrotech Corporation) will be necessary to cover potential costs for unanticipated changes during construction. Changes could include differing site conditions or conflicts, such as rock removal and

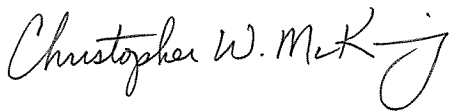
December 9, 2015

Budget Adjustment Request for the Escondido-Vista Water Treatment Plant Disinfection and
Electrical System Upgrades Project

Page 2

discovery of unknown, abandoned utilities during construction. This contingency amount will allow construction to proceed as scheduled without potential delays to the contractor if a change order is required. Since only 1% of the permitted 10% contingency was transferred to the project budget during bid award, this budget adjustment is necessary to transfer the additional 9% to the project budget.

Respectfully submitted,

A handwritten signature in black ink, reading "Christopher W. McKinney". The signature is written in a cursive style with a large, stylized "M" and "K".

Christopher W. McKinney
Director of Utilities



CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST

Date of Request: November 30, 2015
Department: Utilities
Division: Capital Projects
Project/Budget Manager: Nelson Nuezca 7034
Name Extension
Council Date (if applicable): December 9, 2015
(attach copy of staff report)

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

ML
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Project/Account Description	Account Number	Amount of Increase	Amount of Decrease
WTP Onsite Chlorine Generation	556-701001	\$1,144,000	
Lindley Reservoir Replacement	556-704201		\$915,200
CIP Reimbursement	4455-555-000	\$228,800	
Transfer Out-to Capital Projects Fund	5999-555	\$228,800	
Transfer In-from Operating Fund	4999-556	\$228,800	

Explanation of Request:

To fund the Escondido-Vista Water Treatment Plant Disinfection & Electrical System Upgrades Project. Vista Irrigation District will be responsible for 20% of the project cost.

APPROVALS

<u>Christopher W. McK...</u>	<u>12.01.2015</u>	City Manager	Date
Department Head	Date		
<u>John ...</u>	<u>12/2/15</u>	City Clerk	Date
Finance	Date		

CITY COUNCIL

For City Clerk's Use:

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APPROVED

☐

DENIED

Reso No. _____

File No. _____

Ord No. _____

Agenda Item No.: 16

Date: December 9, 2015

TO: Honorable Mayor and Members of the City Council

FROM: Christopher W. McKinney, Director of Utilities

SUBJECT: Hale Avenue Resource Recovery Facility Phase III Primary Treatment Building and Odor Control Modifications Project: Bid Award for Construction; Budget Adjustment; and Award of Consulting Agreements for Construction Management, Engineering Support During Construction, and Electrical Inspection Services

RECOMMENDATION:

The Utilities Department requests that City Council:

- 1) Adopt Resolution 2015-190 authorizing the Mayor and City Clerk to execute the Public Improvement Agreement with J.F. Shea Construction, Inc., the lowest responsive and responsible bidder, in the amount of \$10,927,580 for construction of the Hale Avenue Resource Recovery Facility (HARRF) Phase III Primary Treatment Building and Odor Control Modifications Project.
- 2) Adopt Resolution 2015-191 authorizing the Mayor and City Clerk to execute the Consulting Agreement with Tran Consulting Engineers in the amount of \$119,210 for Engineering Services during construction for the HARRF Phase III Primary Treatment Building and Odor Control Modifications Project.
- 3) Adopt Resolution 2015-192 authorizing the Mayor and City Clerk to execute the Consulting Agreement with Arcadis in the amount of \$754,796 for Construction Management Services for the HARRF Phase III Primary Treatment Building and Odor Control Modifications Project.
- 4) Adopt Resolution 2015-193 authorizing the Mayor and City Clerk to execute a Consulting Agreement with Rockwell Construction Services in the amount of \$210,000 for Specialized Electrical Inspections for the HARRF Phase III Primary Treatment Building and Odor Control Modifications Project.
- 5) Approve a budget adjustment in the amount of \$8,189,266.

FISCAL ANALYSIS:

The Primary Building Upgrade CIP 801101 currently has \$5,140,430 available. A budget adjustment of \$8,189,266, \$3,984,126 from HARRF Odor Control CIP 801812 and \$4,205,140 from Unallocated Reserves, is required to complete the project.

PREVIOUS ACTION:

On May 9, 2012, the City Council adopted Resolution No. 2012-65 awarding a Professional Services Agreement with Tran Consulting Engineers for \$402,240 for the design of modifications to the Odor Control System and Primary Treatment Building at HARRF.

BACKGROUND:

This complex project will modify and replace essential components of the wastewater treatment plant process while the plant is in operation. The main elements of this project include: 1) modifications and demolition to portions of the old Operations Administration Complex (OAC) and construction of a new electrical room; 2) relocation of fiber optics from the old OAC to the new operations building; 3) removal of the deteriorating Primary Treatment Building roof, south wall, east wall, north wall above the operating floors, and top of the west wall; 4) reconstruction of the primary basin and installation of aluminum covers; 5) installation of new scum and sludge collection systems; and 6) replacement of the odor control system and ducting with a more appropriately sized and efficient system.

By removing the deteriorating Primary Treatment Building, built in 1973, and its associated confined space limitations, working conditions and safety will be improved and the volume of foul air to be treated by the odor control will be substantially reduced. This will allow for a better quality odor control system to be built in the same location and footprint as the existing system.

The Hale Avenue Resource Recovery Facility (HARRF) operates 24 hours per day, 365 days per year and receives an average of 10 million gallons per day of wastewater and residual storm water from Escondido and a portion of Rancho Bernardo. Since it is the community's only wastewater treatment facility, there are no options to allow the facility to shut-down for upgrades or extensive repairs such as construction projects. It is critical that the plant runs each day – even during construction phases – with little to no disruption to the treatment process. Due to the critical nature of the HARRF, staff met with HARRF operations and the construction management team early on to develop key construction milestones which were derived from critical elements that could affect the treatment plant's normal operation, such as an El Nino season. These key elements, combined with the complexity of the project, were used to determine the level of specialty experience required of contractors bidding on this project.

The specialty experience required of all bidders was described in Item K of the Notice Inviting Sealed Bids and Addendum No. 2 (Questions 4 & 6). The Notice Inviting Sealed Bids specified that all bidders shall have experience that includes modifications to plant process within an operating wastewater treatment plant; and all bidders shall have successfully completed at least ONE similar, successful project including structural, electrical, and mechanical work in an active wastewater treatment plant (where the process cannot be interrupted) with a value no less than five million dollars in the last five years. The project used as a reference must include a foul air flowrate through an odor control system, which must be within $\pm 25\%$ Escondido design flow, or approximately 20,000 cubic feet per minute. Addendum No. 2 stated that the two experience requirements, a completed wastewater plant project in excess of five million dollars; and an odor control project of approximately 20,000 cubic feet per minute, may be from two different projects. The addendum further clarified that a subcontractor named in the bid documents could satisfy the required odor control project experience.

Competitive bids were opened by the City Clerk's representative on October 22, 2015, with the following results:

- | | |
|---|-------------------------------|
| 1) Environmental Construction, Inc., Woodland Hills | \$10,552,138 (non-responsive) |
| 2) TC Construction Company, Inc., Santee | \$10,670,000 (non-responsive) |
| 3) J.F. Shea Construction, Inc., Walnut | \$10,927,580 |
| 4) J.R. Filanc Construction, Escondido | \$11,582,711 |
| 5) Stanek Constructors, Inc., Escondido | \$11,647,000 |
| 6) C.W. Roen Construction, Danville | \$12,300,000 |

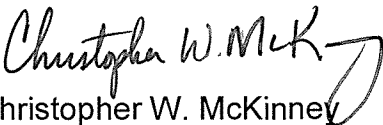
Staff thoroughly reviewed the apparent low bid submitted by Environmental Construction, Inc. and the 2nd low bid submitted by TC Construction Company, Inc. Both were found to be non-responsive due to the lack of required specialty experience as described in Item K of the Notice Inviting Sealed Bids and Addendum No. 2 (Questions 4 & 6). Furthermore, staff has thoroughly reviewed the 3rd low bid submitted by J.F. Shea Construction, Inc., and has determined that they are the lowest responsive and responsible bidder.

Due to the complexity and multiple specialized disciplines involved with this construction, Utilities Department management has decided that it would be more efficient to use a consultant for construction management services. The Utilities Department recommends retaining Arcadis, a third party construction management team, to manage this construction project. This contract for construction management services includes constructability reviews, construction inspections (concrete, steel, and geological), administration of the construction contract, claim support, and facilitation of partnering sessions.

The Utilities Department recommends retaining Tran Consulting Engineers to provide engineering services during construction. Tran is the design engineer and most familiar with the intent and content of the plans.

The Utilities Department recommends retaining Rockwell Construction Services to provide Electrical Inspection services during construction. This project has a substantial electrical power and control impact on the operation of the HARRF. Rockwell Construction Services has assisted in the review and design of the electrical portions of the plans, and is familiar with the design intent and facility limitations.

Respectfully submitted,

A handwritten signature in black ink, reading "Christopher W. McKinney". The signature is written in a cursive style with a large, stylized "M" and "K".

Christopher W. McKinney
Director of Utilities



CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST

Date of Request: November 30, 2015
Department: Utilities, Wastewater Division
Division: Capital Projects
Project/Budget Manager: Angela Morrow 7030
Name Extension
Council Date (if applicable): December 9, 2015
(attach copy of staff report)

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

ML

Project/Account Description	Account Number	Amount of Increase	Amount of Decrease
HARRF Primary and Odor Control	557-801101	\$8,189,266	
HARRF Odor Control	557-801812		\$3,984,126
Waste Water Fund Operating, Debt, and CIP Reserve	3050-558		\$4,205,140
Transfer in-from Operating Fund	4999-557	\$4,205,140	
Transfer out- to Capital Projects Fund	5999-558	\$4,205,140	

Explanation of Request:

To fund the HARRF Phase III Primary Treatment Building and Odor Control Modifications Project. This request includes: 1) moving all funds out of Project 557-801812, HARRF Odor Control, and closing the project; and 2) renaming Project 557-801101 from "Primary Building Upgrade" to "HARRF Primary and Odor Control". Any unused funds will be returned to the Unallocated Reserves.

APPROVALS

<u>Christopher W. McK</u>	<u>12.01.2015</u>	City Manager	Date
Department Head	Date		
<u>Joan Low</u>	<u>12/2/15</u>	City Clerk	Date
Finance	Date		

RESOLUTION NO. 2015-190

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING THE MAYOR AND CITY CLERK
TO EXECUTE, ON BEHALF OF THE CITY, A
PUBLIC IMPROVEMENT AGREEMENT WITH
J.F. SHEA CONSTRUCTION INC. FOR THE
CONSTRUCTION OF THE HARRF PHASE III
PRIMARY TREATMENT BUILDING AND ODOR
CONTROL MODIFICATIONS PROJECT

WHEREAS, the Escondido City Council authorized an invitation for bids for the construction of the HARRF Phase III Primary Treatment Building and Odor Control Modifications Project (the "Project"); and

WHEREAS, the existing Hale Avenue Resource Recovery Facility (HARRF) operates 24 hours per day, 365 days per year, and receives an average of 10 million gallons per day of wastewater and residual stormwater from the City of Escondido; and

WHEREAS, the HARRF is Escondido's only wastewater treatment facility and there are no options to allow the facility to shut-down for upgrades or extensive repairs; and

WHEREAS, Utilities Staff developed key milestones which were derived from critical elements that could affect the treatment plant's normal operation; and

WHEREAS, the critical key elements combined with the complexity for the project were used to determine the level of specialty-experience required of the contractors bidding on this project; and

WHEREAS, the City of Escondido opened sealed bids for the Project on October 22, 2015; and

WHEREAS, Utilities Staff thoroughly reviewed the apparent low bid submitted by Environmental Construction, Inc. and the second low bid submitted by TC Construction Company, Inc., and both were found to be non-responsive due to the lack of required specialty-experience as described in Item K of the Notice Inviting Sealed Bids and Addendum No. 2 (Questions 4 and 6); and

WHEREAS, Utilities Staff thoroughly reviewed the third low bid submitted by J. F. Shea Construction, Inc., and have determined that they are the lowest responsive and responsible bidder; and

WHEREAS, the Director of Utilities has determined J.F. Shea Construction, Inc. to be the lowest responsive and responsible bidder and recommends awarding the bid in the amount of \$10,927,580 to J.F. Shea Construction, Inc.; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to award this contract to J.F. Shea Construction, Inc.;

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

1. That the above recitations are true.
2. That the Mayor and City Council accepts the recommendations of the Director of Utilities and finds J.F. Shea Construction, Inc. to be the lowest responsive and responsible bidder.

3. That the Mayor and City Clerk are authorized to execute, on behalf of the City, a Public Improvement Agreement ("Agreement") with J.F. Shea Construction, Inc. A copy of the Agreement is attached as Exhibit "1" and is incorporated by this reference.

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 **J.F. SHEA CONSTRUCTION, 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

HARRF PHASE III PRIMARY TREATMENT BUILDING & ODOR CONTROL MODIFICATIONS PROJECT

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 Ten Million Nine Hundred Twenty Seven Thousand and Five Hundred Eighty Dollars (\$10,927,580).
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 **seven hundred thirty (730) 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

City of Escondido
HARRF PHASE III PRIMARY TREATMENT
BUILDING & ODOR CONTROL
MODIFICATIONS PROJECT

PUBLIC IMPROVEMENT AGREEMENT

PUBLIC IMPROVEMENT AGREEMENT

demand made, and every liability, loss, judgment, award, damage, or expense, of any nature whatsoever (including attorneys' fees, consultant costs), which may be incurred by reason of:

- (a) Asserted and/or actual liability arises from claims for and/or damages resulting from damages for:
 - (1) Death or bodily injury to persons.
 - (2) Injury to, loss or theft of tangible and/or intangible property/ e.g. economic loss.
 - (3) Any other loss, damage or expense arising under either (1) or (2) above, sustained by the CONTRACTOR upon or in connection with the work called for in this Project, except for liability resulting from the sole active negligence, or willful misconduct of the CITY.
- (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.
- 13. 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.

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: _____
Diane Halverson, City Clerk

By: _____
Sam Abed, Mayor

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY
JEFFREY R. EPP, City Attorney

By: _____

CONTRACTOR

By: _____
Signature

By: _____
Signature*

Print Name

Print Name

Title

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.

City of Escondido
HARRF PHASE III PRIMARY TREATMENT
BUILDING & ODOR CONTROL
MODIFICATIONS PROJECT

PUBLIC IMPROVEMENT AGREEMENT

**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.

City of Escondido
HARRF PHASE III PRIMARY TREATMENT
BUILDING & ODOR CONTROL
MODIFICATIONS PROJECT

PUBLIC IMPROVEMENT AGREEMENT

SECTION A-00610 - FAITHFUL PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENT,

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,

**HARRF PHASE III PRIMARY TREATMENT BUILDING & ODOR CONTROL
MODIFICATIONS PROJECT**

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

City of Escondido
HARRF PHASE III PRIMARY TREATMENT
BUILDING & ODOR CONTROL
MODIFICATIONS PROJECT

FAITHFUL PERFORMANCE BOND
PAGE A-00610-1

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.

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
JEFFREY R. EPP, City Attorney

By: _____

City of Escondido
HARRF PHASE III PRIMARY TREATMENT
BUILDING & ODOR CONTROL
MODIFICATIONS PROJECT

FAITHFUL PERFORMANCE BOND
PAGE A-00610-2

SECTION A-00620 - LABOR AND MATERIAL BOND

KNOW ALL MEN BY THESE PRESENT,

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 speci-
fications entitled,

**HARRF PHASE III PRIMARY TREATMENT BUILDING & ODOR CONTROL
MODIFICATIONS PROJECT**

NOW THEREFORE, if said Contractor, or subcontractor, fails to pay for any materials, equip-
ment, 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
JEFFREY R. EPP, 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:

**HARRF PHASE III PRIMARY TREATMENT BUILDING & ODOR CONTROL
MODIFICATIONS PROJECT**

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, 760-839-6290 Ext. 7031. 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 of Escondido
HARRF PHASE III PRIMARY TREATMENT
BUILDING & ODOR CONTROL
MODIFICATIONS PROJECT

SAMPLE NOTICE
PAGE A-00670-1

RESOLUTION NO. 2015-191

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING THE MAYOR AND CITY CLERK
TO EXECUTE, ON BEHALF OF THE CITY, A
CONSULTING AGREEMENT WITH TRAN
CONSULTING ENGINEERS FOR THE HARRF
PHASE III PRIMARY TREATMENT BUILDING
AND ODOR CONTROL MODIFICATIONS
PROJECT

WHEREAS, the City of Escondido desires engineering services to address design related questions and clarifications during construction of the HARRF Phase III Primary Treatment Building and Odor Control Modifications Project (the "Project"); and

WHEREAS, the City of Escondido reviewed the proposal from Tran Consulting Engineers to provide engineering services for the Project; and

WHEREAS, Tran Consulting Engineers has the personnel and expertise to provide engineering services to address design related questions and clarifications during construction of the Project; and

WHEREAS, City of Escondido staff have completed negotiations with Tran Consulting Engineers for said engineering services and the Director of Utilities recommends that the Consulting Agreement ("Agreement") be approved; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve said Agreement in an amount not to exceed \$119,210.

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

1. That the above recitations are true.
2. That the City Council accepts the recommendation of the Director of Utilities.
3. That the Mayor and City Clerk are authorized to execute, on behalf of the City, an Agreement with Tran Consulting Engineers. A copy of the Agreement is attached as Exhibit "1" and is incorporated by this reference.



CITY OF ESCONDIDO
CONSULTING AGREEMENT FOR DESIGN PROFESSIONALS

This Agreement is made this _____ day of _____, 2015.

Between: CITY OF ESCONDIDO
 a Municipal Corporation
 201 N. Broadway
 Escondido, California 92025
 Attn: Angela Morrow, P.E.
 760-839-6290 x7030
 ("CITY")

And: Tran Consulting Engineers
 4444 El Cajon Blvd. Suite 15
 San Diego, CA 92115
 Attn: John Austin, P.E.
 619-563-7650
 ("CONSULTANT")

Witness that whereas:

- A. It has been determined to be in the CITY's best interest to retain the professional services of a consultant to provide engineering construction support for the Primary Treatment Building and Odor Control Modifications Project; and
- B. The CONSULTANT is considered competent to perform the necessary professional services for CITY;

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

- 1. Services. The CONSULTANT will furnish all of the services as described in "Attachment A" which is attached and incorporated by this reference.
- 2. Compensation. The CITY will pay the CONSULTANT in accordance with the conditions specified in "Attachment A," in the sum of \$119,210. Any breach of this Agreement will relieve CITY from the obligation to pay CONSULTANT, if CONSULTANT has not corrected the breach after CITY provides notice and a reasonable time to correct it.
- 3. Scope of Compensation. The CONSULTANT will be compensated for performance of tasks specified in "Attachment A" only. No compensation will be provided for any other tasks without specific prior written consent from the CITY.
- 4. Duties. CONSULTANT will be responsible for the professional quality, technical accuracy, timely completion, and coordination of all reports and other services furnished by the CONSULTANT under this Agreement, except that the CONSULTANT will not be responsible for the accuracy of information supplied by the CITY.

5. Personnel. The performance of services under this Agreement by certain professionals is significant to the CITY. CONSULTANT will assign the persons listed on "Attachment B," which is attached and incorporated by this reference, to perform the Services described in Paragraph 1, and will not add or remove persons from the list without the prior written consent of the CITY. CONSULTANT will not subcontract any tasks under this Agreement without obtaining the advance written consent of the CITY.
6. Termination. Either CONSULTANT or the CITY may terminate this Agreement with thirty (30) days advance written notice.
7. City Property. All original documents, drawings, electronic media, and other material prepared by CONSULTANT under this Agreement immediately becomes the exclusive property of the CITY, and may not be used by CONSULTANT for any other purpose without prior written consent of the CITY.
8. Insurance.
 - a. The CONSULTANT shall secure and maintain at its own costs, for all operations, the following insurance coverage, unless reduced by the City Attorney:
 - (1) General liability insurance. Occurrence basis with minimum limits of \$1,000,000 each occurrence, \$2,000,000 General Aggregate, and \$1,000,000 Products/Completed Operations Aggregate; and
 - (2) Automobile liability insurance of \$1,000,000 combined single-limit per accident for bodily injury and property damage, unless waived as provided in 8(b) below; and
 - (3) Workers' compensation and employer's liability insurance as required by the California Labor Code, as amended, or certificate of sole proprietorship; and
 - (4) Errors and Omissions professional liability insurance with minimum coverage of \$1,000,000.
 - b. It is the parties' understanding that the use of a motor vehicle is not a primary subject of this Agreement. CONSULTANT acknowledges that operating a motor vehicle is outside the scope of this Agreement and occurs only at the convenience of the CONSULTANT. A waiver of automobile liability insurance is only effective if both sets of initials appear below, otherwise such insurance is required.

Acknowledged by CONSULTANT _____

Waiver appropriate by CITY _____

- c. Each insurance policy required above must be acceptable to the City Attorney:
 - (1) 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.
 - (2) All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.
 - (3) Both the General Liability and the Automotive Liability policies must name the CITY specifically as an additional insured under the policy on a separate endorsement page. The endorsement must be ISO Form CG2010 11/85 edition or its equivalent

for General Liability endorsements and CA 20-01 for Automobile Liability endorsements.

- (4) The General Liability policy must include coverage for bodily injury and property damage arising from CONSULTANT's work including its ongoing operations and products-completed operations hazard.
 - (5) The General Liability policy must be primary and noncontributory and any insurance maintained by CITY is excess.
 - d. In executing this Agreement, CONSULTANT agrees to have completed insurance documents on file with the CITY within fourteen (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. Indemnification. CONSULTANT (which in this paragraph 9 includes its agents, employees and subcontractors, if any) agrees to indemnify, defend, and hold harmless the CITY from all claims, lawsuits, damages, judgments, loss, liability, or expenses, including attorneys' fees, for any of the following:
 - a. Any claim of liability arising out of, pertaining to, or relating to the negligence, recklessness, or willful misconduct of CONSULTANT in the performance of this Agreement, excepting only those claims resulting from the sole negligence, active negligence or intentional misconduct of CITY, its employees, officials, or agents, not including CONSULTANT;
 - b. Any personal injuries, property damage or death that CONSULTANT may sustain while using CITY-controlled property or equipment, while participating in any activity sponsored by the CITY, or from any dangerous condition of property; or
 - c. Any injury or death which results or increases by any action taken to medically treat CONSULTANT.
- 10. Anti-Assignment Clause. The CONSULTANT may not assign, delegate or transfer any interest or duty under this Agreement without advance written approval of the CITY, and any attempt to do so will immediately render this entire Agreement null and void.
- 11. Costs and Attorney's Fees. In the event that legal action is required to enforce the terms and conditions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs.
- 12. Independent Contractor. CONSULTANT is an independent contractor and no agency or employment relationship, either express or implied, is created by the execution of this Agreement.
- 13. Merger Clause. This Agreement and its Attachments, if any, are the entire understanding of the parties, and there are no other terms or conditions, written or oral, controlling this matter. In the event of any conflict between the provisions of this Agreement and any of its Attachments, the provisions of this Agreement must prevail.
- 14. Anti-Waiver Clause. None of the provisions in this Agreement will be waived by CITY because of previous failure to insist upon strict performance, nor will any provision be waived by CITY because any other provision has been waived, in whole or in part.

15. Severability. The invalidity in whole or in part of any provision of this Agreement will not void or affect the validity of any other provisions of this Agreement.
16. Choice of Law. This Agreement is governed by the laws of the State of California. Venue for all actions arising from this Agreement must be exclusively in the state or federal courts located in San Diego County, California.
17. Multiple Copies of Agreement/Counterparts. Multiple copies and/or counterparts of this Agreement may be executed, including duplication by photocopy or by computerized scanning device. Each duplicate will be deemed an original with the same effect as if all the signatures were on the same instrument. However, the parties agree that the Agreement on file in the office of the Escondido City Clerk is the copy of the Agreement that shall take precedence should any differences exist among copies or counterparts of the document.
18. Provisions Cumulative. The foregoing provisions are cumulative and in addition to and not in limitation of any other rights or remedies available to the CITY.
19. Notices to Parties. Any statements, communications or notices to be provided pursuant to this Agreement must be sent to the attention of the persons indicated below. Each party agrees to promptly send notice of any changes of this information to the other party, at the address first above written.
20. Business License. The CONSULTANT is required to obtain a City of Escondido Business License prior to execution of this Agreement.
21. Compliance with Applicable Laws, Permits and Licenses. CONSULTANT shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, and rules in effect during the term of this Agreement. CONSULTANT shall obtain any and all licenses, permits, and authorizations necessary to perform services set forth in this Agreement. Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY shall be liable, at law or in equity, as a result of any failure of CONSULTANT to comply with this section.
22. Prevailing Wages. If applicable, pursuant to Section 1770 et seq. of the Labor Code, CONTRACTOR agrees that a prevailing rate and scale of wages, in accordance with applicable State and Federal Law, will be paid in the carrying out of this Agreement. CONTRACTOR shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, and rules pertaining to the payment of prevailing wages. The prevailing rate and scale to be paid shall be the same as the 'General Prevailing Wage Rates' approved by the Department of Industrial Relations as of the date of the execution of this Agreement. Said rates and scales are herein referred to and adopted in this Agreement as though fully and completely set forth herein, and said scale as adopted by the Department is made a part of this Agreement by reference. Copies of the prevailing rate of per diem wages are available on the Intranet at (<http://www.dir.ca.gov/DLSR>). Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.
23. Department of Industrial Relations Compliance. 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. CONTRACTOR, as well as any subcontractors, shall be registered pursuant to Cal. Lab. Code § 1725.5 to be qualified to bid on, be listed in a bid proposal, (subject to the requirements of Section 4104 of the Public

Contract Code) or engage in the performance of any public work contract that is subject to the requirements of Chapter 1, Part 7, Division 2 of the California Labor Code. Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.

24. Immigration Reform and Control Act of 1986. CONSULTANT shall keep itself informed of and comply with the Immigration Reform and Control Act of 1986. CONSULTANT affirms that as an employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will be employed on this public project. CONSULTANT agrees to comply with such provisions before commencing and continuously throughout the performance of this Agreement.

IN WITNESS WHEREOF, the parties below are authorized to act on behalf of their organizations, and have executed this Agreement as of the date set forth below.

CITY OF ESCONDIDO

Date: _____

Sam Abed
Mayor

Date: _____

Diane Halverson
City Clerk

(Consultant name)

Date: _____

(Consultant signature)

Title

(The above signature must be notarized)

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY
JEFFREY R. EPP, City Attorney

By: _____

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

CITY OF ESCONDIDO
Primary Treatment Building and Odor Control Modifications

SCOPE OF WORK

PHASE 3 - ENGINEERING SERVICES DURING CONSTRUCTION

1. SCOPE OF WORK

1.1. GENERAL

TCE will provide engineering services during construction to support construction of the City of Escondido's Primary Treatment Building & Odor Control Modifications project.

1.2. CONSTRUCTION DOCUMENTS

1.2.1. RFIs:

TCE will respond to up to 20 total civil, architectural, mechanical, and demolition disciplines.

Up to 10 structural RFI's will be addressed.

Up to 3 electrical RFIs will be addressed (it is assumed that Jim Hudson would address electrical and controls RFIs as well).

1.2.2. Submittals:

TCE will review up to 24 cycles of submittals and resubmittals of civil, architectural, mechanical, and demolition submittals.

Up to 12 cycles of structural submittals and resubmittals will be reviewed.

Up to 8 cycles of electrical system, controls and instrumentation, network system, electrical testing and control and instrumentation testing submittals will be reviewed to approval by TCE.

1.2.3. Change Order Requests:

TCE will review and provide support to the City on up to 2 change order requests for civil, mechanical, architectural, electrical and demolition disciplines.

1.3. MEETINGS

A TCE's Project Manager and Principal Engineer will attend the preconstruction conference.

TCE will attend up to 9 progress issue meetings during the course of construction

1.4. PERMITTING

TCE will perform final coordination with the District and address questions about the odor treatment process after the selected contractor submits the proposed process. TCE will include City staff on all correspondence between the APCD and TCE. TCE will advise and take direction from the City for this task. Permits will be obtained and fees paid by the City.

1.5. STARTUP AND TEST

TCE will review and provide comments on the Contractor's startup plan

TCE will review and provide comments on the Contractor's odor control test procedures

CITY OF ESCONDIDO

Primary Treatment Building and Odor Control Modifications

TCE will make up to 3 site visits to the site during startup activities during the course of construction.

1.6. PROJECT CLOSEOUT

Record Drawings - TCE will provide Record drawings for the project from the Contractor's redline drawings. TCE will provide only electronic PDF plans for bidding. Record Drawings will be submitted on Mylar. AutoCAD files will be submitted with Record Drawings upon request.

2. FEE

The proposed fee for engineering services during construction is attached.

**City of Escondido HARRF Phase III, Primary Treatment Building & Odor Control Modifications
Engineering Services During Construction**

TASK TITLE	HOURS						TOTAL HOURS	Subconsultants Bare Costs		TOTAL COST
	Project Manager \$155	Principal Engineer \$135	Senior Engineer \$110	Associate Engineer \$90	CADD \$65	Project Admin \$40		ACME Automation (Elec & Controls)	Kleinfelder (SWE) (Structural)	
Task 1 - General										
Project Management	16	16					32			\$4,640
Task 2 - Construction Documents										
Respond to RFIs	4	8	16	28			56	\$840	\$1,800	\$8,884
Submittal and resubmittal review	12	16	40	60			128	\$5,400	\$5,800	\$26,140
Review Change Order Requests	5	5	15				25		\$2,000	\$5,300
Task 3 - Meetings										
Preconstruction conference	4	4					8			\$1,160
Progress/Issue Meetings	9	27					36	\$1,920		\$7,152
Site Visits	16	16					32		\$7,200	\$12,560
Task 4 - Permitting										
Permitting odor control system	2	24		24			50			\$5,710
Task 5 - Startup and Test										
Startup Plan Review	4	8					12			\$1,700
Odor Control System startup plan review	4	24		24			52			\$6,020
Site Visits at Startup/test (assume 2)	2	18		18			38	\$2,240		\$6,824
Task 6 - Project Closeout										
Prepare Record Drawings (107)	2	8		36	90		136	\$2,400		\$13,120
Additional Engineering Services										\$20,000
Grand Total	80	174	71	190	90	0	605	\$12,800	\$16,800	\$119,210

Assumptions:

- 1 Subconsultants Markup 10%
- 2 Assumed field Construction duration 18 months
- 3 O&M manual review excluded.

RESOLUTION NO. 2015-192

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING THE MAYOR AND CITY
CLERK TO EXECUTE ON BEHALF OF THE
CITY, A CONSULTING AGREEMENT WITH
ARCADIS U.S., INC. FOR CONSTRUCTION
MANAGEMENT OF THE HARRF PHASE III
PRIMARY TREATMENT BUILDING AND
ODOR CONTROL MODIFICATIONS
PROJECT**

WHEREAS, the City of Escondido desires construction management services for the HARRF Phase III Primary Treatment Building and Odor Control Modifications Project (the "Project"); and

WHEREAS, the City of Escondido reviewed the proposal from ARCADIS U.S., Inc. to provide construction management services for the Project; and

WHEREAS, ARCADIS U.S., Inc. has the personnel and expertise to manage the construction of the Project; and

WHEREAS, City of Escondido staff have completed negotiations with ARCADIS U.S., Inc. for said construction management services and the Director of Utilities recommends that the Consulting Agreement ("Agreement") be approved.

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve said Agreement in an amount not to exceed \$754,796.

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

1. That the above recitations are true.

2. That the City Council accepts the recommendation of the Director of Utilities.

3. That the Mayor and City Clerk are authorized to execute, on behalf of the City, an Agreement with ARCADIS U.S., Inc. A copy of the Agreement is attached as Exhibit "1" and is incorporated by this reference.



CITY OF ESCONDIDO
CONSULTING AGREEMENT

This Agreement is made this _____ day of _____, 20__.

Between: CITY OF ESCONDIDO
a Municipal Corporation
201 N. Broadway
Escondido, California 92025
Attn: Randy Manns
760-839-6290 x7031
("CITY")

And: ARCADIS U.S., Inc.
1525 Faraday Avenue, Suite 290
Carlsbad, CA 92008
Attn: Rick Farr
760-535-8539
("CONSULTANT")

Witness that whereas:

- A. It has been determined to be in the CITY's best interest to retain the professional services of a consultant to provide construction management and inspection services for the Hale Avenue Resource Recovery Facility (HARRF) Primary Treatment Building and Odor Control Modifications project; and
- B. The CONSULTANT is considered competent to perform the necessary professional services for CITY;

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

- 1. Services. The CONSULTANT will furnish all of the services as described in "Attachment A" which is attached and incorporated by this reference.
- 2. Compensation. The CITY will pay the CONSULTANT in accordance with the conditions specified in "Attachment A," in the sum of \$ 754,796. Any breach of this Agreement will relieve CITY from the obligation to pay CONSULTANT, if CONSULTANT has not corrected the breach after CITY provides notice and a reasonable time to correct it. If this Agreement is amended at any time, additional compensation of CONSULTANT contained in subsequent amendment(s) shall not exceed a cumulative total of twenty-five percent (25%) of the maximum payment provided for in this Section 2.

3. Scope of Compensation. The CONSULTANT will be compensated for performance of tasks specified in "Attachment A" only. No compensation will be provided for any other tasks without specific prior written consent from the CITY.
4. Duties. CONSULTANT will be responsible for the professional quality, technical accuracy, timely completion, and coordination of all reports and other services furnished by the CONSULTANT under this Agreement, except that the CONSULTANT will not be responsible for the accuracy of information supplied by the CITY.
5. Personnel. The performance of services under this Agreement by certain professionals is significant to the CITY. CONSULTANT will assign the persons listed on "Attachment B," which is attached and incorporated by this reference, to perform the Services described in Paragraph 1, and will not add or remove persons from the list without the prior written consent of the CITY. If no designation is made, then CONSULTANT may not assign services without obtaining the advance written consent of the CITY. CONSULTANT will not subcontract any tasks under this Agreement without obtaining the advance written consent of the CITY.
6. Termination. Either CONSULTANT or the CITY may terminate this Agreement with thirty (30) days advance written notice.
7. City Property. All original documents, drawings, electronic media, and other material prepared by CONSULTANT under this Agreement immediately becomes the exclusive property of the CITY, and may not be used by CONSULTANT for any other purpose without prior written consent of the CITY.
8. Insurance.
 - a. The CONSULTANT shall secure and maintain at its own cost, for all operations, the following insurance coverage, unless reduced by the City Attorney:
 - (1) General liability insurance. Occurrence basis with minimum limits of \$1,000,000 each occurrence, \$2,000,000 General Aggregate, and \$1,000,000 Products/Completed Operations Aggregate; and
 - (2) Automobile liability insurance of \$1,000,000 combined single-limit per accident for bodily injury and property damage, unless waived as provided in 8(b) below; and
 - (3) Workers' compensation and employer's liability insurance as required by the California Labor Code, as amended, or certificate of sole proprietorship; and
 - (4) Errors and Omissions professional liability insurance with minimum coverage of \$1,000,000.
 - b. It is the parties' understanding that the use of a motor vehicle is not a primary subject of this Agreement. CONSULTANT acknowledges that operating a motor vehicle is outside the scope of this Agreement and occurs only at the convenience of the CONSULTANT. A waiver of automobile liability insurance is only effective if both sets of initials appear below, otherwise such insurance is required.

Acknowledged by CONSULTANT _____

Waiver appropriate by CITY _____

- c. Each insurance policy required above must be acceptable to the City Attorney.
 - (1) 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.
 - (2) All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.
 - (3) Both the General Liability and the Automobile Liability policies must name the CITY specifically as an additional insured under the policy on a separate endorsement page. The CITY includes its officials, employees, and volunteers. The endorsement must be ISO Form CG 20 10 11 85 edition or its equivalent for General Liability endorsements and CA 20 01 for Automobile Liability endorsements.
 - (4) The General Liability policy must include coverage for bodily injury and property damage arising from CONSULTANT's work, including its on-going operations and products-completed operations hazard.
 - (5) The General Liability policy must be primary and noncontributory and any insurance maintained by CITY is excess.
 - d. In executing this Agreement, CONSULTANT agrees to have completed insurance documents on file with the CITY within fourteen (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. Indemnification. CONSULTANT (which in this paragraph 9 includes its agents, employees and subcontractors, if any) agrees to indemnify, defend, and hold harmless the CITY from all claims, lawsuits, damages, judgments, loss, liability, or expenses, including attorneys' fees, for any of the following:
- a. Any claim of liability arising out of the negligence or any acts or omissions of CONSULTANT in the performance of this Agreement;
 - b. Any personal injuries, property damage or death that CONSULTANT may sustain while using CITY-controlled property or equipment, while participating in any activity sponsored by the CITY, or from any dangerous condition of property; or
 - c. Any injury or death which results or increases by any action taken to medically treat CONSULTANT.
10. Anti-Assignment Clause. The CONSULTANT may not assign, delegate or transfer any interest or duty under this Agreement without advance written approval of the CITY, and any attempt to do so will immediately render this entire Agreement null and void. Unless CONSULTANT assigns this entire Agreement, including all rights and duties herein, to a third party with the CITY'S written consent, CONSULTANT shall be the sole payee under this Agreement. Any and all payments made pursuant to the terms of this Agreement are otherwise not assignable.

11. Costs and Attorney's Fees. In the event that legal action is required to enforce the terms and conditions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs.
12. Independent Contractor. CONSULTANT is an independent contractor and no agency or employment relationship, either express or implied, is created by the execution of this Agreement.
13. Merger Clause. This Agreement and its Attachments, if any, are the entire understanding of the parties, and there are no other terms or conditions, written or oral, controlling this matter. In the event of any conflict between the provisions of this Agreement and any of its Attachments, the provisions of this Agreement must prevail.
14. Anti-Waiver Clause. None of the provisions in this Agreement will be waived by CITY because of previous failure to insist upon strict performance, nor will any provision be waived by CITY because any other provision has been waived, in whole or in part.
15. Severability. The invalidity in whole or in part of any provision of this Agreement will not void or affect the validity of any other provisions of this Agreement.
16. Choice of Law. This Agreement is governed by the laws of the State of California. Venue for all actions arising from this Agreement must be exclusively in the state or federal courts located in San Diego County, California.
17. Multiple Copies of Agreement/Counterparts. Multiple copies and/or counterparts of this Agreement may be executed, including duplication by photocopy or by computerized scanning device. Each duplicate will be deemed an original with the same effect as if all the signatures were on the same instrument. However, the parties agree that the Agreement on file in the office of the Escondido City Clerk is the copy of the Agreement that shall take precedence should any differences exist among copies or counterparts of the document.
18. Provisions Cumulative. The foregoing provisions are cumulative and in addition to and not in limitation of any other rights or remedies available to the CITY.
19. Notices to Parties. Any statements, communications or notices to be provided pursuant to this Agreement must be sent to the attention of the persons indicated below. Each party agrees to promptly send notice of any changes of this information to the other party, at the address first above written.
20. Business License. The CONSULTANT is required to obtain a City of Escondido Business License prior to execution of this Agreement.
21. Compliance with Applicable Laws, Permits and Licenses. CONSULTANT shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, and rules in effect during the term of this Agreement. CONSULTANT shall obtain any and all licenses, permits, and authorizations necessary to perform services set forth in this Agreement. Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY shall be liable, at law or in equity, as a result of any failure of CONSULTANT to comply with this section.

22. Prevailing Wages. If applicable, pursuant to Section 1770 et seq. of the Labor Code, CONTRACTOR agrees that a prevailing rate and scale of wages, in accordance with applicable State and Federal Law, will be paid in the carrying out of this Agreement. CONTRACTOR shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, and rules pertaining to the payment of prevailing wages. The prevailing rate and scale to be paid shall be the same as the 'General Prevailing Wage Rates' approved by the Department of Industrial Relations as of the date of the execution of this Agreement. Said rates and scales are herein referred to and adopted in this Agreement as though fully and completely set forth herein, and said scale as adopted by the Department is made a part of this Agreement by reference. Copies of the prevailing rate of per diem wages are available on the Intranet at (<http://www.dir.ca.gov/DLSR>). Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.
23. Department of Industrial Relations Compliance. 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. CONTRACTOR, as well as any subcontractors, shall be registered pursuant to Cal. Lab. Code § 1725.5 to be qualified to bid on, be listed in a bid proposal, (subject to the requirements of Section 4104 of the Public Contract Code) or engage in the performance of any public work contract that is subject to the requirements of Chapter 1, Part 7, Division 2 of the California Labor Code. Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.
24. Immigration Reform and Control Act of 1986. CONSULTANT shall keep itself informed of and comply with the Immigration Reform and Control Act of 1986. CONSULTANT affirms that as an employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will be employed on this public project. CONSULTANT agrees to comply with such provisions before commencing and continuously throughout the performance of this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties below are authorized to act on behalf of their organizations, and have executed this Agreement as of the date set forth below.

CITY OF ESCONDIDO

Date: _____

Sam Abed
Mayor

Date: _____

Diane Halverson
City Clerk

ARCADIS U.S., Inc.

Date: _____

(Consultant signature)

Title

(The above signature must be notarized)

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY
JEFFREY R. EPP, City Attorney

By: _____

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



November 25, 2015

Randy Manns

City of Escondido

Utilities Construction Project Manager

Office: 760-839-4078

Cell: 760-535-3961; Fax: 760-740-0948

Email:- rmanns@escondido.org-

Website -www.escondido.org

Subject: Construction Management and Inspection Services Attachment A for the Hale Avenue Resources Recovery Facility Phase 3 Primary Treatment Building and Odor Control Modifications

Dear Mr. Manns:

The following Construction Management and Inspection services are outlined below, and are in accordance with the RFP Issued on June 16, 2015 and the Arcadis Not to Exceed Fee Proposal for the amount of \$754,796.00.

Construction Management; Project Document Control, review/evaluate contractor's plans and schedule for sequencing & phasing of demolition, construction, and start-up. Requesting and evaluating detailed construction estimates for change in work conditions. Facilitating weekly progress meetings, and administering the contract documents. Negotiating claims, Processing Progress Pay applications and reviewing base-line schedules. Processing "Submittals", "Request for Information", and "Change Orders".

Field Inspection Services; Daily inspection reports, photo documentation, inventory of special material deliveries and proper staging with the Contractor and City Operations. Scheduling special inspection; Review of contractor's daily reports and materials tests results, red-line As-Built records,

Specialty services; Special Inspection and Testing for geotechnical, and structural inspections, and provide Coatings Inspection.

Exclusions: The Inspection of Electrical and Instrumentation and Controls.

Imagine the result



We have identified the following Arcadis personnel to work on this project. If it becomes apparent anyone else should be involved, then we will request that in advance of the City for approval.

Rick Farr – Project Construction Manager

Nick Lyuber – Project Resident Engineer

We look forward to working closely with you, City Operations and the Design Engineer.

Sincerely,

A handwritten signature in black ink that reads "Rick Farr". The signature is fluid and cursive, with the first and last names clearly distinguishable.

Richard (Rick) Farr, CCM
San Diego Deputy Area Manager
ARCADIS U.S., Inc. | 1525 Faraday Ave, Suite 290 | Carlsbad, CA, 92008
M: (760) 535-8539
Richard.Farr@Arcadis-us.com

ATTACHMENT "A"

PAGE 3 OF 3

Arcadis Revised Staffing Plan

Resolution No. 2015-192

Exhibit "1"

Page 9 of 9

Owner: City of Escondido
Project Name: Primary Treatment Building and Odor Control Modifications (2015)
Project/Construction Mgmt Firm: ARCADIS U.S., Inc.

	Months into Project																								Total Hours	Hourly Rate	Total Fee
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24			
Mobilization																											
Construction																											
Closeout and demob																											
Assumed Labor Distribution																											
Construction Manager (Rick F)	80	80	80	80	80	80	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	80	80	80	1680		
Resident Engineer / Insp. (Nick L)	48	64	80	160	160	160	160	160	160	160	160	160	160	160	160	160	160	160	160	160	160	140	80	80	3372		
Sub-Consultants																											
G-Force (Materials Special Inspection)																											
Coatings / Linings Special Inspection																											
Other Direct Charges (ODC)																											
Estimated Hours	128	144	160	240	240	240	224	224	224	224	224	224	224	224	224	224	224	224	224	224	224	220	160	160	5052		
																											\$ 754,796.00

Additional Services Upon Request																											
Estimated Hours for Addl Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		\$ -

Summary project Schedule lasting 24 months		
Engineers Est Construction Cost	\$ 9,000,000	
CM/Proj Insp + Special Insp & Testing	\$ 754,796	8.4% as percentage of cost of construction
Additional Services Upon Request	\$ -	0.0% as percentage of cost of construction

Legend	
32 hrs	≡ 8 hrs/wk
64 hrs	≡ 16 hrs/wk
96 hrs	≡ 24 hrs/wk
106 hrs	≡ 26.5 hrs/wk
160 hrs	≡ 40 hrs/wk

RESOLUTION NO. 2015-193

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING THE MAYOR AND CITY
CLERK TO EXECUTE ON BEHALF OF THE
CITY, A CONSULTING AGREEMENT WITH
ROCKWELL CONSTRUCTION SERVICES
FOR SPECIALIZED ELECTRICAL
INSPECTION SERVICES FOR THE HARRF
PHASE III PRIMARY TREATMENT BUILDING
AND ODOR CONTROL MODIFICATIONS
PROJECT**

WHEREAS, the City of Escondido desires specialized electrical inspection services for the HARRF Phase III Primary Treatment Building and Odor Control Modifications Project (the "Project"); and

WHEREAS, the City of Escondido reviewed the proposal from Rockwell Construction Services to provide specialized electrical inspection services for the Project; and

WHEREAS, Rockwell Construction Services has the personnel and expertise to provide specialized electrical inspection of the Project; and

WHEREAS, City of Escondido staff have completed negotiations with Rockwell Construction Services for said specialized electrical inspection services and the Director of Utilities recommends that the Consulting Agreement ("Agreement") be approved; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve said Agreement in an amount not to exceed \$210,000.

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

1. That the above recitations are true.
2. That the City Council accepts the recommendation of the Director of Utilities.
3. That the Mayor and City Clerk are authorized to execute, on behalf of the City, an Agreement with Rockwell Construction Services. A copy of the Agreement is attached as Exhibit "1" and is incorporated by this reference.



CITY OF ESCONDIDO
CONSULTING AGREEMENT

This Agreement is made this _____ day of _____, 20__.

Between: CITY OF ESCONDIDO
 a Municipal Corporation
 201 N. Broadway
 Escondido, California 92025
 Attn: Randy Manns
 760-839-6290 X7032
 ("CITY")

And: Rockwell Construction Services, LLC
 31480 Justin Place
 Valley Center, CA 92082
 Attn: Jim Hudson
 760-715-3082
 ("CONSULTANT")

Witness that whereas:

- A. It has been determined to be in the CITY's best interest to retain the professional services of a consultant to provide electrical inspection services for the Hale Avenue Resource Recovery Facility Primary Treatment Building and Odor Control Modifications project; and
- B. The CONSULTANT is considered competent to perform the necessary professional services for CITY;

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

- 1. Services. The CONSULTANT will furnish all of the services as described in "Attachment A" which is attached and incorporated by this reference.
- 2. Compensation. The CITY will pay the CONSULTANT in accordance with the conditions specified in "Attachment A," in the sum of \$ 210,000. Any breach of this Agreement will relieve CITY from the obligation to pay CONSULTANT, if CONSULTANT has not corrected the breach after CITY provides notice and a reasonable time to correct it. If this Agreement is amended at any time, additional compensation of CONSULTANT contained in subsequent amendment(s) shall not exceed a cumulative total of twenty-five percent (25%) of the maximum payment provided for in this Section 2.

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 - (2) Automobile liability insurance of \$1,000,000 combined single-limit per accident for bodily injury and property damage, unless waived as provided in 8(b) below; and
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 - b. It is the parties' understanding that the use of a motor vehicle is not a primary subject of this Agreement. CONSULTANT acknowledges that operating a motor vehicle is outside the scope of this Agreement and occurs only at the convenience of the CONSULTANT. A waiver of automobile liability insurance is only effective if both sets of initials appear below, otherwise such insurance is required.

Acknowledged by CONSULTANT _____

Waiver appropriate by CITY _____

- c. Each insurance policy required above must be acceptable to the City Attorney.
 - (1) 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.
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 - a. Any claim of liability arising out of the negligence or any acts or omissions of CONSULTANT in the performance of this Agreement;
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13. Merger Clause. This Agreement and its Attachments, if any, are the entire understanding of the parties, and there are no other terms or conditions, written or oral, controlling this matter. In the event of any conflict between the provisions of this Agreement and any of its Attachments, the provisions of this Agreement must prevail.
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22. Prevailing Wages. If applicable, pursuant to Section 1770 et seq. of the Labor Code, CONTRACTOR agrees that a prevailing rate and scale of wages, in accordance with applicable State and Federal Law, will be paid in the carrying out of this Agreement. CONTRACTOR shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, and rules pertaining to the payment of prevailing wages. The prevailing rate and scale to be paid shall be the same as the 'General Prevailing Wage Rates' approved by the Department of Industrial Relations as of the date of the execution of this Agreement. Said rates and scales are herein referred to and adopted in this Agreement as though fully and completely set forth herein, and said scale as adopted by the Department is made a part of this Agreement by reference. Copies of the prevailing rate of per diem wages are available on the Intranet at (<http://www.dir.ca.gov/DLSR>). Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.
23. Department of Industrial Relations Compliance. 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. CONTRACTOR, as well as any subcontractors, shall be registered pursuant to Cal. Lab. Code § 1725.5 to be qualified to bid on, be listed in a bid proposal, (subject to the requirements of Section 4104 of the Public Contract Code) or engage in the performance of any public work contract that is subject to the requirements of Chapter 1, Part 7, Division 2 of the California Labor Code. Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.
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[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties below are authorized to act on behalf of their organizations, and have executed this Agreement as of the date set forth below.

CITY OF ESCONDIDO

Date: _____

Sam Abed
Mayor

Date: _____

Diane Halverson
City Clerk

Rockwell Construction Services, LLC

Date: _____

(Consultant signature)

Title

(The above signature must be notarized)

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY
JEFFREY R. EPP, City Attorney

By: _____

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



July 25, 2015

Mr. Randy Manns
City of Escondido

Subject: Proposal to Provide Electrical, Instrumentation and Control Construction Management Services for: HARRF Phase III Primary Treatment Building and Odor Control Modifications

Dear Mr. Manns,

Rockwell Construction Services (RCS) is pleased to offer a Proposal to Provide Professional Services as described below.

Project Understanding

The project scope of work includes Inspection and CM services throughout construction of the subject project. We will take an active role in the Start-up and Commissioning of the newly installed systems. The budget below is broken down into major phases.

Scope of Work

Task 1 – Pre-bid Activities = 40 Hrs.

Assist with contractor pre-bid questions and addenda. Attend and participate in the initial contractor site visits and job walks.

Task 2 – Constructability Review = 40 Hrs.

Assist with a constructability review process. Assist the CM team with a project evaluation. The evaluation will concentrate on methods and materials, construction sequences, schedules and feasibility.

Task 3 – Provide a Start-up/Testing Plan = 60 Hrs.

RCS will provide a comprehensive Start-up and Testing Plan. The testing plan will be structured to follow the construction task sequencing. The Plan will ensure that all systems have been commissioned and documented properly. The team may feel it's appropriate to utilize this plan and remove the Plan(s) currently required per spec. This would save the City money on the contractor's proposal and would ensure a complete and detailed plan will be used. Typically it is difficult to get a thorough plan from the contractor without spending a considerable amount of time with several revisions required during the submittal process.

Task 4 – Relocate Plant Operational Fiber Optic Network = 160 Hrs.

This is a large task that is probably the toughest part of the electrical project component. I anticipate the contractor will replace most of the cable throughout the site at the beginning stage of construction. The project requirements state the contractor is to replace all existing fiber. The

contractor will need to temporarily relocate the existing Fiber, Fiber Switch and Patch Panel. This work will need to be completed and tested prior to demolition of the operations building. Note that Dwg. GE-3 and GE-7 were developed using as-built drawings that are probably not completely accurate. It will require the contractor to trace out cabling and may add or delete footage based on his findings of actual routing. This will most likely result in a change order request for both time and material.

Task 5 – Demolition = 60 Hrs.

Help coordinate and inspect electrical demolition.

Task 6 – General Project Inspection = 800 Hrs.

RCS will coordinate all required inspection activities directly with the Contractor. We will take a very active role in working with the contractor at the beginning of each task to avoid any non-acceptable work from being installed. We will work with the Contractor to provide remedies to issues that ultimately will be submitted as an RFI. Our intent is to have the contractor provide a well thought out solution when submitting an RFI for the record.

Task 7 – Documentation = 360 Hrs.

Documentation tasks include Submittal's, RFI's, Change Order's, Cut-over plans, Startup and Testing, Redline Drawings, Closeout Documents review and comment.

Task 8 – Startup and Testing = 160 Hrs.

RCS to provide commissioning coordination and support. We will take an active role in the Startup and Commissioning of Electrical / Instrumentation and Control Systems.

Estimated Costs

This budget is will be billed on a T&M basis.

The total estimated cost to provide professional services enumerated in the Scope of Work above is \$210,000.00 (1,680 hours @ \$125 per hour).

BASELINE BUDGET = \$210,000.00

Regards,



Jim Hudson

ROCKWELL Construction Services, LLC

(760) 715-3082

jim.hudson.rcs@gmail.com

CITY COUNCIL

For City Clerk's Use:

☐

APPROVED

☐

DENIED

Reso No. _____

File No. _____

Ord No. _____

Agenda Item No.: 17

Date: December 9, 2015

TO: Honorable Mayor and Members of the City Council

FROM: Graham Mitchell, Assistant City Manager

SUBJECT: Valiano Sewer Facilities Development Memorandum of Understanding and Traffic Mitigation Funding Agreement

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2015-209 approving a Sewer Facilities Development Memorandum of Understanding and a Traffic Mitigation Funding Agreement with Eden Hills Project Owner, LLC.

FISCAL ANALYSIS:

The approval of the Sewer Facilities Development Memorandum of Understanding will result in the construction of an upgraded sewer pump station, related facilities and wet weather storage resulting in operational savings, and a net of approximately \$1.7 million in sewer connection fees. The approval of the Traffic Mitigation Funding Agreement will result in constructed roadway improvements and a deposit of \$250,000 to apply to the future expansion of Citracado Parkway.

BACKGROUND:

The Valiano housing development project is planned to include 326 single family residential units. The project, located on 239 acres, is outside of the City's limits but within the City's sphere of influence—the project is not contiguous to the City's boundaries. The project will likely be considered by the San Diego County Board of Supervisors in Summer 2016. The City has no land use approval authority for this development project.

The project requires a method to treat the wastewater created by the development. Also, as part of the project's approval process, the County requires that the project's developer mitigate traffic impacts resulting in the City of Escondido.

Sewer Facilities Development Memorandum of Understanding

The Valiano project will require a means to treat wastewater generated by the development. The developer has identified several wastewater options. One of the sewer options benefits the City.

This option relies on the City's existing wastewater treatment system. In order to utilize the City's system, a Sewer Facilities Development Memorandum of Understanding (MOU) would be required.

Staff analyzed the impacts that the Valiano Project would have on the City's sewer system capacity. Currently, the City's Hale Avenue Resource Recovery Facility (HARRF) operates at 60 percent capacity during dry weather. Since reductions in water usage by the community, excess sewer capacity has increased over the past few years. Staff has determined that connecting 326 single family units will add approximately 82,000 gallons of wastewater to the system per day. Given the HARRF processes 11 million gallons per day, the addition of the Valiano Project wastewater is negligible and represents an increase of less than 1 percent.

The MOU requires the developer to reconstruct Sewer Pump Station No. 12, install new gravity and force mains, and provide a 5.5 million gallon wet weather storage facility that would principally serve the City. These upgrades to the sewer pump station, gravity and force mains, and the new wet weather storage facility are beneficial to the City.

In addition, the developer would pay \$2,445,000 in sewer connection fees. The City would credit up to \$750,000 to the developer for costs incurred in the development of the sewer facilities improvements, leaving the City with a minimum of nearly \$1.7 million for future sewer capacity projects. The developer would also reimburse the City up to \$25,000 for its review of plans and inspection of the various sewer projects.

The MOU would only become effective if the County approves the development project and if the City and County are able to enter into a sewer service agreement.

Traffic Mitigation Funding Agreement

The project's Environmental Impact Report determined mitigatable traffic impacts to the City. It was determined that there would be impacts on Country Club Drive, Kauana Loa Drive, and at the intersection of Country Club Drive/Auto Park Way. A Traffic Mitigation Funding Agreement identifies the developer's obligations to address the impacts. The mitigation measures identified in the Agreement include:

- 1) Restriping the intersection at Country Club Drive and Auto Park Way to improve functionality;
- 2) Widening portion of Country Club Drive near Auto Park Way (west of Auto Park Way);
- 3) Widening portion of Country Club Drive from Auto Park Way to near Hill Valley Drive to 36-foot wide (the widening project includes installing a section of sidewalk to connect a disconnected sidewalk system and relocating three utility poles);
- 4) Installing six-inch asphalt berm and a decomposed granite pathway along portions of Country Club Drive; and

Valiano Sewer Facilities Development MOU & Traffic Mitigation Funding Agreement
December 9, 2015
Page 3

- 5) Improving Kauana Loa Drive from 1,500 feet east of Country Club Drive to Harmony Grove Road (improvements include widening a section by two-feet, paving, and installation of traffic calming measures, such as signage, striping, radar speed signs, and "bott's dots").

The developer will also provide a one-time fair share contribution of \$250,000 for eventual completion of Citracado Parkway. The payment and the improvements are contingent on the developer being approved to develop the project by the County of San Diego. If approved, the contribution and improvements will be completed before issuance of the first certificate of occupancy.

The public benefit to the City is the completion of needed improvements on Country Club Drive and Kauana Loa Drive, along with funding for Citracado Parkway's completion.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'Graham Mitchell', with a long horizontal stroke extending to the right.

Graham Mitchell, Assistant City Manager

RESOLUTION NO. 2015-209

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING THE MAYOR AND CITY
CLERK, TO EXECUTE, ON BEHALF OF THE
CITY, A SEWER FACILITIES DEVELOPMENT
MEMORANDUM OF UNDERSTANDING AND
A TRAFFIC MITIGATION FUNDING
AGREEMENT WITH EDEN HILLS PROJECT
OWNER, LLC

WHEREAS, Eden Hills Project Owner, LLC (the “Developer”) is processing a 326 single family residential development project (the “Valiano Project”) outside of the City of Escondido’s limits; and

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

WHEREAS, the County Board of Supervisors has land use authority to consider the Valiano Project; and

WHEREAS, the Valiano Project requires a method to treat wastewater generated by the Developer and the Developer has identified several wastewater treatment options; and

WHEREAS, one of the Valiano wastewater treatment options that benefits the City and its sewer service rate payers is the City selling sewer capacity at its Hale Avenue Resource Recovery Facility in exchange for up to approximately \$1.7 million in sewer connect fees, approximately \$1.5 million in sewer system upgrades, and the development of a 5.5 million gallon wet weather storage facility that would serve the City; and

WHEREAS, a Sewer Facilities Development Memorandum of Understanding (“MOU”) identifies the requirements of the Developer regarding the sewer system upgrades and fees; and

WHEREAS, the Valiano Project’s Environmental Impact Report determined mitigatable traffic impacts to the City; and

WHEREAS, a Traffic Mitigation Funding Agreement identifies the traffic mitigation measures required of the Developer and requires a one-time fair share contribution of \$250,000 for the eventual completion of Citracado Parkway; and

WHEREAS, both the Sewer Facilities Development MOU and the Traffic Mitigation Funding Agreement would only become effective if the County of San Diego approves the Valiano Project; and

WHEREAS, it is the best interest of the City to enter into a Sewer Facilities Development MOU and a Traffic Mitigation Funding Agreement with Eden Hills Project Owner, LLC.

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

1. That the above recitations are true and correct.
2. That the City Council authorize the Mayor to execute a Sewer Facilities Development MOU with Eden Hills Project Owner, LLC which is attached and incorporated by this reference as Exhibit “A.”

3. That the City Council authorize the Mayor to executive a Traffic Mitigation Funding Agreement with Eden Hills Project Owner, LLC which is attached and incorporated by this reference as Exhibit "B."

SEWER FACILITIES DEVELOPMENT MEMORANDUM OF UNDERSTANDING

THIS SEWER FACILITIES DEVELOPMENT MEMORANDUM OF UNDERSTANDING ("MOU") is made as of this _____ day of _____, 2015 between THE EDEN HILLS PROJECT OWNER, LLC, a Delaware limited liability company, (hereinafter referred to as "Developer") and the CITY OF ESCONDIDO, a California municipality (hereinafter referred to as "Escondido" or "the City."). Developer and the City may also at times be individually referred to as a "Party" and collectively as "Parties."

RECITALS

A. Developer is the developer of the Valiano residential project, located in the County of San Diego, consisting of 238 acres and 326 residential units, and any secondary dwelling units, if any, and park related facilities (the "Project"), generally depicted on Exhibit "1" attached hereto. While the Project is located in San Diego County, the majority of the Project site is located in the City's sphere of influence, and the Project site is not currently within any County of San Diego ("County") sanitation district.

B. The application associated with the Project, which includes a General Plan Amendment and enactment of a Specific Plan (the "Project Entitlements"), is currently undergoing review with the County. The Draft Environmental Impact Report ("DEIR") associated with the Project has been circulated and the public review period has concluded. The DEIR considers various sewer service options including the improvement and connection to the City's facilities as described in this document.

C. The City owns and operates a wastewater collection, treatment, and disposal system, including the Hale Avenue Resource Recovery Facility, a wastewater treatment and recycling plant located within the City (the "Plant" or "HARRF"). The Plant is located approximately 4,000 feet from the Project site, and currently has excess average dry weather wastewater capacity that can be made available for the Project.

D. It is anticipated that the City will allow the connection and acceptance of new sewer flows from a new County collection system from the Project, or a substantially similar project, to connect with the City's existing sewer system, subject to the terms and conditions of this MOU.

E. The Parties anticipate that the Developer will construct a new pump station, gravity main and force main which would replace and relocate the City's Sewer Pump Station No. 12 force main.

F. Developer desires to connect the Project to the Plant because the Project site is not currently serviced by the County, and Developer wishes to avoid constructing an onsite wastewater treatment plant and disposal facilities in conjunction with the Project. The Parties recognize that Developer enters into this MOU with the intention of satisfying any requirement the County may have as part of its review of the Project to show that the Project will have wastewater service.

G. If the County does not approve the Project Entitlements, or the City is not able to enter into a sewer service agreement with the County on terms acceptable to the City, then the Parties agree that neither Party is bound by this MOU.

NOW, THEREFORE, the parties agree as follows:

1. Incorporation of Recitals. The foregoing Recitals are fully incorporated into the MOU, as if they were fully repeated herein.

2. Duration. Unless otherwise agreed to in writing by the Parties, this MOU shall expire on December 31, 2030 if the Project Entitlements have not been approved by the County, or the City and the County have not entered into a sewer service agreement.

3. Replacement and Relocated Facilities. The City agrees Developer shall replace and relocate the City's Sewer Pump Station No. 12 and construct a new sewer pump station, gravity main, and force main (approximately 1,600 feet) in a different location, as shown in Exhibit "2", in accordance with City design standards at the time of installation. Developer shall ensure the construction is warranted for a period of at least one year. Upon the completion of the construction of the Sewer Project, as described herein, Developer shall dedicate the new Sewer Pump Station No. 12 (Pump Station) and force main to the City. The Pump Station shall consist of submersible pumping units at an approximate capacity of 300 gallons per minute system with telemetry and backup generator. Attached as Exhibit "3" is a general description and preliminary budget for the Pump Station.

4. Planning Phase. Subject to City's reasonable prior approval, Developer shall designate and engage a qualified engineering firm (the "Engineer") to conduct preliminary design and engineering work for the purpose of constructing a new Sewer Pump Station No. 12, gravity main, and force main to convey both the Project flows, existing City flows, and other future flows as determined by the City, and installing and connecting the Developer's constructed onsite sewer system, to be accepted by the County, to the new City Sewer Pump Station No. 12. The new Developer sewer system will be designed to County and City standards and shall meet the City's requirements for flow. The Engineer shall report to City on the progress of its activities when requested by the City. As part of its scope of work for Developer, the Engineer shall identify all necessary permits and approvals from governmental and regulatory agencies and bodies other than City, as well as any rights of way which must be acquired in order to design, engineer, construct and operate the new Sewer Pump Station No. 12, force main, gravity main and sewer system (the "Sewer Project") to provide services to the Project.

5. Permitting, Construction and Approvals. Subject to City's reasonable prior approval of the design and engineering plans for the new Pump Station No. 12, force main, gravity main, and connection from the Project, Developer shall apply for any necessary permits and approvals from governmental agencies and bodies, in addition to those required by City which are referenced herein, to permit the construction and operation of the Project utilizing the services of the Engineer as may be selected by Developer with the reasonable prior approval of City. City agrees to cooperate with Developer in obtaining said permits and approvals and Developer shall pay any costs for such permits directly related to the Project.

Upon operational acceptance of the Sewer Project by the City and County, Developer shall pay to City the applicable fees, as set by resolution of the city council, at the time of acceptance. Those fees are set at \$7500 per equivalent dwelling unit and will continue to be set at \$7500, for the purposes of this MOU, for 36 months after the date this MOU is executed by both parties. The

City shall credit the fee paid by Developer for 25% of the design and construction cost of the improvements pursuant to this MOU. Such credit shall not exceed \$750,000.

City shall be reimbursed by Developer for City's reasonable costs of overseeing and inspecting the construction work of the new Sewer Pump Station 12, gravity main, and force main being performed to connect the Developer sewer system within thirty (30) days of being sent a bill for such costs. City shall further be reimbursed by Developer for City's reasonable costs in coordinating planning or other time spent in relation to this MOU. Reimbursement shall be limited to a maximum of \$25,000. All permits obtained by Developer shall be applicable to the new Pump Station, force main and the system connection only.

Developer shall comply with the requirements of the City's Wastewater Discharge Permit, and if required, any subsequent applicable requirements enforced by the County and/or the California Regional Water Quality Control Board. The City's charges for the Project's utilization of the Wastewater Treatment Plant and all other City facilities necessary for the collection, transmission, treatment and disposal of wastewater by the Project ("Plant Usage Fees") shall be fixed in the manner set forth in a sewer service agreement with the County.

6. City Sewer Service Agreement with County. As soon as reasonably possible after the County approves the Project Entitlements, the City will enter into a sewer service agreement with the County to provide sewer treatment and disposal for the Project (approximately 72,000 gallons per day ("gpd")).

7. Maintenance after Construction. The County shall be responsible for all maintenance and repair of the Developer constructed sewer system within the Project up to the influent line to the Pump Station, and accordingly, Developer shall dedicate all such sewer facilities to the County. Except as set forth above, City shall be responsible for operating, maintaining and repairing the new Pump Station No. 12, gravity main, and force main and all related appurtenances within the Sewer Project and treatment system in accordance with prevailing industry standards for municipal wastewater collection, transmission, treatment and disposal facilities, and in compliance with all applicable federal, state and local laws. City shall be responsible for all costs associated with the operation and maintenance of City and services involved in the pumping, conveyance, treatment and disposal of wastewater discharged from the Project other than those that are part of the Project which are the sole responsibility of the County or Developer as provided above.

8. Wet Weather Storage and Peak Wet Weather Wastewater Flows. In consideration for the Project's impacts on the City's peak wet weather Plant capacity and its land outfall disposal system Developer shall provide the City with a wet weather storage facility site within the Project site for the temporary storage of Title 22 recycled water during peak wet weather storm events. The Project will dedicate up to 2 acres for a capacity of 5,500,000 gallons of said wet weather storage facility. The City shall be solely responsible for the maintenance of any wet weather storage facility constructed on the Project site pursuant to this Section.

9. Recycled Water. Developer will plan, design and construct a recycled water distribution system in accordance with the requirements of the City and the Rincon del Diablo Municipal Water District. Through the use of open space, the Project anticipates providing approximately 36 acres of permanent recycled water irrigation and 31 acres of continuing agricultural irrigation, which is planned to provide an opportunity for treated effluent disposal of wastewater on an average annual basis, and is programmed to reduce impacts on the City's

wastewater system occurring from land and ocean outfall on an average annual basis. Peak irrigation demands will be supplemented by the Plant.

10. Right of Cure. All agreements between Developer and the Engineer and any other professionals or contractors working on the Project shall include a provision entitling City to receive simultaneous notice of any breach and an opportunity to cure and assume such agreements directly to the extent that the agreements involve the lateral connections from the Project to the trunk sewer main.

11. No Third Party Beneficiaries. This MOU is solely for the benefit of the parties hereto and any successor-in-interest to the Project. Neither party shall have any authority to act in any way as a representative of the other, or to bind the other to any third party, except as specifically set forth herein, and the parties shall not be deemed to be partners, joint venturers or the like by virtue of the provisions hereof.

12. Force Majeure. Neither party shall be liable for any damages resulting from any failure or delay in the performance of any of their respective obligations (other than the payment of fees) if prevented from doing so by a cause or causes beyond its reasonable control (a "Force Majeure Event"). Without limiting the generality of the foregoing, Force Majeure Events include Acts of God, fires, floods, earthquakes, natural disasters, terrorism, strikes, blackouts, war, restraints of government (other than City), or other causes that are beyond a party's reasonable control, any one of which makes performance hereunder commercially impracticable.

13. Governing Law. This MOU, and all matters arising directly or indirectly from this MOU, shall be governed by and construed in accordance with the applicable laws and regulations of the City, the State, and Federal law and regulations. For all such matters, each party submits to the exclusive jurisdiction of the state and federal courts located in San Diego County in the State of California, and waives any jurisdictional, venue, or inconvenient forum objections.

14. Assignment. Developer shall not assign its rights or obligations under this MOU without the City's prior written consent, which consent may be withheld in the City's sole and absolute discretion, unless the Developer is assigns its rights or obligations under this agreement to an entity that is related to the Developer and has equal or greater financial wherewithal. Notwithstanding the foregoing, (a) Developer shall have the right to assign its interest under this MOU in connection with any financing of the Project so long as Developer remains responsible for the performance of its obligations under this MOU; and (b) Developer shall have the right to assign its rights and obligations under, and interest in, this MOU in connection with a sale of the Project subject to the City's prior written consent which may shall not be unreasonably withheld.

15. Entire Agreement. This MOU and the exhibits and schedules attached hereto constitute the entire agreement of the parties with respect to the subject matter hereof and supersedes any and all existing MOUs relating to the subject matter hereof. To the extent there is any conflict among the terms of this MOU and any attached exhibits or schedules, the terms of this MOU shall control.

16. No Waiver. Neither this MOU nor any provision hereof may be waived, modified, amended or terminated except by written agreement signed by both parties hereto. No failure on the part of any party to exercise and no delay in exercising any right, power or remedy under this MOU shall operate as a waiver thereof, nor shall any single or partial exercise of any right under this MOU preclude any other or further exercise thereof or the exercise of any other right.

17. Cumulative Remedies. No remedy conferred by any provision of this MOU is intended to be exclusive of any other remedy, and each and every remedy shall be cumulative and shall be in addition to every other remedy given in this MOU or existing at law or in equity, by statute or otherwise.

18. Severability. If any provision of this MOU shall be held to be illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall apply only to such provision and shall not in any manner affect or render illegal, invalid or unenforceable any other provision of this MOU, and that provision and this MOU generally shall be reformed, construed and enforced so as to most nearly give lawful effect to the intent of the parties as expressed in this MOU.

19. Authorization to Sign. Each person signing below hereby warrants that he/she has the authority to sign this MOU on behalf of the party for which he or she signs, and to bind the party for whom he/she is signing.

20. Assumption of Obligations of a Home Owner's Association. The Developer shall ensure that any obligations are included in the Home Owner Association's CC&Rs and any other necessary documents to obligate any subsequent HOA to perform any future obligations under this MOU.

21. Project Entitlements. In the event the County does not approve the Project Entitlements, neither Party will be bound by any provision in this MOU, other than for reimbursable and incurred costs by the City in coordinating and cooperating with Developer as stated above.

22. Out of Jurisdiction Approval. It is anticipated that Local Agency Formation Commission ("LAFCO") approval will be required for the City to extend sewer services beyond its jurisdiction. In addition, any extension of services must comply with applicable provisions of the City's Municipal Code.

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

IN WITNESS WHEREOF, the parties have executed this MOU as of the date first set forth above.

CITY OF ESCONDIDO

THE EDEN HILLS PROJECT OWNER, LLC

By: _____

By: _____

Dated: _____

Dated: _____

List of Exhibits to be Attached

Exhibit 1: Project Description

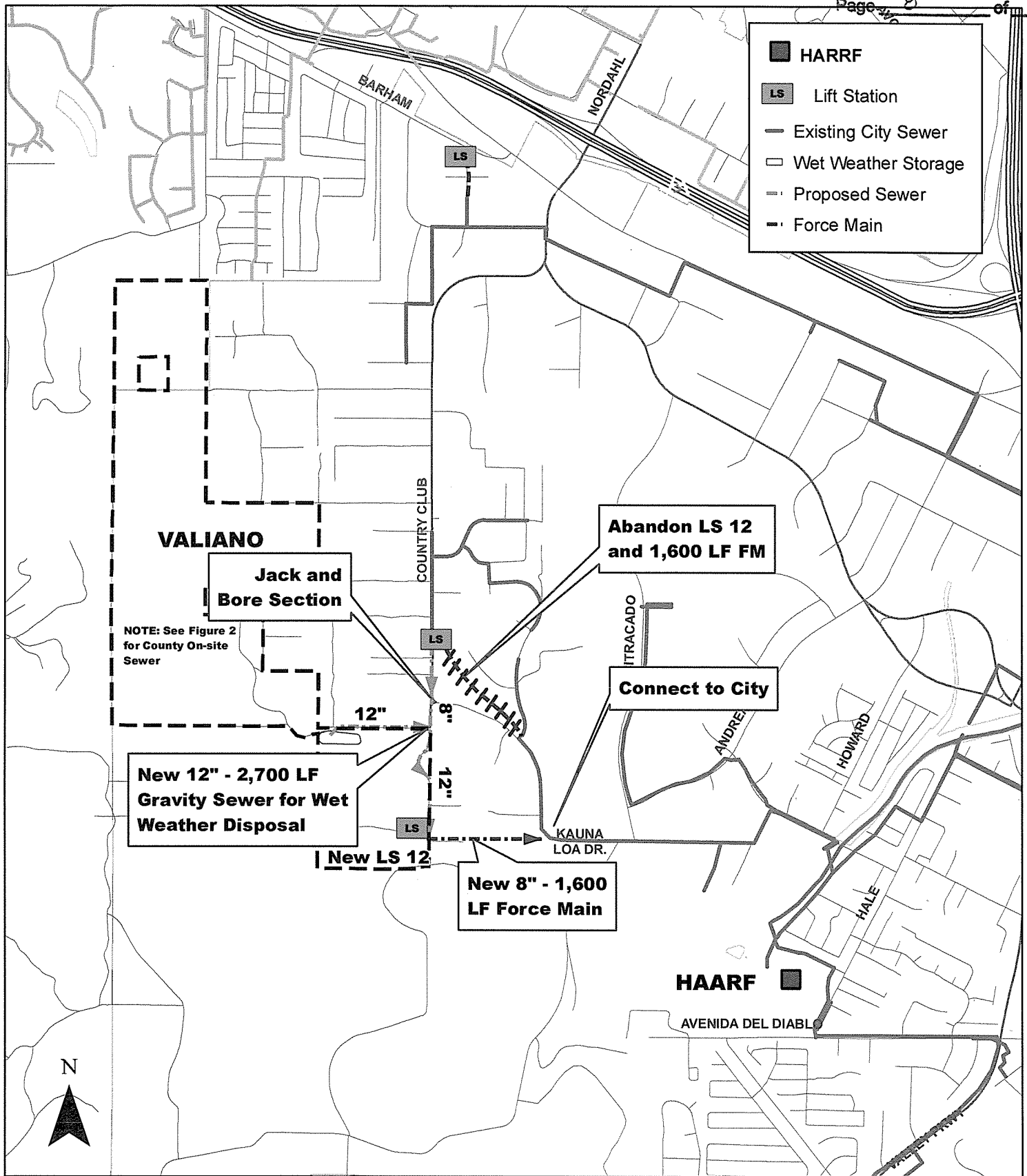
Exhibit 2: Diagram Showing Connection Points

Exhibit 3: Sewer Pump No. 12 Description and Cost Estimate

Exhibit 1

Project Description

The proposed Valiano Specific Plan encompasses 13 parcels totaling approximately 238.8 acres in the unincorporated County of San Diego. The Project includes the following APN's 228-313-13, 228-313-18, 232-013-01, 232-013-02, 232-013-03, 232-020-55, 232-492-01, 232-500-18 thru 23, and 235-031-41.



NOTE: On-site sewer system to be owned and operated by the County

**ESCONDIDO SEWER
SERVICE ALTERNATIVE
Figure 5**

EXHIBIT 3

ESCONDIDO SEWER PUMP STATION 12 IMPROVEMENTS
November 10, 2015

Pump 12 Project Description: Proposed SPS 12 will include pre-cast concrete PVC lined wet well and pre-cast concrete valve vault, and shall be duplex pump station equipped with explosion proof submersible pumps with capacity 300 gpm each, pump lifting assemblies, bar or channel screen with 300 gpm capacity, and all piping and valves. Pumps shall be non-clog capable to pass 3" solids. Pump motors will be supplied with the pump as an integral part of the pump assembly. Odor control system shall consist of carbon canister and forced ventilation rated for minimum 6 exchanges per hour. Lift station will have emergency underground storage with capacity of 50,000 gallons. The pump station site will be secured and include drivable access.

Pipeline(s) Project Description: Existing SPS 12 will be decommissioned and demolished. A new 8-inch gravity sewer will be constructed within Country Club Lane approximately 1,600 feet from the existing pump station to new SPS 12. Because of the topography approximately 500 feet of gravity main will need to be tunneled to avoid a high point through trenchless construction (jack and bore has been assumed). The new gravity sewer will then convey flows through a proposed Valiano gravity sewer to the new SPS 12. At the new Sewer PS 12, approximately 1,600 feet of 8-inch force main will be required to convey flows to an existing City sewer at Kauna Loa Drive.

Sewer Pump 12 Improvements

Item	Unit	Quantity	Cost/Unit	Total Cost
Sewer PS 12				
Pumps (2-300 gpm)	LS	1	\$45,000	\$45,000
Concrete Wet-well	LS	1	\$45,000	\$45,000
Installation mechanical equipment	LS	1	\$100,000	\$100,000
Piping, valve vault	LS	1	\$30,000	\$30,000
Odor Control	LS	1	\$15,000	\$15,000
Bar Screen (300 gpm)	LS	1	\$15,000	\$15,000
Site Improvements	LS	1	\$20,000	\$20,000
Gen Set (50 kW) w/enclosure, fuel tank	LS	1	\$25,000	\$25,000
Electrical/Telemetry	LS	1	\$100,000	\$100,000
Fiberglass Emergency Storage Tank	LS	1	\$110,000	\$110,000
Contingency	%	30		\$152,000
Design, Admin., Legal, and CM	%	30		\$152,000
PS 12 Subtotal				\$809,000
Sewer PS 12 Force Main				
Force Main Pipeline (8-inch PVC C900)	LF	1,600	\$60/LF	\$96,000
Contingency	%	30		\$29,000
Design, Admin., Legal, and CM	%	20		\$19,000
PS 12 Force Main Subtotal				\$144,000
Gravity Sewer and Demolition of Existing PS 12				
Gravity Sewer (8-inch PVC SDR 35)	LF	1,100	80	\$88,000
Sewer Manholes	LS	4	\$5,000	\$20,000
Jack N Bore Gravity Sewer (8-inch PVC w/12-inch Steel Casing)	LF	500	\$400	\$200,000
Demolition of LS 12	LS	1	\$25,000	\$25,000
Contingency	%	30		\$100,000
Design, Admin., Legal, and CM	%	20		\$67,000
Gravity Sewer/Demo of Existing PS 12 Subtotal				\$500,000
Sewer Pump 12 Improvements Grand Total				\$1,453,000

TRAFFIC MITIGATION FUNDING AGREEMENT

This Traffic Mitigation Funding Agreement ("**Agreement**") is made and entered into as of the ____ day of _____, 2015 (the "**Effective Date**"), by and between the CITY OF ESCONDIDO, a California municipal corporation (the "**City**"), and EDEN HILLS PROJECT OWNER, LLC, a Delaware limited liability company (the "**Developer**"). City and Developer may be referred to herein individually as a "**Party**" and collectively as the "**Parties**".

RECITALS

1. Developer is the owner and developer of property located in an unincorporated portion of the County of San Diego (the "**County**") subject to the proposed Valino Specific Plan currently being considered for approval by the County (the "**Project**"). The Project site is located near the City of Escondido ("**City**").

2. The County, as the lead agency for the Project under the California Environmental Quality Act ("**CEQA**"), has prepared and released a draft environmental impact report ("**EIR**").

3. On or about June 15, 2015, the City submitted a comment letter on the draft EIR concerning, among other things, the Project's potential impacts on traffic within the City.

4. After reviewing the City's comment letter, the Developer and the City have met and discussed certain infrastructure improvements that would ensure that the Project's impacts relating to traffic within the City would not be significant.

5. Accordingly, the Parties agree that, if the County approves the Project, and the Developer proceeds with development, the Developer will provide the physical infrastructure improvements and monetary payment articulated in this Agreement. The City hereby agrees that the infrastructure improvements and payment articulated in this Agreement will be sufficient to fully and fairly mitigate any potential Project impacts within the City to a less than significant level.

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, the Parties hereto agree as follows:

SECTION 1. TERM OF AGREEMENT.

This Agreement will commence on the Effective Date and shall continue in full force and effect until the Developer has made all the promised improvements and monetary payments. Notwithstanding the foregoing, this Agreement will automatically terminate if the County Board of Supervisors does not approve the Project by January, 2018.

SECTION 2. MITIGATION.

A. In the event that the County approves the Project, the Developer shall, before the issuance of the first certificate of occupancy for a residential unit developed as part of the proposed Project, perform the infrastructure improvements described in detail in Exhibits B1 and B2 to this Agreement and make a one-time "fair share" payment of \$250,000 for infrastructure improvements to Citricado Parkway.

B. The City agrees that the Developer's obligations articulated in this Section and Exhibit B to this Agreement will ensure that the Project's impacts on roadways and traffic within the City will not be significant. Accordingly, in consideration for the Developer's promise to perform its obligations under the Agreement in the event the Project is approved and carried out, the City agrees that it will not object to the County's approval of the Project.

SECTION 3. CONDITION PRECEDENT.

This Agreement does not obligate the Developer to take any action or expend any funds unless (i) the Project is approved by the County, and; (ii) Developer proceeds with the Project. Developer has no obligations under this Agreement until it applies for its first certificate of occupancy associated with the Project.

SECTION 4. NOTICES.

All notices, demands and requests, which may be or are required, to be given or made by either Party to the other Party shall be in writing. All notices, demands, requests and payments by Developer to the City shall be sent by United States registered mail, postage prepaid, addressed to the City as follows:

City of Escondido
201 N Broadway
Escondido, CA 92025
Attn: Jeffery Epp

or to such other addressee and at such other place as the City may designate, from time to time, in written notice to Developer.

All notices, demands, and requests by the City to Developer shall be sent by United States registered mail, postage prepaid, addressed to Developer as follows:

Eden Hills Project Owner, LLC
2235 Encinitas Boulevard, Suite 216
Encinitas, CA 92024
Attn: Lance Waite

or to such other addressee and at such other place as Developer may, from time to time, designate in written notice to the City.

Notices, demands, requests and payments, which shall be served upon the Parties in the manner aforesaid, shall be deemed sufficiently served or given for all purposes thereunder at the time such notice, demand, request or payment is thus mailed.

SECTION 5. AMENDMENT.

This Agreement, including but not limited to any modification to the Exhibits thereto, may be amended upon written consent of both the Developer and the City.

SECTION 6. MISCELLANEOUS.

A. Successors and Assigns. This Agreement and the rights and obligations of the Parties hereunder shall inure to the benefit of, and be binding upon, the Parties' respective successors, assigns and legal representatives.

B. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California, as such laws apply to agreements among California residents made and to be performed entirely within the State of California, without giving effect to the choice of law or conflict of law provisions (whether of the State of California or any other jurisdiction) that would cause the application of the laws of any other jurisdiction other than the State of California. Any lawsuit brought in connection with this Agreement shall be brought in the appropriate court in the County of San Diego, California

C. No Third-Party Rights. Nothing in this Agreement shall be deemed or otherwise construed as granting any rights, benefits or interests to any individual, entity or body who/that is not a Party to this Agreement.

D. Authority and Requisite Action. The individuals executing this Agreement (the "**Signatories**") covenant that they have the legal power, right and authority to enter into this Agreement and to bind their respective principals/entities to the terms and conditions set forth herein. Furthermore, the Signatories covenant that all requisite action has been taken by their respective principals/entities in connection with the entering into this Agreement and the instruments referenced herein, and the consummation of the transactions contemplated hereby.

E. Entire Agreement. This writing constitutes the entire agreement between the Parties, and no modification of this Agreement shall be valid unless executed in writing by the Parties hereto. Further, none of the Parties to this Agreement shall be bound by any representations, warranties, promises, statements, or information unless expressly set forth herein.

F. No Waiver. The failure of any Party to enforce against the other a provision of this Agreement shall not constitute a waiver of that Party's right to enforce such a provision at a later time.

G. Captions. The captions of the various Sections in this Agreement are for convenience and organization only, and are not intended to be any part of the body of this Agreement, nor are they intended to be referred to in construing the provisions of this Agreement.

H. Counterparts. This Agreement may be executed in one or more counterparts, and all the counterparts shall constitute but one and the same agreement, notwithstanding that all Parties hereto are not signatories to the same or original counterpart.

I. Attorney's Fees. In the event an action is commenced by any Party to this Agreement to enforce or construe its rights, the prevailing party in such action, in addition to any other relief and recovery awarded by the court, shall be entitled to recover all reasonable attorneys' fees.

J. Indemnification. To the fullest extent allowable by law, Developer shall defend, indemnify and hold the City, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged acts, omissions, negligence or willful misconduct of Developer, its officials, officers, employees, agents, consultants and contractors arising out of or in connection with the performance of its obligations under this Agreement or the Project, including without limitation the payment of all consequential damages and attorney's fees and other related costs and expenses. Developer shall defend, at Developer's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against City, its officials, officers, employees, agents or volunteers. Developer shall pay and satisfy any judgment, award or decree that may be rendered against City or its officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. Developer shall reimburse City and its officials, officers, employees, agents and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Developer's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the City, its officials, officers, employees, agents or volunteers.

[SIGNATURE PAGES TO FOLLOW]

SIGNATURE PAGE FOR GENERAL REIMBURSEMENT AGREEMENT
BETWEEN THE CITY OF ESCONDIDO
AND EDEN HILLS PROJECT OWNER, LLC

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date hereinabove written.

CITY OF ESCONDIDO

EDEN HILLS PROJECT OWNER, LLC

Approved By:

Clay Phillips, City Manager

Signature

Name

Attested By:

Jeffery Epp, City Attorney

Title

Date

EXHIBIT B 1

Description of Services

1. Improvements to the Country Club Drive at Auto Park Way Intersection:

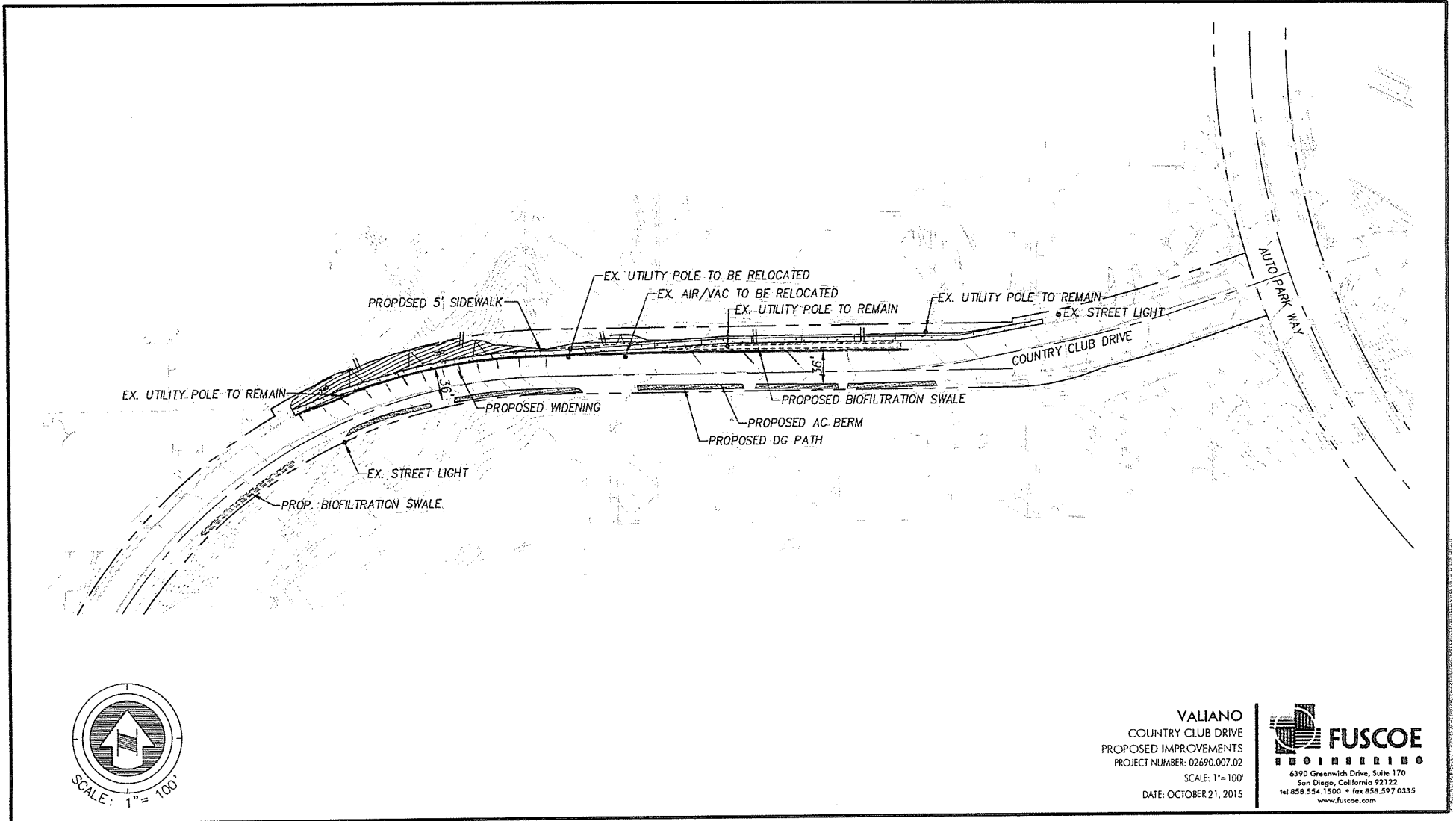
- a. The Intersection at Country Club Drive / Auto Park Way shall be restriped to provide one eastbound right turn lane, one shared left turn/through lane and one left turn lane with a signal timing modification to change the east/west approach to “split” phasing to improve functionality.
- b. Country Club Drive, beginning approximately 220’ west of Auto Park Way shall be widened to provide 36’ of asphalt width consisting of two travel lanes and a 10’ center turn lane for a distance of approximately 830’.
- c. At the north/east end of Country Club Drive south/west of Auto Park Way where the roadway is widened as referenced above, the Developer will install a five foot sidewalk for a distance of approximately 830’ on the north/west side of the road connecting two currently disconnected sections of sidewalk; one extending approximately 220’ south/west of Auto Park Way and one extending approximately 1380’ north/east of the intersection of Country Club Drive and Hill Valley Drive. The sidewalk does not have to be contiguous to the roadway. A six inch curb and gutter will be located adjacent to the pavement on the westerly section of the roadway. Three of the existing overhead utility poles would retain their existing position as depicted in the attached illustration.
- d. Improvements to the south/east side of Country Club Drive shall consist of a six inch asphalt berm backed by a 4’ wide decomposed granite pathway and required biofiltration swales as depicted.
- e. All improvements shall be realized within existing Right-of-Way

2. Improvements to Kauana Loa Drive:

The project includes a Project Design Feature to improve Kauana Loa Drive from approximately 1,500’ east of Country Club Drive to Harmony Grove Road. Improvements shall consist of adding 2’ of pavement to the eastbound side of Kauana Loa Drive and the installation of traffic calming measures including speed and curve signage, striping, “Bott’s Dots” along the centerline and radar speed signs in both directions approaching the angled curve along the segment.

3 One time Fair share contribution of \$250,000 for improvements to Citracado Parkway

Exhibit B2





Item No. 18: El Niño Preparation -

- No materials available



FUTURE CITY COUNCIL AGENDA ITEMS
December 3, 2015

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

December 16, 2015
No Meeting (Christmas Break)

December 23, 2015
No Meeting (Christmas)

City Manager's **WEEKLY UPDATE** to City Council

December 2, 2015

ECONOMIC DEVELOPMENT

- The Grand Maple restaurant at 150 Grand Avenue has closed. The owners will still operate their other restaurant, Swami's, which is located at 136 Grand Avenue. Swami's will continue to be open 7:00 a.m. to 3:00 p.m. serving breakfast and lunch.
- This weekend at Ryan Park Cal South will host their annual Commissioners Cup soccer tournament. The tournament is designed for youth recreational and All-Star teams. There will be a total of 78 teams playing in both the boys and girls divisions. The age groups will be from U8 to U19. We anticipate approximately 1,200 families in the area on both Saturday, December 5th and Sunday, December 6th. All teams are from San Diego County visiting our community.

ESCONDIDO HISTORY CENTER HIRES NEW DIRECTOR

Stacey Ellison has been hired as the new Executive Director of the Escondido History Center. Stacey previously was the Curator/Museum Specialist for the Rincon Band of Luiseno Indians.

SPECIAL EVENTS

- **Community in Unity**
Thursday, December 3, 5:30 p.m., City Hall, sponsored by Escondido Chamber of Commerce
- **Annual Holiday Tree Lighting and Winter Wonderland**
Saturday, December 5, 3:00-8:00 p.m. California Center for the Arts Escondido
- **Christmas Party for Pug Rescue**
Saturday, December 5th 10am – 1pm, Grape Day Park

Annual fundraiser for Pug Rescue San Diego County. Enjoy unique shopping, snacks and fun with 100 local pugs and their owners. All money raised will benefit the rescued animal's veterinary and adoption costs.

- For information about other activities taking place in Escondido, please visit www.visitescondido.com.

City Manager's **WEEKLY UPDATE** to City Council

COMMUNITY DEVELOPMENT

Public Art:

A collection of obelisks named "Pillars of the Community" representing the Arts and Crafts era are installed along Escondido Boulevard between 6th and 15th Avenues. One of the obelisks (Escondido Blvd. at 11th Ave. pictured below) has been vandalized multiple times since installation involving costly repairs. Public Works crews have stabilized the site. Staff has contacted the artist to discuss options including eliminating the monument. This topic will be discussed at the next Public Art Commission meeting on January 11, 2016.



Planning:

Major Projects Update:

1. John Paul the Great Catholic University – A Conditional Use Permit application has been received to expand the campus and student enrollment at 155 W. Grand Avenue. The proposal includes improvements to the former H. Johnson Building at 131 S. Broadway for studio and classroom space, and the former bank at 200 W. Grand Avenue for administrative offices and a student resource center. The proposed expansion would also increase the student enrollment from 300 to 1,200 students over the next several years. Staff has confirmed the availability of water and sewer connections. Updated architectural and site plans have been submitted, and this item is scheduled for Planning Commission consideration on December 8, 2015.
2. Escondido Research Technology Center – A 72,000 square foot medical office building is proposed on the east side of Citracado Parkway across from Palomar Medical Center. A plot plan application has been approved, grading and landscaping plans has been submitted for review and comment. The City Council approved a 10-year extension to the

City Manager's **WEEKLY UPDATE** to City Council

previously adopted Development Agreement for ERTC that involves 20 lots in ERTC owned by JRMCo on November 4, 2015.

3. Oak Creek (NUW) – *No change from the following update reported last week:* A LAFCO hearing for the annexation of the property was held on October 5, 2015. Staff made a presentation at the meeting emphasizing the City's support for the project and opposition to the potential expansion of the annexation boundary to include an additional segment of Hamilton Road. The LAFCO Board unanimously approved the annexation without including the Hamilton Road segment as requested by staff.
4. Amanda Estates (NUW) – LAFCO approved the reorganization (annexation) at their meeting on August 3, 2015. Staff received documents from LAFCO this week memorializing their action that included final paperwork to be completed by the City prior to annexation recordation.
5. Centerpointe 78 Commercial – *No change from the following update reported last week:* The project was approved by the Planning Commission on November 10, 2015. The project is scheduled for the City Council meeting on December 9, 2015.
6. Pradera – Grading is underway for this single-family subdivision involving 70 units. Staff is reviewing improvement plan and the final map submittals, as well as the precise grading plans and landscaping plans. Three, two-story model homes are currently under construction and have undergone building inspections. A fourth single-story unit will be marketed with this development, but no model home for the single story unit will be constructed.
7. Zenner – A Tentative Subdivision Map was previously approved for this single family project involving 40 units. The annexation was approved by LAFCO on Sept. 14, 2015. Staff received documents from LAFCO this week memorializing their action that included final paperwork to be completed by the City prior to annexation recordation.
8. Stella Park Condominiums – This Planned Development involving 65 townhome units is located at 2516 S. Escondido Blvd. The applicant is contracting with consultants for preparation of numerous technical studies (including a Water Quality Technical Report) and the CEQA document which is anticipated to be a mitigated negative declaration. Staff is providing information regarding existing conditions to include in the environmental review analysis. Updated plans for the project were submitted and staff is analyzing the revisions for compliance with prior city comments.
9. Wohlford – Staff is reviewing revised submittals and technical reports from the applicant regarding this single-family subdivision involving 55 units in response to the letter identifying necessary submittals to continue processing. A Specific Alignment Plan for Bear Valley Parkway detailing the roadway is under review. A Request for Qualifications for preparation of a consultant-prepared EIR has resulted in four (4) proposals submitted to the City for review. Staff is reviewing the submittals prior to scheduling consultant interviews. Tribal consultation meetings have been completed.
10. Latitude II – The project was approved by the City Council on August 19, 2015. Grading plans and a Final Subdivision Map have been submitted for review. Architectural plans are anticipated in the next several weeks.
11. Shea Homes (Tract 932) – *No change from the following update reported last week:* Staff approved the substantial conformance determination for the revised tentative map for the

City Manager's **WEEKLY UPDATE** to City Council

179-lot residential subdivision known as Canyon View Estates. Staff continues to coordinate with the applicant on the proposed grading plan. The Precise Plan application was submitted on Aug. 6, 2015; additional information is needed to complete the application. The applicant is pursuing purchase of mitigation credits at Daley Ranch, and pursuing acquisitions needed for offsite improvements.

12. Safari Highlands – Engineering has finalized a contract with a consultant to perform as an extension of staff for engineering services. The applicant has selected a consultant to prepare a draft Municipal Services Review and Sphere of Influence (SOI) update. Staff met with representatives from the City of San Diego to discuss their concerns regarding the proposed improvements to Zoo Road for emergency access. A public agency scoping meeting was held September 24th to discuss the scope of the EIR; attendees included school district representatives and members of the public. A community meeting was held on October 5, 2015, and attended by approximately 80 persons. A Request for Proposals was issued this week to solicit bids for the preparation of a consultant-prepared Environmental Impact Report (EIR). More information about this project is on line at: <http://www.escondido.org/safari-highlands-ranch-specific-plan.aspx>
13. Felicitia Development, LLC - The proposed planned development includes the phased development of a 140-unit hotel, an 80-unit extended stay hotel, a 120-bed assisted living facility and a gas station and car wash located at the southeast corner of Felicitia Rd. and Gamble Lane. Additional technical analysis and coordination is needed to address traffic, biology, water and sewer service, geotechnical and storm water concerns, along with a market study for the proposed uses. A letter addressing items and technical studies needed to complete the application has been sent. Staff is meeting with the applicant this week to discuss the project status and issues.
14. Escondido Disposal Inc. – The CUP modification to expand the existing facility was approved by the Planning Commission on August 25, 2015. The project has completed its second post-approval plan check and staff comments have been sent regarding the grading and landscape plans. The County has notified the City that the applicant has made their application to the State permitting agency. Staff is working with the applicant to resolve storm drain issues involving the subject site and adjacent properties.
15. Westfield Theater – *No change from the following update reported last week:* The Economic Development Subcommittee authorized expedited processing of the modification to the planned development for the proposed 10-auditorium movie theater. The project was approved by the City Council on November 4, 2015.
16. Paseo Escondido – *No change from the following update reported last week:* The Phair Company application for a mixed-use planned development for the property at the southwest corner of Ash Street and Washington Ave. (currently owned by the City) is under review. The proposed project consists of 26 one-bedroom and 96 two-bedroom apartments (122 units total) in three four-story buildings, and two 5,000 SF commercial buildings (10,000 SF total) oriented around an outdoor plaza. Additional submittals required to complete the application.
17. High Pointe (Palos Vista Neighborhood 3) – *No change from the following update reported last week:* This project involves 39 custom estate lots accessed from Mesa Rock Road.

City Manager's **WEEKLY UPDATE** to City Council

Staff has prepared a bond and fee letter based on the proposed grading and landscape plans, and has sent it to the applicant.

18. Valiano (County Project) – The project is outside of the City's limits and is being processed by the County. City staff and the developer are negotiating opportunities for mutually beneficial infrastructure and utility and circulation improvements in an agreement that will be considered by the City Council on December 9, 2015.
19. Springhill Suites – Building plans were submitted for this planned development at 300 La Terraza Drive involving 4 stories, 105 suites, a small conference room and an enlarged lobby for serving continental breakfast. A revised set of grading and landscaping plans were submitted involving the hotel site and the parking lot of the adjacent property for review, and department comments are being finalized.
20. Del Prado (former Woody's site) – *No change from the following update reported last week:* The project involves a Planned Development containing 113 attached residential townhomes, recreational facility, pool, and open space areas located at the southwestern corner of Brotherton Road and the Centre City Parkway frontage road. Staff has met with the applicant met to address sewer and emergency access and engineering issues. A revised set of plans was submitted responding to staff comments.
21. BMW Dealership – *No change from the following update reported last week:* A Precise Plan application to expand the existing dealership showroom an additional approximately 4,000 square feet and enhance the building façade at 1557 Auto Park Way was approved by the Planning Commission on October 13, 2015. Building plans have been submitted and are in plan check process.
22. Solutions for Change – A Planned Development application for 33 affordable multi-family units was approved by the Planning Commission on October 13, 2015, and by the City Council November 18, 2015. Building plans have been submitted for review.
23. Escondido Auto Park Association – The association is proposing to upgrade the existing electronic message sign along I-15. On September 23, 2015, the Economic Development Subcommittee considered a request by the association to enter into an agreement with the City for reimbursement of a portion of the cost of the upgraded sign and expressed support for a five-year agreement based on anticipated public benefit of additional sales tax revenue. Staff is working with the applicant to facilitate the modified sign application and submittal process.
24. 701 San Pasqual Valley Rd – An application has been submitted for a 19-lot single family clustered residential subdivision and planned development on a 7.2 acres site also addressed as 1201 E. 5th Ave. (formerly Tract 898). The application is under review and a letter detailing additional comments and submittal requirements was forwarded to the applicant. Staff met with the applicant this week to discuss project issues.
25. Ford-Hyundai Dealership Expansion – An expansion involving approximately 13,000 sq. ft. of showroom buildings and 6,700 sq. ft. wash/detail building at 1717-1919 Auto Park Way was approved by the Planning Commission on June 23, 2015. Grading plans have been submitted and staff anticipates building plans to be submitted in the next several weeks.

City Manager's **WEEKLY UPDATE** to City Council

Building Division:

1. The Building Department issued a record 54 permits for this holiday 3-day work week with a total valuation of \$93,345.
2. 36 photovoltaic permits were issued for the week. Building has issued 1,285 solar permits so far this year compared to 714 issued at the same time last year.
3. Building inspectors and counter staff had a very busy week with inspections averaging 40 inspections per day and counter contacts averaging 38 per day.
4. Due to the increase in inspection requests, 2 inspections were held over on Monday, 2 on Tuesday, 4 on Wednesday. Our Deputy Building Official (plans examiner) was sent out to conduct inspections on Monday and Tuesday. Plans waiting to be reviewed were on hold, waiting for his return.
5. A new guideline was created for graywater systems and is available at the building counter or on our website at [www.escondido.org/city_departments/community_development/building/information_guidelines/guideline # 27](http://www.escondido.org/city_departments/community_development/building/information_guidelines/guideline_#27).
6. In addition to the expedited solar permitting now available, residential roof top solar projects that qualify to be expedited, can be accepted electronically through e-mail. More information is provided on the city's website.
7. Plans were submitted for a new 33 unit, 3-story apartment building at 1560 S Escondido Blvd.
8. The 76 unit condominium complex at 2412 S Escondido Blvd has received exterior framing inspection on all 4 buildings.
9. The Meadowbrook Village 3-story apartment building has received underground utility and foundation inspection approval for the underground parking area and is preparing the podium slab.
10. The Pradera single-family tract has received roof sheathing inspections on all 3 of the models and rough framing inspection on 2 models.
11. The new Taco Bell restaurant and office building has received rough framing inspections and are wrapping the exterior of the building.

Code Enforcement:

1. As of November 30th the total number of open code enforcement cases is 364 cases. During the prior week 50 new cases were opened, and 40 cases were closed, with a backlog of an additional 56 cases not yet opened for assignment and investigation.
2. There were no illegal signs confiscated in the field due to no staffing during the holiday weekend. Illegal sign removals will resume this weekend. Three Public Records Requests (PRR) were processed, for a total of 98 PRRs processed to date this year.
3. Last week the Business License Division issued 3 new licenses and received 20 new applications in addition to 94 renewals.

City Manager's **WEEKLY UPDATE** to City Council

CAPITAL IMPROVEMENTS

Storm Drain Inlet Filter Basket Project:

A second Public Service Agreement was approved on November 30, 2015 for 21 additional inlet filters to be installed within existing storm drain structures. The objective is to retain function and to allow ease of maintenance through the manhole opening. The first Public Service Agreement Project which included 21 inlet filter will be completed on December 3rd.

Private Development

Bear Valley Parkway between Boyle Avenue and San Pasqual Valley Road (County Project):

Construction of the new storm drain system has been completed on Bear Valley Parkway between Idaho Avenue and Birch Avenue along the old roadway alignment. Construction of the new roadway structural section was begun on Monday, November 30, 2015

2412 South Escondido Boulevard:

No change from the following update reported last week: On site construction of new homes is continuing this week.

Pradera - Lennar Communities:

On site testing of new sewer and water mains for Street D was started this week.

Private Development –Current Plan Review

Trafalgar Square Redevelopment – Aldi Supermarket

No change from the following update reported last week: This project is a redevelopment of an existing commercial center on E. Valley Pkwy. With 2 rear buildings being removed to make way for a new Aldi Supermarket.

- The 2nd submittal of the Grading and Improvement plans, and the WQTR was made on November 3rd and will be returned this week with a Bond and Fee Letter.
- A CLOMR-F has been filed with FEMA and is awaiting approval. The property lies in a flood zone and the finish floor of the new Aldi Supermarket must be verified to be above base flood elevation.

Escondido Disposal Inc. Expansion Master Plan:

No change from the following update reported last week: This project is a 4+ phase project to expand EDI's current operations into the former Golfcraft property to the north fronting on Mission Ave. The overall expansion will allow EDI to meet State recycling requirements and produce biogas for their own electricity or CNG use, but will not increase the daily or annual trash throughput capacity allowances.

- The 2nd submittal of the Grading and Improvements plans and various studies came in on October 16th and was returned to their engineer on November 19th.

City Manager's **WEEKLY UPDATE** to City Council

Tract 951 – Jacks Creek Place:

This project is a 12-lot residential subdivision located near Eureka Ranch.

- The 3rd submittal of the Final Map, Grading, Landscaping and Improvement plans, and the WQTR was made on November 18th and will be reviewed in the next week or so.
- A Bond and Fee Letter is expected to be issued in the next day or so.

Tract 932 – Canyon Grove (Hidden Valley Ranch):

No change from the following update reported last week: This project is a 179-lot residential subdivision located at the ends of Vista Ave. and Vista Verde Dr. and will connect them when developed. Shea Homes has acquired this project and continues to process the final engineering.

- The 2nd submittal review of the Rough Grading and Onsite Improvement plans were returned to the engineer on November 13th.
- The 3rd submittal of the offsite Ash and Vista improvement plans was made on November 10th and was returned to the engineer last week.

PUBLIC SAFETY

Police:

Incidents:

- On Saturday, November 28, at about 7 p.m., officers were dispatched to Grand Ave & Broadway to investigate the report of serious injury vehicle collision involving a vehicle and a bicyclist. The driver of the vehicle fled the scene immediately without stopping to render aid to the bicyclist. The bicyclist sustained serious injuries and was transported to the hospital. The initial investigation reveals the vehicle may have run a red traffic signal striking the bicyclist. The Traffic Division responded and assumed the investigation. We have since found the suspect vehicle abandoned and are working on identifying the driver. The victim in this case is still in critical condition.
- On Friday, November 27, just after midnight, officers responded to a report of a fight in the area of the 300 block of S. Beech St. Officers found a male with a large stab wound to his neck. First aid was performed until medics arrive. Victim was transported to the hospital. Detectives responded to assume the investigation and are continually working on apprehending the suspect. The victim is in stable condition.

Events:

- The EPD Police Officers Association is currently revamping and updating their website. PD Command assisted by participating in group and individual pictures taken by the hired POA photographer. The release date for the website is not certain at this time.

City Manager's **WEEKLY UPDATE** to City Council

- Retired Dispatcher John Donohue passed away on November 29. John was a long time employee who retired several years ago. He will be missed by his many friends in the Police and Fire Departments.

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CITY OF ESCONDIDO MONTHLY PERMIT ACTIVITY REPORT NOVEMBER 2015

DESCRIPTION	MTD UNITS	MTD PERMITS	CURRENT YEAR MTD VALUE	PRIOR YEAR MTD VALUE	YTD UNITS	PRIOR YEAR YTD UNITS	YTD PERMITS	PRIOR YEAR YTD PERMITS	CURRENT YEAR YTD VALUE	PRIOR YEAR YTD VALUE
RESIDENTIAL										
Single Family Dwelling	3	3	\$ 690,916		20	15	20	15	4,428,469	\$ 2,642,255
Townhouse						25		4		\$ 2,682,072
Duplex						10		10		\$ 1,108,715
Triplex										
Four Units										
Five or more Units					66	1	1	1	\$ 9,827,331	\$ 6,572,596
Condominiums					76		3		\$ 9,928,286	
Mobilehome Parks										
TOTAL RESIDENTIAL	3	3	\$ 690,916		162	51	24	30	\$ 24,184,086	\$ 13,005,638
COMMERCIAL										
Amusement & Recreation					2		2		\$ 81,693	
Churches/Religious Buildings					1		1		\$ 1,609,898	
Industrial Buildings						1		1		\$ 50,000
Parking Garages (Public)										
Service Stations & Repair Garages						3		3		\$ 138,544
Hospitals & Other Institutions										
Office, Bank & Professional Buildings					3	1	3	1	287,888	\$ 10,260
Schools					1		1			
Stores & Other Mercantile Buildings					2	3	2	3	\$ 846,009	\$ 810,332
Hotels, Motels										
TOTAL COMMERCIAL					9	8	9	8	\$ 2,825,488	\$ 1,009,136
MISCELLANEOUS										
Residential Alterations & Additions		32	\$ 201,341	\$ 294,478			453	376	\$ 5,011,274	\$ 4,593,101
Commercial Alterations & Additions		17	\$ 426,064	\$ 1,407,496			179	173	\$ 9,377,820	\$ 20,677,491
Mobilehome Awnings, etc		2					17	16		
Structures other than Buildings		9	\$ 79,260	\$ 29,625			185	152	\$ 1,419,124	\$ 1,936,597
Demolition, Residential		2					18	1		
Demolition, Other		2					27	24		
Detached Carports, Garages				\$ 38,630			5	7	\$ 68,508	\$ 86,695
Mobilehome Setups		1					28	34		
TOTAL MISCELLANEOUS		65	\$ 706,665	\$ 1,731,599			912	783	\$ 15,876,726	\$ 27,293,884
GRAND TOTALS	3	68	\$ 1,397,581	\$ 1,731,599	171	59	945	821	\$ 42,886,300	\$ 41,308,658

BUSINESS LICENSE ACTIVITY

2015 Monthly Report

Type of Action	January	February	March	April	May	June	July	August	September	October	November	December	Total
Applications Received	123	134	165	148	116	165	144	136	115	144	121		1511
New Licenses Issued	144	124	190	155	158	151	159	199	106	134	150		1670
Renewals Mailed	1389	1134	1071	998	1095	1044	1101	1085	1068	984	935		11904
Renewals Received	607	696	779	614	615	731	686	637	669	620	479		7133
Business Licenses Closed	74	63	18	77	64	100	96	80	85	71	73		801
Change of Address	32	28	17	23	20	17	21	20	4	23	16		221
Contractor Inactive	24	24	29	21	25	25	26	19	24	29	18		264
Contractor Reinstated	13	9	15	15	22	21	16	20	20	29	12		192
Counter Contacts	285	277	336	296	263	291	246	247	222	263	218		2944
Fees Due Letters Sent	75	24	22	28	20	18	18	20	21	24	27		297
Licenses Mailed	792	749	905	726	729	855	816	794	746	718	518		8348
Licenses OTC	12	16	21	13	18	12	12	11	10	21	17		163
Referred To Code	26	2	6	4	5	26	41	9	22	19	22		182
Refund Processed	11	15	14	11	13	8	6	17	17	14	10		136
Active Business Licenses	9699	9653	9663	9671	9696	9674	9676	9679	9666	9621	9654		9668

Avg

Quarterly

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	2015
Applications Received	422	429	395	265	1511
New Licenses Issued	458	464	464	284	1670
Renewals Mailed	3594	3137	3254	1919	11904
Renewals Received	2082	1960	1992	1099	7133