DECEMBER 11, 2013
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	**Olga Diaz**
COUNCIL MEMBERS	**Ed Gallo** **John Masson** **Michael Morasco**
CITY MANAGER	**Clay Phillips**
CITY CLERK	**Diane Halverson**
CITY ATTORNEY	**Jeffrey Epp**
DIRECTOR OF COMMUNITY DEVELOPMENT	**Barbara Redlitz**
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.

December 11, 2013
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))**

   a. **Case Name: Stuck in the Rough, LLC v. City of Escondido**
   Case No.: 37-2013-00074375-CU-WM-NC

   b. **Case Name: California Regional Water Quality Control Board, San Diego Region**
   NOV No. R9-2013-0081

   c. **Case Name: Gonzalez v. Juan Alva, et al.**
   Case No: 11-CV-2846-W (WVG)

ADJOURNMENT

December 11, 2013
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 20, 2013**

4. **TREASURER'S INVESTMENT REPORT FOR QUARTER ENDED SEPTEMBER 30, 2013 -**
   Request Council receive and file the Quarterly Investment Report.

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

5. **ANNUAL FINANCIAL REPORT ON CAPITAL FUNDS FUNDED BY DEVELOPER FEES PER GOVERNMENT CODE SECTION 66006 -**
   Request Council accept and file the report.

   Staff Recommendation: **Receive and File (Finance Department: Gilbert Rojas)**

6. **APPROVE A MEMBERSHIP AGREEMENT WITH THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY AND ADOPT A RESOLUTION APPROVING THE ISSUANCE OF REVENUE BONDS BY THE AUTHORITY FOR THE BENEFIT OF SOUTHEASTERN CALIFORNIA CONFERENCE OF SEVENTH-DAY ADVENTISTS -**
   Request Council approve, authorize and direct execution of a Joint Exercise of Powers Agreement relating to the California Municipal Finance Authority (the "CMFA") and approve the issuance of revenue bonds by the CMFA for the purpose of refinancing the acquisition, construction and improvement of certain facilities for the benefit of the Southeastern California Conference of Seventh-Day Adventists. The bonds will not exceed $32,330,000 of which $17,000,000 will be attributable to refinance the bonds issued to fund the Escondido Adventist Academy (the "Project").

   Staff Recommendation: **Approval (Finance Department: Gilbert Rojas)**

   RESOLUTION NO. 2013-170

7. **INITIATION OF ANNEXATION AND DEVELOPMENT AGREEMENT FOR 4.17 ACRES LOCATED IN THE NORTH BROADWAY DEFICIENCY AREA -**
   Request Council initiate the proposed Annexation and Development Agreement for further study; and authorize the Planning Division to accept an application from the applicant.

   Staff Recommendation: **Approval (Community Development/Planning: Barbara Redlitz)**

8. **CITY COUNCIL MEMBER AND MAYOR COMPENSATION –**
   Request Council approve amending Section 2-28 of the Escondido Municipal Code to increase the salary for the City Council Members from $1,569.06 per month to 1,725.97 per month, effective on the date the City Council Members elected in 2014 are sworn into office.

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

   ORDINANCE NO. 2013-16 (Introduction and First Reading)

9. **APPOINTMENT OF AD HOC SUBCOMMITTEE ON WATER SERVICE ISSUES -**
   Request Council approve appointment of Councilmembers John Masson and Michael Morasco to serve as an ad hoc subcommittee on water service, recycled water service and water service for fire protection in the Escondido, Rincon del Diablo and overlapping jurisdictional areas.

Staff Recommendation: **Approval (City Attorney's Office: Jeffrey Epp and Utilities Department: Christopher McKinney)**

10. **AUTHORIZE FLEET SERVICES TO PURCHASE ONE (1) GLOBAL M4 STREET SWEEPER BY UTILIZING A COOPERATIVE PURCHASE CONTRACT WITH THE COUNTY OF LOS ANGELES -**
Request Council authorize the Fleet Services Department to purchase directly from Plumbers Depot Inc. one (1) Global Environmental Products, Global M4 Street Sweeper, by utilizing the Cooperative Purchase Contract with the County of Los Angeles, Internal Services Department, Central Purchasing.

Staff Recommendation: **Approval (Public Works/ Fleet Services: Ed Domingue)**

RESOLUTION NO. 2013-166

11. **CITY OF ESCONDIDO LANDSCAPE MAINTENANCE DISTRICT - PRELIMINARY ENGINEER'S REPORT FOR ZONE 38 FOR FISCAL YEAR 2014-2015 -**
Request Council approve initiating proceedings for the annual levy of assessments for the City of Escondido Landscape Maintenance Assessment District (LMD) for Zone 38 for the 2014/2015 fiscal year; approve the preliminary Engineer's Report for LMD Zone 38; and set a Public Hearing date for February 12, 2014 for LMD Zone 38.

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

a. RESOLUTION 2013-135 b. RESOLUTION 2013-136

12. **STATE OF CALIFORNIA 9-1-1 FOR KIDS FUNDING AND BUDGET ADJUSTMENT -**
Request Council accept $3,050 in funds from the State of California 9-1-1 Emergency Communications Office; authorize the Chief of Police and Police Department staff to execute contract documents on behalf of the City; and approve budget adjustments needed to spend funds.

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

13. **COUNTY OF SAN DIEGO SENIOR NUTRITION SERVICES GRANT APPLICATION AUTHORIZATION -**
Request Council authorize the Director of Library and Community Services or her designee to complete a grant application for the County of San Diego Health and Human Services Agency, Aging and Independence Services for the Senior Nutrition Program, which includes transportation and meal services.

Staff Recommendation: **Approval (Library and Community Services: Loretta McKinney)**

14. **AMENDMENT TO THE 2012 REGIONAL ASSISTANCE FIREFIGHTERS' GRANT (AFG) -**
Request Council approve the grant amendment for the Federal 2012 Regional Assistance to Firefighters Grant (AFG) Program to purchase additional EKG Monitors/Defibrillators.

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

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.)

15. **ADOPT VOTING DISTRICTS AS RECOMMENDED BY THE INDEPENDENT DISTRICTING COMMISSION -**
This item was approved on December 4, 2013 with a vote of 5/0.

ORDINANCE NO. 2013-17 (Adoption and Second Reading)

16. **ADOPTION OF THE 2013 CALIFORNIA FIRE CODE, MOST CURRENT VERSION OF COUNTY OF SAN DIEGO CONSOLIDATED FIRE CODE AND LOCAL AMENDMENTS -**
This item was approved on December 4, 2013 with a vote of 5/0.

ORDINANCE NO. 2013-13 (Adoption and Second Reading)

17. **ADOPTION OF THE 2013 CALIFORNIA BUILDING, RESIDENTIAL, PLUMBING, ELECTRICAL, MECHANICAL AND GREEN BUILDING STANDARDS CODES AND LOCAL AMENDMENTS -**
This item was approved on December 4, 2013 with a vote of 5/0.

ORDINANCE NO. 2013-11 (Adoption and Second Reading)

18. **ZONING CODE AMENDMENT (ENVIRONMENTAL QUALITY REGULATIONS) AND CLIMATE ACTION PLAN (CASE NOS. AZ 13-0003 AND PHG 09-0020) -**
This item was approved on December 4, 2013 with a vote of 5/0.

ORDINANCE NO. 2013-12 (Adoption and Second Reading

19. **DEVELOPMENT AGREEMENTS FOR TRACT 894 (PHG 13-0027) -**
This item was approved on December 4, 2013 with a vote of 4/1, Diaz voting no.

ORDINANCE NO. 2013-14R (Adoption and Second Reading)

20. **DEVELOPMENT AGREEMENT AND FINDING OF SUBSTANTIAL CONFORMANCE FOR TRACT 889 (PHG 13-0028) -**
This item was approved on December 4, 2013 with a vote of 4/1, Diaz voting no.

ORDINANCE NO. 2013-15R (Adoption and Second Reading)

PUBLIC HEARINGS

21. **REPORT ON DRINKING WATER PUBLIC HEALTH GOALS -**
Request Council receive and file the Drinking Water Public Health Goals Report; and accept Public Comment on the report.

Staff Recommendation: **Receive and File (Utilities Department: Christopher McKinney)**

CURRENT BUSINESS

22. **“MISSION POOLS” AREA DRAINAGE RESTORATION PROJECT -**
Request Council authorize the Mayor and City Clerk to execute a Consulting Agreement with AECOM in the amount of $159,309 for engineering services to provide initial (30%) design plans for the “Mission Pools” Area Drainage Restoration Project.

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

RESOLUTION NO. 2013-164

23. **REAL PROPERTY INVENTORY UPDATE TO COUNCIL -**
Request Council receive the Real Property Inventory Update.

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

FUTURE AGENDA

24. **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

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ADJOURNMENT

UPCOMING MEETING SCHEDULE				
Date	**Day**	**Time**	**Meeting Type**	**Location**
December 18	-	-	No Meeting	-
December 25	-	-	No Meeting	-
January 1	-	-	No Meeting	-
January 8	Wednesday	3:30 & 4:30 p.m.	Council Meeting	Council Chambers

TO ADDRESS THE COUNCIL

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

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

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 839-4641. 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 20, 2013
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 20, 2013 in the Council Chambers at City Hall with Mayor Abed presiding.

ATTENDANCE

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

ORAL COMMUNICATIONS

CLOSED SESSION: (COUNCIL/SUCCESSOR AGENCY/RRB)

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

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

a. Case Name: HARMON V. CITY OF ESCONDIDO, ET AL.
Case No: 37-2013-00039841-CU-MC-NC

ADJOURNMENT

Mayor Abed adjourned the meeting at 4:12 p.m.

MAYOR

CITY CLERK

MINUTES CLERK

CITY OF ESCONDIDO

November 20, 2013
4:30 P.M. Meeting Minutes

Escondido City Council
Mobilehome Rent Review Board

CALL TO ORDER

The Regular Meeting of the Escondido City Council and Mobilehome Rent Review Board was called to order at 4:35 p.m. on Wednesday, November 20, 2013 in the Council Chambers at City Hall with Mayor Abed presiding.

MOMENT OF REFLECTION

FLAG SALUTE

Mayor Abed led the flag salute.

ATTENDANCE

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

Also present were: Clay Phillips, City Manager; Jeffrey Epp, City Attorney; Barbara Redlitz, Community Development Director; Ed Domingue, Public Works Director; Diane Halverson, City Clerk; and Liane Uhl, Minutes Clerk.

PRESENTATIONS

Mayor Abed introduced John Prince, American Public Works Association, who presented the APWA awards to Ed Domingue, Public Works Director.

ORAL COMMUNICATIONS

Wally Gutierrez, Escondido, displayed a series of slides and voiced concern that the bathrooms at Ryan Park were closed.

Alex Boshaw, Classical Academy Athletic Director, thanked the City for partnering with Classical Academy and renting recreation facilities and equipment to the school.

Robroy Fawcett, Escondido, distributed information and expressed concern that Palomar Pomerado Hospital was not adhering to the 2006 Memorandum of Understanding with the City.

CONSENT CALENDAR

Mayor Abed removed items 13 and 17, Councilmember Gallo removed item 5, Councilmember Masson removed items 7 and 9 and Councilmember Morasco removed item 8 from the Consent Calendar for discussion

MOTION: Moved by Councilmember Diaz and seconded by Councilmember Masson that the following Consent Calendar items be approved with the exception on items 5, 7, 8, 9, 13 and 17. Mayor Abed indicated that item 17 would not be discussed. 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:** Regular Meeting of October 23, 2013

4. **ROTARY CLUB OF ESCONDIDO GRANT AWARD AND BUDGET ADJUSTMENT -** Request Council receive a grant in the amount of $6,000 from the Rotary Club of Escondido awarded to the Escondido Public Library. (File No. 0480-70)

   Staff Recommendation: **Approval (Library and Community Services: Loretta McKinney)**

5. **ESTABLISH ENGINEERING AND TRAFFIC SURVEYS (SPEED ZONES) AT THREE LOCATIONS CITYWIDE –** Request Council approve establishing Engineering and Traffic Surveys (speed zones) at three locations. (File No. 1050-20)

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

RESOLUTION NO. 2013-156

Councilmember Gallo expressed concern with the proposed speed limit by a school.

Homi Namdari, Assistant City Engineer, indicated the speed would be 25 at the school.

MOTION: Moved by Councilmember Gallo and seconded by Councilmember Masson to approve establishing Engineering and Traffic Surveys (speed zones) at three locations and adopt Resolution No. 2013-156. Motion carried unanimously.

6. **ADOPTION OF THE 2013 CALIFORNIA BUILDING, RESIDENTIAL, PLUMBING, ELECTRICAL, MECHANICAL AND GREEN BUILDING STANDARDS CODES AND LOCAL AMENDMENTS -** Request Council schedule a Public Hearing on December 4, 2013 to introduce Ordinance No. 2013-11 amending the City of Escondido Municipal Code to reflect the 2013 California Building, Residential, Plumbing, Electrical, Mechanical and Green Building Standards Codes and proposed local amendments. (File No. 0680-50)

   Staff Recommendation: **Approval (Community Development: Barbara Redlitz)**

7. **ADOPTION OF THE 2013 CALIFORNIA FIRE CODE, MOST CURRENT VERSION OF COUNTY OF SAN DIEGO CONSOLIDATED FIRE CODE AND LOCAL AMENDMENTS -** Request Council schedule a Public Hearing on December 4, 2013 to introduce Ordinance No. 2013-13, which modifies the City of Escondido Municipal Code to reflect the 2013 California Fire Code (CFC), the most current version of the County of San Diego Consolidated Fire Code and proposed local amendments. (File No. 0680-50)

   Staff Recommendation: **Approval (Fire Department: Herb Griffin)**

Councilmember Masson voiced concern with state overregulating.

Herb Griffin, Fire Division Chief, stated the City wished to be in line with all of the other Fire Agencies and wanted to include the Consolidated County Fire Code.

MOTION: Moved by Councilmember Masson and seconded by Councilmember Diaz to schedule a Public Hearing on December 4, 2013 to introduce Ordinance No. 2013-13, which modifies the City of Escondido Municipal Code to reflect the 2013 California Fire Code (CFC), the most current version of the County of San Diego Consolidated Fire Code and proposed local amendments. Motion carried unanimously.

8. AMENDED JOINT EXERCISE OF POWERS AGREEMENT FOR THE SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS AUTHORITY - Request Council approve the amended Joint Exercise of Powers Agreement for the San Dieguito River Valley Regional Open Space Park Joint Powers Authority (JPA). (File No. 0600-10 [A-3103])

Staff Recommendation: **Approval (Community Development/Planning: Barbara Redlitz)**

RESOLUTION NO. 2013-144

Councilmember Morasco asked for clarification of the City's annual fee.

Dick Bobertz, Executive Director, San Dieguito River Park JPA, listed the projects provided by the cumulative cities' fees.

MOTION: Moved by Councilmember Diaz and seconded by Councilmember Morasco to approve the amended Joint Exercise of Powers Agreement for the San Dieguito River Valley Regional Open Space Park Joint Powers Authority (JPA) and adopt Resolution No. 2013-144. Motion carried unanimously.

9. PUBLIC SERVICES AGREEMENT WITH WITTMAN ENTERPRISES, LLC TO OUTSOURCE BILLING SERVICES FOR EMERGENCY MEDICAL SERVICES (EMS) - Request Council authorize a three (3) year Public Service Agreement with Wittman Enterprises, LLC, effective July 1, 2014 through June 30, 2017. (File No. 0600-10 [A-2459])

Staff Recommendation: **Approval (Finance Department: Gilbert Rojas)**

RESOLUTION NO. 2013-159

Councilmember Masson thanked staff for not going to bid on this contract.

Councilmember Morasco asked to have the process explained.

Gil Rojas, Finance Director, explained that Wittman Enterprises has had a contract with the City for many years. The City of Oceanside had just gone through the bidding process and had awarded a contract to Wittman Enterprises. The City of Escondido decided not to duplicate that effort and awarded the contract to Wittman Enterprises.

MOTION: Moved by Councilmember Masson and seconded b Councilmember Gallo to authorize a three (3) year Public Service Agreement with Wittman Enterprises, LLC, effective July 1, 2014 through June 30, 2017 and adopt Resolution No. 2013-159. Motion carried unanimously.

10. **NOTICE OF COMPLETION FOR EMERGENCY WASHINGTON AVENUE STREET REPAIR -** Request Council approve and accept the public improvements and authorize staff to file a Notice of Completion for Emergency Washington Avenue Street Repair. (File No. 0600-10 Misc.)

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

11. **LEASE AGREEMENT WITH DAVE MCMAHON CONSTRUCTION, INC. AT 525 N. QUINCE AND BUDGET ADJUSTMENT -** Request Council authorize the Real Property Manager and City Clerk to execute a lease agreement with Dave McMahon Construction, Inc. at 525 N. Quince Street; and approve a budget adjustment to increase the General Fund Revenue for the Fiscal Year 2013/2014 in the amount of $20,000 and an increase to the Engineering Professional Services Budget to pay broker's fees of $2,475. (File No. 0600-10 [A-3104])

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

RESOLUTION NO. 2013-133

12. **A-3 RESERVOIR ELIMINATION PROJECT -** Request Council authorize the Mayor and City Clerk to execute the Consulting Agreement with RBF Consulting in the amount of $232,380 for engineering services to provide detailed design, including the preparation of construction drawings and specifications for the A-3 Reservoir Elimination Project. (File No. 0600-10 [A-3105])

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

RESOLUTION NO. 2013-162

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.)

13. **MODIFICATION OF THE MASTER DEVELOPMENT PLAN FOR LEXUS ESCONDIDO (CASE NO.: PHG 12-0001 / ENV 12-0006) -** Approved November 6, 2013 with a vote of 4/1; Diaz voting no. (File No. 0800-40 PHG 12-0001/ENV 12-0006)

ORDINANCE NO. 2013-05(R) (Adoption and Second Reading)

Pamela Stahl, Escondido, asked that the hot line number for the events held at the Lexus Dealership have a live operator to answer questions and be made available to all the neighbors.

MOTION: Moved by Councilmember Gallo and seconded by Councilmember Masson to approve the modification of the Master Development Plan for Lexus Escondido as voted on November 6, 2013. Motion carried unanimously.

PUBLIC HEARINGS

14. **MODIFICATION TO GRADING EXEMPTIONS AND VACATION OF OPEN SPACE EASEMENT FOR VISTA VERDE RESERVOIR REPLACEMENT PROJECT (PHG 13-0026) -** Request Council approve modifications to previously approved grading exemptions for Tract 932, in conjunction with a vacation of open space easement to facilitate construction of the Vista Verde Reservoir Replacement Project. (File No. 0800-10 Tract 932)

Staff Recommendation: **Approval (Community Development/Planning: Barbara Redlitz)**

RESOLUTION NO. 2013-152

Bill Martin, Planning Department, gave the staff report and presented a series of slides.

Mayor Abed opened the public hearing and asked if anyone would like to speak on this issue in any way. No one asked to be heard. Therefore, he closed the public hearing.

MOTION: Moved by Councilmember Gallo and seconded by Councilmember Morasco to approve modifications to previously approved grading exemptions for Tract 932, in conjunction with a vacation of open space easement to facilitate construction of the Vista Verde Reservoir Replacement Project and adopt Resolution No. 2013-152. Motion carried unanimously.

15. CLARIFICATION OF ZONING CODE AMENDMENT TO REGULATE COTTAGE FOOD OPERATIONS (AZ 13-0004) - Request Council determine that the CEQA Notice of Exemption is complete and adequate for the project and approve amendments to the Zoning Code to regulate Cottage Food Operations (CFOs) as a home occupation. (File No. 0810-20)

Staff Recommendation: **Approval (Community Development/Planning: Barbara Redlitz)**

ORDINANCE NO. 2013-07(RR) (Introduction and First Reading)

Barbara Redlitz, Community Development Director, gave the staff report and presented a series of slides.

Mayor Abed opened the public hearing and asked if anyone would like to speak on this issue in any way. No one asked to be heard. Therefore, he closed the public hearing.

MOTION: Moved by Councilmember Diaz and seconded by Councilmember Gallo to determine that the CEQA Notice of Exemption is complete and adequate for the project and approve amendments to the Zoning Code to regulate Cottage Food Operations (CFOs) as a home occupation and introduce Ordinance No. 2013-07(RR). Motion carried unanimously.

16. SHORT-FORM RENT INCREASE APPLICATION FOR GREENCREST MOBILEHOME PARK (CASE #: 0697-20-9965) - Request Council consider the short-form rent increase application submitted by Greencrest Mobilehome Park; and if approved, grant an increase of seventy-five percent (75%) of the change in the Consumer Price Index, or 0.677% (an average of $2.84) for the period of June 30, 2012 to June 30, 2013. (File No. 0697-20-9965)

Staff Recommendation: **Approval (Community Development/Housing: Barbara Redlitz)**

RRB RESOLUTION NO. 2013-09

Karen Youel, Housing Department, gave the staff report and presented a series of slides.

Mayor Abed opened the public hearing and asked if anyone would like to speak on this issue in any way.

Jim Younce, Owner Representative, indicated he was available for questions.

Mayor Abed asked if anyone else wanted to speak on this issue in any way. No one asked to be heard. Therefore, he closed the public hearing.

MOTION: Moved by Councilmember Gallo and seconded by Councilmember Masson to approve the short-form rent increase and adopt RRB Resolution No. 2013-09. Motion carried unanimously.

17. ALLOCATION OF SUCCESSOR AGENCY - HOUSING FUNDS (File # 0875-16) - Request Council allocate Successor Agency – Housing Funds in the amount of $250,000 to San Diego Habitat for Humanity (SDHFH) for the future development of four (4) affordable home ownership units located at 529-531 North Elm Street; and authorize the Mayor and City Clerk to execute, on behalf of the City, the necessary loan documents and affordable housing agreements in a form acceptable to the City Attorney. (File No. 0875-55)

Staff Recommendation: **Approval (Community Development/Housing: Barbara Redlitz)**

RESOLUTION NO. 2013-157

ITEM 17 WAS NOT DISCUSSED

CURRENT BUSINESS

18. FISCAL YEAR 2014 ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS GRANT APPLICATION AND CITRACADO PARKWAY EXTENSION PROJECT FUNDING - Request Council authorize the City Manager to submit an application to the Economic Development Administration for an Economic Development Assistance Programs (EDAP) grant for the construction of the Citracado Parkway Extension Project. (File No. 0480-70)

Staff Recommendation: **Approval (Public Works/Engineering: Ed Domingue & Economic Development Department: Joyce Masterson)**

Karen Youel, Housing Department, and Julie Procopio, Deputy Public Works Director, gave the staff report and presented a series of slides.

MOTION: Moved by Councilmember Morasco and seconded by Councilmember Masson to authorize the City Manager to submit an application to the Economic Development Administration for an Economic Development Assistance Programs (EDAP) grant for the construction of the Citracado Parkway Extension Project. Motion carried unanimously.

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: Diane Halverson)**

Councilmember Gallo requested a discussion on City Parks.

Councilmember Diaz requested that the Master Plans for all the parks be made available to the public.

COUNCIL MEMBERS SUBCOMMITTEE REPORTS

Councilmember Diaz indicated the City had hosted an Escondido Creek Watershed Alliance meeting where Supervisor Dave Roberts was the speaker.

Councilmember Gallo stated he was a member of the State Water Project Bay Delta Inspection Group and toured the delta and levies in Northern California. He also indicated that November was Native American Appreciation Month.

Councilmember Masson indicated an Economic Development Committee meeting would be held November 21, 2013.

Mayor Abed stated the City Manager's weekly update was attached to the agenda. He indicated interviews for the 2014 Boards and Commissions would be held in March next year and encouraged the public to apply for the open positions. SANDAG was moving ahead with the Mid Coast Corridor Transit Center Trolley lines as well as the rail trail bike path between San Marcos and Oceanside.

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

Patricia Borchmann, Escondido, stated the parks master plans should be made available to the public.

ADJOURNMENT

Mayor Abed adjourned the meeting at 6:30 p.m.

MAYOR

CITY CLERK

MINUTES CLERK

ESCONDIDO
City of Choice

CITY COUNCIL

For City Clerk's Use:
☐ APPROVED ☐ DENIED
Reso No. ____________ File No. ____________
Ord No. ____________

Agenda Item No.: 4

Date: December 11, 2013

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, 2013

RECOMMENDATION:

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

PREVIOUS ACTION:

The Investment Report for the quarter ended June 30, 2013, was filed with the City Clerk's Office on August 19, 2013 and presented to the City Council on August 28, 2013.

BACKGROUND:

From July 1, 2013, to September 30, 2013, the City's investment portfolio decreased from $127.4 million to $100.0 million. The adjusted average annual yield decreased from 1.309 % to 1.215%. An excess of cash payment outflows over cash receipt inflows for the quarter resulted in a decrease of $27.4 million in the book value of the investment portfolio. Major components of the net $27.4 million decrease are:

		IN MILLIONS
Sales Tax Allocations	$	5.8
County Property Tax Allocation		.7
Debt Service Payments		(20.2)
County Water Authority Payments		(6.1)
CALPERS Contributions		(4.5)
Employee Health and Benefit Payments		(2.4)
Management Fee for California Center for the Arts, Escondido		(.7)
Net Decrease to Investment Portfolio	$	(27.4)

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, 2013
- Summary of General Obligation Bond Proceeds Balance as of September 30, 2013
- Summary of Investment Portfolio Yield for the last 12 months
- Summary and Detailed Reports of Investment Portfolio – July 2013 through September 2013
- Schedule of Investments Matured and Sold – July 2013 through September 2013
- Schedule of Funds Managed by Outside Parties as of September 30, 2013

The General Obligation bond proceeds are invested in a separate LAIF account as authorized by Council on August 9, 2006. This is a permitted investment pursuant to the bond's Official Statement and also meets the City's investment objectives of safety, liquidity, and risk.

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 $40.8 million investment policy requirement by over $2.5 million. As of September 30, 2013, 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, Money Market funds and investments in the Local Agency Investment fund (LAIF) established by the State Treasurer. Over the past 4.5 years, a greater than 70% decline in the City's monthly investment portfolio yield has been realized, decreasing from 3.7% at December, 2008 to 1.1% at September, 2013. 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,

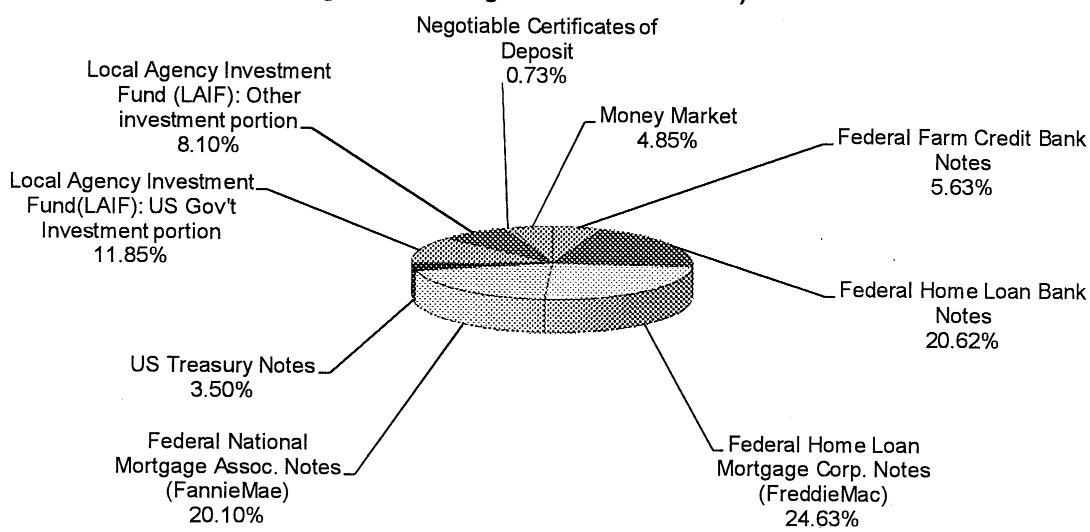
Ken Hugins

Kenneth C. Hugins
City Treasurer

City of Escondido
Summary of Investment Allocation
as of September 30, 2013

Investment Type	Book Value	Market Value	Percent of Portfolio at Market
Federal Farm Credit Bank Notes	$ 5,597,818.93	$ 5,690,270.00	5.63%
Federal Home Loan Bank Notes	20,578,291.02	20,847,366.50	20.62%
Federal Home Loan Mortgage Corp. Notes (FreddieMac)	24,387,970.32	24,897,040.00	24.63%
Federal National Mortgage Assoc. Notes (FannieMae)	20,081,276.56	20,317,287.09	20.10%
US Treasury Notes	3,503,408.26	3,533,925.00	3.50%
Local Agency Investment Fund(LAIF): US Gov't Investment portion	11,979,871.37	11,979,871.37	11.85%
Local Agency Investment Fund (LAIF): Other investment portion	8,184,867.52	8,184,867.52	8.10%
Negotiable Certificates of Deposit	735,000.00	735,000.00	0.73%
Money Market	4,904,622.14	4,904,622.14	4.85%
Total Investment Portfolio - September 2013	**$ 99,953,126.12**	**$ 101,090,249.62**	**100%**
2004 Election General Obligation Bond Proceeds held separately in LAIF	$ 50,438.78	$ 50,438.78	
Reported Total Investments - September 2013	**$ 100,003,564.90**	**$ 101,140,688.40**	
Total Investment Portfolio - June 2013	$ 127,375,091.57	$ 128,512,275.13	
2004 Election General Obligation LAIF- June 2013	$ 50,408.17	$ 50,408.17	
Reported Total Investments- June 2013	$ 127,425,499.74	$ 128,562,683.30	
Change from Prior Quarter	$ (27,421,934.84)	$ (27,421,994.90)	
Portfolio Effective Duration	1.812		
Portfolio Effective Duration - (Excluding LAIF and Money Market)	2.150		

Summary of Investment Allocation as of September 30, 2013
(Excluding General Obligation Bond Proceeds)



City of Escondido
General Obligation Bonds, Election of 2004, Series A
Public Safety Facilities Project
Calculation of Bond Proceeds Balance
As of September 30, 2013

Description	other Interest Earnings	(*) LAIF Interest Earnings	(*) LAIF Interest Withdrawals	Project Cost Reimbursement to the City	Balance
Par Value					$ 84,350,000.00
Add:					
Original Issue Bond Premium					914,861.55
Less:					
Underwriter's Discount					(292,829.00)
Cost of Issuance Expense					(220,000.00)
Credit Enhancement					(275,000.00)
Net Bond Proceeds					**84,477,032.55**
Monthly Activities:					
August to September 2006	$ 48.33	$ -	$ -	$ (3,190,032.55)	81,287,000.00
September 2006 - Interest withdrawn	(48.33)	-	-		
October to December 2006		445,726.90		(3,300,000.00)	78,432,726.90
January to March 2007		1,033,671.72		(1,880,000.00)	77,586,398.62
April to June 2007		996,045.58		(200,000.00)	78,382,444.20
July to September 2007		1,022,452.03		(1,670,000.00)	77,734,896.23
October to December 2007		1,033,456.91		(1,980,000.00)	76,788,353.14
January to March 2008		970,394.61		(6,250,000.00)	71,508,747.75
April to June 2008		774,021.46		(8,300,000.00)	63,982,769.21
June 2008 - Interest Drawdown			(1,513,000.00)		62,469,769.21
July - September 2008		530,295.74		(14,000,000.00)	49,000,064.95
October to December 2008		386,163.16		(10,700,000.00)	38,686,228.11
January to March 2009		284,700.95		(7,500,000.00)	31,470,929.06
April to June 2009		169,983.58		(10,533,000.00)	21,107,912.64
July to September 2009		101,934.35		(7,300,000.00)	13,909,846.99
October to December 2009		42,769.87		(6,600,000.00)	7,352,616.86
January to March 2010		17,670.57		(1,074,000.00)	6,296,287.43
Feb 2010 - Interest Drawdown			(626,000.00)		5,670,287.43
April to June 2010		9,059.54			5,679,346.97
April 2010 - Interest Drawdown			(1,300,000.00)		4,379,346.97
June 2010 - Interest Drawdown			(1,825,000.00)		2,554,346.97
July to September 2010		6,114.18			2,560,461.15
August 2010 - Interest Drawdown			(1,300,000.00)		1,260,461.15
October 2010		2,484.95			1,262,946.10
November 2010 - Interest Drawdown			(850,000.00)		412,946.10
October to December 2010		951.61			413,897.71
January to March 2011		517.72			414,415.43
April to June 2011		491.83			414,907.26
July to September 2011		397.80			415,305.06
October to December 2011		398.52			415,703.58
January to March 2012		390.76			416,094.34
Subtotal		7,830,094.34	(7,414,000.00)	(84,477,032.55)	
June 2012- Transfer to Debt Service FD 320			(366,094.34)		50,000.00
April to June 2012 Interest		287.39			50,287.39
July to Sept. 2012 Interest		44.87			50,332.26
October to December 2012 Interest		40.83			50,373.09
January to March 2013 Interest		35.08			50,408.17
April to June 2013 Interest		30.61			50,438.78
Ending Balance, 9/30/2013	**$ -**	**$ 7,830,533.12**	**$ (7,780,094.34)**	**$ (84,477,032.55)**	**$ 50,438.78**

(*) LAIF Interest is paid quarterly in the month following quarter end.

CITY OF ESCONDIDO
SUMMARY OF INVESTMENT PORTFOLIO YIELDS
FOR THE LAST 12 MONTHS
As of September 30, 2013

Date		Book Value	Yield
Sep-13	$	100,003,564.90	1.1270%
Aug-13	$	103,105,165.15	1.1720%
Jul-13	$	123,383,159.85	1.0530%
Jun-13	$	127,425,499.74	1.0610%
May-13	$	120,726,896.91	1.1090%
Apr-13	$	113,786,953.14	1.1690%
Mar-13	$	109,331,669.61	1.2130%
Feb-13	$	114,348,687.11	1.2130%
Jan-13	$	121,555,392.40	1.2460%
Dec-12	$	108,106,049.60	1.3830%
Nov-12	$	106,173,095.26	1.4180%
Oct-12	$	106,738,005.55	1.4160%

Average Annual Investment Portfolio Yield 1.2150%

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 7/31/2013

Description	Face Amount/Shares	Cost Value	Market Value	Book Value	Days To Maturity	YTM @ Cost
California Local Agency Investment Fund	**23,164,738.89**	**23,164,738.89**	**23,164,738.89**	**23,164,738.89**	**1**	**0.267**
Federal Agency Coupon Securities	**76,406,000.00**	**79,221,271.54**	**79,004,433.25**	**77,802,652.06**	**814**	**1.515**
LAIF - Public Safety Facility Bonds	**50,438.78**	**50,438.78**	**50,438.78**	**50,438.78**	**1**	**0.267**
Money Market Account	**17,901,490.29**	**17,901,490.29**	**17,901,490.29**	**17,901,490.29**	**1**	**0.200**
Negotiable Certificate of Deposit	**960,000.00**	**960,000.00**	**960,035.57**	**960,000.00**	**92**	**0.537**
Treasury Coupon Securities	**3,500,000.00**	**3,508,580.00**	**3,535,950.00**	**3,503,839.83**	**474**	**0.709**
Total / Average	**121,982,667.96**	**124,806,519.50**	**124,617,086.78**	**123,383,159.85**	**524**	**1.053**

Kenneth C. Hugins

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 7/31/2013

Description	CUSIP/Ticker	Transaction ID	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost
California Local Agency Investment Fund									
LAIF LGIP	LGIP7282	1000	LAIF	5/31/2011	23,164,738.89	23,164,738.89	23,164,738.89	1	0.267
Sub Total / Average					**23,164,738.89**	**23,164,738.89**	**23,164,738.89**	**1**	**0.267**
Federal Agency Coupon Securities									
FFCB 0.3 8/21/2014	3133EAM70	2013-0328C	FFCB	3/28/2013	2,500,000.00	2,503,150.00	2,502,368.12	386	0.210
FFCB 2.4 3/15/2016	31331KEK2	10019	FFCB	3/24/2011	1,000,000.00	1,041,980.00	1,003,327.18	958	2.265
FFCB 4.55 3/4/2015	31331SNP4	3323	FFCB	6/18/2010	1,000,000.00	1,067,730.00	1,034,376.96	581	2.260
FFCB 4.75 9/30/2015	31331GCR8	10010	FFCB	9/30/2010	1,000,000.00	1,092,870.00	1,067,118.04	791	1.520
FHLB 1.375 12/11/2015	313371NW2	10015	FHLB	12/29/2010	1,000,000.00	1,020,670.00	978,143.38	863	2.360
FHLB 1.375 3/9/2018	313378A43	2013-0328A	FHLB	3/28/2013	3,000,000.00	2,984,970.00	3,066,377.10	1682	0.883
FHLB 1.625 12/11/2015	313371VF0	10014	FHLB	12/29/2010	1,000,000.00	1,024,860.00	983,799.66	863	2.355
FHLB 1.625 12/9/2016	313371PV2		FHLB	12/29/2011	1,500,000.00	1,538,970.00	1,522,692.03	1227	1.160
FHLB 1.625 9/28/2015	3133716Z4	10009	FHLB	9/30/2010	1,000,000.00	1,025,110.00	1,001,738.91	789	1.541
FHLB 1.63 8/20/2015	313370NE4	10018	FHLB	3/24/2011	1,000,000.00	1,025,990.00	993,729.81	750	1.950
FHLB 1.75 9/11/2015	313370JB5	10012	FHLB	9/30/2010	1,000,000.00	1,027,520.00	1,004,558.52	772	1.525
FHLB 1.875 8/30/2013	3133XXL21	3311	FHLB	3/23/2010	3,000,000.00	3,004,260.00	2,999,940.53	30	1.900
FHLB 2 10/28/2013	3133XYDK8	3319	FHLB	5/7/2010	1,000,000.00	1,004,610.00	1,000,269.80	89	1.885
FHLB 2.3 12/8/2016	313371ZU3		FHLB	12/29/2011	500,000.00	521,260.00	517,693.50	1226	1.210
FHLB 2.5 6/13/2014	3133XWE70	2012-9	FHLB	6/7/2012	3,000,000.00	3,060,660.00	3,054,915.08	317	0.382
FHLB 2.625 9/13/2013	3133XUPZ0	3302	FHLB	3/24/2010	3,000,000.00	3,008,880.00	3,002,363.31	44	1.945
FHLB 2.625 9/13/2013	3133XUPZ0	3314	FHLB	5/5/2010	1,050,000.00	1,053,108.00	1,050,932.28	44	1.860
FHLB 3.125 3/11/2016	3133XXP43	10017	FHLB	3/24/2011	3,000,000.00	3,195,120.00	3,061,405.20	954	2.291
FHLB 3.25 9/12/2014	3133XUMR1	3322	FHLB	6/18/2010	1,000,000.00	1,033,850.00	1,012,659.34	408	2.060
FHLB 4 6/16/2015	3133XTYD2	10011	FHLB	9/30/2010	1,000,000.00	1,067,710.00	1,045,401.16	685	1.485
FHLB 4.875 12/13/2013	3133XHW57	3303	FHLB	3/24/2010	1,350,000.00	1,373,679.00	1,363,193.69	135	2.108

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 7/31/2013

Description	CUSIP/Ticker	Transaction ID	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost
FHLMC 2 8/25/2016	3137EACW7	10030	FHLMC	8/31/2011	3,000,000.00	3,115,710.00	3,071,531.07	1121	1.197
FHLMC 2.5 5/27/2016	3137EACT4	10028	FHLMC	5/25/2011	5,000,000.00	5,256,750.00	5,059,274.13	1031	2.055
FHLMC 2.5 5/27/2016	3137EACT4	10021	FHLMC	5/25/2011	3,000,000.00	3,154,050.00	3,035,665.05	1031	2.054
FHLMC 2.5 5/27/2016	3137EACT4	10029	FHLMC	6/1/2011	2,500,000.00	2,628,375.00	2,540,171.94	1031	1.900
FHLMC 3 7/28/2014	3137EACD9	3321	FHLMC	6/18/2010	5,000,000.00	5,137,650.00	5,053,166.49	362	1.880
FHLMC 5 2/16/2017	3137EAAM1	2012_3	FHLMC	2/16/2012	5,000,000.00	5,697,800.00	5,681,063.25	1296	1.048
FNMA 0.5 5/27/2015	3135G0KM4	2012-12	FNMA	6/29/2012	3,000,000.00	3,007,968.75	3,000,541.02	665	0.490
FNMA 1.125 4/27/2017	3135G0JA2	2012-7	FNMA	5/31/2012	2,000,000.00	2,004,080.00	2,010,778.59	1366	0.977
FNMA 1.25 1/30/2017	3135G0GY3	2012_1	FNMA	1/24/2012	3,000,000.00	3,030,780.00	3,003,307.40	1279	1.217
FNMA 1.25 9/28/2016	3135G0CM3	10031	FNMA	9/29/2011	5,000,000.00	5,077,150.00	4,993,133.89	1155	1.295
FNMA 1.375 11/15/2016	3135G0ES8		FNMA	12/29/2011	2,000,000.00	2,031,680.00	2,011,469.99	1203	1.195
FNMA 2.375 7/28/2015	31398AU34	10016	FNMA	3/24/2011	2,000,000.00	2,078,380.00	2,016,094.78	727	1.951
FNMA 2.375 7/28/2015	31398AU34	10013	FNMA	9/30/2010	1,000,000.00	1,039,190.00	1,017,139.38	727	1.480
FNMA 4.625 10/15/2014	31359MWJ8	3320	FNMA	6/18/2010	1,000,000.00	1,053,110.00	1,030,550.69	441	1.972
FNMA 5.38 10/2/2013	31364GBF5	3315	FNMA	5/5/2010	1,006,000.00	1,014,802.50	1,011,760.79	63	1.930
Sub Total / Average					**76,406,000.00**	**79,004,433.25**	**77,802,652.06**	**814**	**1.515**
LAIF - Public Safety Facility Bonds									
LAIF LGIP	LGIP7018	10002	LAIF	6/30/2011	50,438.78	50,438.78	50,438.78	1	0.267
Sub Total / Average					**50,438.78**	**50,438.78**	**50,438.78**	**1**	**0.267**
Money Market Account									
Bank of America MM	MM0555	2001	Bank of America	5/31/2011	17,901,490.29	17,901,490.29	17,901,490.29	1	0.200
Sub Total / Average					**17,901,490.29**	**17,901,490.29**	**17,901,490.29**	**1**	**0.200**
Negotiable Certificate of Deposit									
Ally Bank 0.5 11/12/2013	02005QE66	2012-4	Ally Bank	5/9/2012	245,000.00	245,000.00	245,000.00	104	0.500
Discover Bank 0.5 11/12/2013	254671AP5	2012-5	Discover Bank	5/9/2012	245,000.00	245,000.00	245,000.00	104	0.500

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 7/31/2013

Description	CUSIP/Ticker	Transaction ID	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost
GoldmanSachs 0.55 8/15/2013	38143AJY2	2012_2	GoldmanSachs	2/15/2012	225,000.00	225,035.57	225,000.00	15	0.550
Huntington Nat 0.6 12/16/2013	446438QU0	2012-11	Huntington Nat	6/15/2012	245,000.00	245,000.00	245,000.00	138	0.600
Sub Total / Average					**960,000.00**	**960,035.57**	**960,000.00**	**92**	**0.537**
Treasury Coupon Securities									
T-Bond 0.25 8/31/2014	912828TL4	2013-0328B	Treasury	3/28/2013	2,500,000.00	2,502,550.00	2,501,295.93	396	0.201
T-Note 2.125 5/31/2015	912828NF3	4027	Treasury	6/18/2010	1,000,000.00	1,033,400.00	1,002,543.90	669	1.978
Sub Total / Average					**3,500,000.00**	**3,535,950.00**	**3,503,839.83**	**474**	**0.709**
Total / Average					**121,982,667.96**	**124,617,086.78**	**123,383,159.85**	**524**	**1.053**

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 8/31/2013

Description	Face Amount/Shares	Cost Value	Market Value	Book Value	Days To Maturity	YTM @ Cost
California Local Agency Investment Fund	22,164,738.89	22,164,738.89	22,164,738.89	22,164,738.89	1	0.271
Federal Agency Coupon Securities	73,406,000.00	76,223,761.54	75,669,947.15	74,747,507.13	815	1.499
LAIF - Public Safety Facility Bonds	50,438.78	50,438.78	50,438.78	50,438.78	1	0.271
Money Market Account	1,903,859.85	1,903,859.85	1,903,859.85	1,903,859.85	1	0.200
Negotiable Certificate of Deposit	735,000.00	735,000.00	735,000.00	735,000.00	84	0.533
Treasury Coupon Securities	3,500,000.00	3,508,580.00	3,533,387.50	3,503,620.50	443	0.709
Total / Average	101,760,037.52	104,586,379.06	104,057,372.17	103,105,165.15	604	1.172

Kenneth C. Hugins

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 8/31/2013

Description	CUSIP/Ticker	Transaction ID	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost
California Local Agency Investment Fund									
LAIF LGIP	LGIP7282	1000	LAIF	5/31/2011	22,164,738.89	22,164,738.89	22,164,738.89	1	0.271
Sub Total / Average					**22,164,738.89**	**22,164,738.89**	**22,164,738.89**	**1**	**0.267**
Federal Agency Coupon Securities									
FFCB 0.3 8/21/2014	3133EAM70	2013-0328C	FFCB	3/28/2013	2,500,000.00	2,502,734.38	2,502,177.94	355	0.210
FFCB 2.4 3/15/2016	31331KEK2	10019	FFCB	3/24/2011	1,000,000.00	1,038,770.00	1,003,219.51	927	2.265
FFCB 4.55 3/4/2015	31331SNP4	3323	FFCB	6/18/2010	1,000,000.00	1,063,020.00	1,032,542.73	550	2.260
FFCB 4.75 9/30/2015	31331GCR8	10010	FFCB	9/30/2010	1,000,000.00	1,088,050.00	1,064,487.62	760	1.520
FHLB 1.375 12/11/2015	313371NW2	10015	FHLB	12/29/2010	1,000,000.00	1,018,780.00	978,928.50	832	2.360
FHLB 1.375 3/9/2018	313378A43	2013-0328A	FHLB	3/28/2013	3,000,000.00	2,957,280.00	3,065,153.74	1651	0.883
FHLB 1.625 12/11/2015	313371VF0	10014	FHLB	12/29/2010	1,000,000.00	1,022,812.50	984,381.59	832	2.355
FHLB 1.625 12/9/2016	313371PV2		FHLB	12/29/2011	1,500,000.00	1,522,080.00	1,522,118.72	1196	1.160
FHLB 1.625 9/28/2015	3133716Z4	10009	FHLB	9/30/2010	1,000,000.00	1,023,310.00	1,001,670.59	758	1.541
FHLB 1.63 8/20/2015	313370NE4	10018	FHLB	3/24/2011	1,000,000.00	1,024,170.00	993,988.98	719	1.950
FHLB 1.75 9/11/2015	313370JB5	10012	FHLB	9/30/2010	1,000,000.00	1,025,680.00	1,004,375.47	741	1.525
FHLB 2 10/28/2013	3133XYDK8	3319	FHLB	5/7/2010	1,000,000.00	1,002,930.00	1,000,175.83	58	1.885
FHLB 2.3 12/8/2016	313371ZU3		FHLB	12/29/2011	500,000.00	518,320.00	517,246.11	1195	1.210
FHLB 2.5 6/13/2014	3133XWE70	2012-9	FHLB	6/7/2012	3,000,000.00	3,054,450.00	3,049,544.84	286	0.382
FHLB 2.625 9/13/2013	3133XUPZ0	3302	FHLB	3/24/2010	3,000,000.00	3,002,130.00	3,000,698.25	13	1.945
FHLB 2.625 9/13/2013	3133XUPZ0	3314	FHLB	5/5/2010	1,050,000.00	1,050,745.50	1,050,275.45	13	1.860
FHLB 3.125 3/11/2016	3133XXP43	10017	FHLB	3/24/2011	3,000,000.00	3,183,510.00	3,059,409.86	923	2.291
FHLB 3.25 9/12/2014	3133XUMR1	3322	FHLB	6/18/2010	1,000,000.00	1,031,210.00	1,011,697.48	377	2.060
FHLB 4 6/16/2015	3133XTYD2	10011	FHLB	9/30/2010	1,000,000.00	1,063,810.00	1,043,346.51	654	1.485
FHLB 4.875 12/13/2013	3133XHW57	3303	FHLB	3/24/2010	1,350,000.00	1,367,968.50	1,360,164.03	104	2.108

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 8/31/2013

Description	CUSIP/Ticker	Transaction ID	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost
FHLMC 2 8/25/2016	3137EACW7	10030	FHLMC	8/31/2011	3,000,000.00	3,097,350.00	3,069,552.95	1090	1.197
FHLMC 2.5 5/27/2016	3137EACT4	10021	FHLMC	5/25/2011	3,000,000.00	3,138,840.00	3,034,592.67	1000	2.054
FHLMC 2.5 5/27/2016	3137EACT4	10029	FHLMC	6/1/2011	2,500,000.00	2,615,700.00	2,538,964.05	1000	1.900
FHLMC 2.5 5/27/2016	3137EACT4	10028	FHLMC	5/25/2011	5,000,000.00	5,231,400.00	5,057,491.88	1000	2.055
FHLMC 3 7/28/2014	3137EACD9	3321	FHLMC	6/18/2010	5,000,000.00	5,124,850.00	5,048,613.56	331	1.880
FHLMC 5 2/16/2017	3137EAAM1	2012_3	FHLMC	2/16/2012	5,000,000.00	5,647,750.00	5,664,772.39	1265	1.048
FNMA 0.5 5/27/2015	3135G0KM4	2012-12	FNMA	6/29/2012	3,000,000.00	3,005,310.00	3,000,515.80	634	0.490
FNMA 1.125 4/27/2017	3135G0JA2	2012-7	FNMA	5/31/2012	2,000,000.00	1,993,340.00	2,010,533.98	1335	0.977
FNMA 1.25 1/30/2017	3135G0GY3	2012_1	FNMA	1/24/2012	3,000,000.00	3,014,531.25	3,003,227.23	1248	1.217
FNMA 1.25 9/28/2016	3135G0CM3	10031	FNMA	9/29/2011	5,000,000.00	5,047,550.00	4,993,318.17	1124	1.295
FNMA 1.375 11/15/2016	3135G0ES8		FNMA	12/29/2011	2,000,000.00	2,022,380.00	2,011,174.43	1172	1.195
FNMA 2.375 7/28/2015	31398AU34	10016	FNMA	3/24/2011	2,000,000.00	2,073,320.00	2,015,408.48	696	1.951
FNMA 2.375 7/28/2015	31398AU34	10013	FNMA	9/30/2010	1,000,000.00	1,036,660.00	1,016,408.54	696	1.480
FNMA 4.625 10/15/2014	31359MWJ8	3320	FNMA	6/18/2010	1,000,000.00	1,049,010.00	1,028,403.14	410	1.972
FNMA 5.38 10/2/2013	31364GBF5	3315	FNMA	5/5/2010	1,006,000.00	1,010,195.02	1,008,926.11	32	1.930
Sub Total / Average					**73,406,000.00**	**75,669,947.15**	**74,747,507.13**	**815**	**1.499**
LAIF - Public Safety Facility Bonds									
LAIF LGIP	LGIP7018	10002	LAIF	6/30/2011	50,438.78	50,438.78	50,438.78	1	0.271
Sub Total / Average					**50,438.78**	**50,438.78**	**50,438.78**	**1**	**0.267**
Money Market Account									
Bank of America MM	MM0555	2001	Bank of America	5/31/2011	1,903,859.85	1,903,859.85	1,903,859.85	1	0.200
Sub Total / Average					**1,903,859.85**	**1,903,859.85**	**1,903,859.85**	**1**	**0.267**

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 8/31/2013

Description	CUSIP/Ticker	Transaction ID	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost
Negotiable Certificate of Deposit									
Ally Bank 0.5 11/12/2013	02005QE66	2012-4	Ally Bank	5/9/2012	245,000.00	245,000.00	245,000.00	73	0.500
Discover Bank 0.5 11/12/2013	254671AP5	2012-5	Discover Bank	5/9/2012	245,000.00	245,000.00	245,000.00	73	0.500
Huntington Nat 0.6 12/16/2013	446438QU0	2012-11	Huntington Nat	6/15/2012	245,000.00	245,000.00	245,000.00	107	0.600
Sub Total / Average					**735,000.00**	**735,000.00**	**735,000.00**	**84**	**0.533**
Treasury Coupon Securities									
T-Bond 0.25 8/31/2014	912828TL4	2013-0328B	Treasury	3/28/2013	2,500,000.00	2,502,450.00	2,501,194.48	365	0.201
T-Note 2.125 5/31/2015	912828NF3	4027	Treasury	6/18/2010	1,000,000.00	1,030,937.50	1,002,426.02	638	1.978
Sub Total / Average					**3,500,000.00**	**3,533,387.50**	**3,503,620.50**	**443**	**0.709**
Total / Average					**101,760,037.52**	**104,057,372.17**	**103,105,165.15**	**604**	**1.172**

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 9/30/2013

Description	Face Amount/Shares	Cost Value	Market Value	Book Value	Days To Maturity	YTM @ Cost
California Local Agency Investı	20,164,738.89	20,164,738.89	20,164,738.89	20,164,738.89	1	0.257
Federal Agency Coupon Securi	69,356,000.00	72,079,603.54	71,751,963.59	70,645,356.83	832	1.474
LAIF - Public Safety Facility Boı	50,438.78	50,438.78	50,438.78	50,438.78	1	0.257
Money Market Account	4,904,622.14	4,904,622.14	4,904,622.14	4,904,622.14	1	0.2
Negotiable Certificate of Depo	735,000.00	735,000.00	735,000.00	735,000.00	54	0.533
Treasury Coupon Securities	3,500,000.00	3,508,580.00	3,533,925.00	3,503,408.26	413	0.709
Total / Average	98,710,799.81	101,442,983.35	101,140,688.40	100,003,564.90	600	1.127

Kenneth C. Hugins
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 9/30/2013

Description	CUSIP/Ticker	Transaction ID	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost
California Local Agency Investment Fund									
LAIF LGIP	LGIP7282	1000	LAIF	5/31/2011	20,164,738.89	20,164,738.89	20,164,738.89	1	0.257
Sub Total / Average					**20,164,738.89**	**20,164,738.89**	**20,164,738.89**	**1**	**0.257**
Federal Agency Coupon Securities									
FFCB 0.3 8/21/2014	3133EAM70	2013-0328C	FFCB	3/28/2013	2,500,000.00	2,503,400.00	2,501,993.88	325	0.210
FFCB 2.4 3/15/2016	31331KEK2	10019	FFCB	3/24/2011	1,000,000.00	1,039,700.00	1,003,115.32	897	2.265
FFCB 4.55 3/4/2015	31331SNP4	3323	FFCB	6/18/2010	1,000,000.00	1,060,930.00	1,030,767.67	520	2.260
FFCB 4.75 9/30/2015	31331GCR8	10010	FFCB	9/30/2010	1,000,000.00	1,086,240.00	1,061,942.06	730	1.520
FHLB 1.375 12/11/2015	313371NW2	10015	FHLB	12/29/2010	1,000,000.00	1,019,375.00	979,688.29	802	2.360
FHLB 1.375 3/9/2018	313378A43	2013-0328A	FHLB	3/28/2013	3,000,000.00	2,992,080.00	3,063,969.85	1621	0.883
FHLB 1.625 12/11/2015	313371VF0	10014	FHLB	12/29/2010	1,000,000.00	1,023,270.00	984,944.76	802	2.355
FHLB 1.625 12/9/2016	313371PV2		FHLB	12/29/2011	1,500,000.00	1,530,480.00	1,521,563.90	1166	1.160
FHLB 1.625 9/28/2015	3133716Z4	10009	FHLB	9/30/2010	1,000,000.00	1,023,310.00	1,001,604.47	728	1.541
FHLB 1.63 8/20/2015	313370NE4	10018	FHLB	3/24/2011	1,000,000.00	1,023,930.00	994,239.79	689	1.950
FHLB 1.75 9/11/2015	313370JB5	10012	FHLB	9/30/2010	1,000,000.00	1,025,450.00	1,004,198.32	711	1.525
FHLB 2 10/28/2013	3133XYDK8	3319	FHLB	5/7/2010	1,000,000.00	1,001,440.00	1,000,084.88	28	1.885
FHLB 2.3 12/8/2016	313371ZU3		FHLB	12/29/2011	500,000.00	520,895.00	516,813.16	1165	1.210
FHLB 2.5 6/13/2014	3133XWE70	2012-9	FHLB	6/7/2012	3,000,000.00	3,049,650.00	3,044,347.83	256	0.382
FHLB 3.125 3/11/2016	3133XXP43	10017	FHLB	3/24/2011	3,000,000.00	3,183,450.00	3,057,478.88	893	2.291
FHLB 3.25 9/12/2014	3133XUMR1	3322	FHLB	6/18/2010	1,000,000.00	1,029,200.00	1,010,766.65	347	2.060

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 9/30/2013

Description	CUSIP/Ticker	Transaction ID	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost
FHLB 4 6/16/2015	3133XTYD2	10011	FHLB	9/30/2010	1,000,000.00	1,061,890.00	1,041,358.14	624	1.485
FHLB 4.875 12/13/2013	3133XHW57	3303	FHLB	3/24/2010	1,350,000.00	1,362,946.50	1,357,232.10	74	2.108
FHLMC 2 8/25/2016	3137EACW7	10030	FHLMC	8/31/2011	3,000,000.00	3,108,540.00	3,067,638.65	1060	1.197
FHLMC 2.5 5/27/2016	3137EACT4	10021	FHLMC	5/25/2011	3,000,000.00	3,144,000.00	3,033,554.89	970	2.054
FHLMC 2.5 5/27/2016	3137EACT4	10028	FHLMC	5/25/2011	5,000,000.00	5,240,000.00	5,055,767.12	970	2.055
FHLMC 2.5 5/27/2016	3137EACT4	10029	FHLMC	6/1/2011	2,500,000.00	2,620,000.00	2,537,795.13	970	1.900
FHLMC 3 7/28/2014	3137EACD9	3321	FHLMC	6/18/2010	5,000,000.00	5,115,400.00	5,044,207.50	301	1.880
FHLMC 5 2/16/2017	3137EAAM1	2012_3	FHLMC	2/16/2012	5,000,000.00	5,669,100.00	5,649,007.03	1235	1.048
FNMA 0.5 5/27/2015	3135G0KM4	2012-12	FNMA	6/29/2012	3,000,000.00	3,008,906.25	3,000,491.39	604	0.490
FNMA 1.125 4/27/2017	3135G0JA2	2012-7	FNMA	5/31/2012	2,000,000.00	2,006,900.00	2,010,297.27	1305	0.977
FNMA 1.25 1/30/2017	3135G0GY3	2012_1	FNMA	1/24/2012	3,000,000.00	3,033,630.00	3,003,149.66	1218	1.217
FNMA 1.25 9/28/2016	3135G0CM3	10031	FNMA	9/29/2011	5,000,000.00	5,072,550.00	4,993,496.51	1094	1.295
FNMA 1.375 11/15/2016	3135G0ES8		FNMA	12/29/2011	2,000,000.00	2,033,320.00	2,010,888.39	1142	1.195
FNMA 2.375 7/28/2015	31398AU34	10016	FNMA	3/24/2011	2,000,000.00	2,073,080.00	2,014,744.33	666	1.951
FNMA 2.375 7/28/2015	31398AU34	10013	FNMA	9/30/2010	1,000,000.00	1,036,540.00	1,015,701.27	666	1.480
FNMA 4.625 10/15/2014	31359MWJ8	3320	FNMA	6/18/2010	1,000,000.00	1,046,220.00	1,026,324.86	380	1.972
FNMA 5.38 10/2/2013	31364GBF5	3315	FNMA	5/5/2010	1,006,000.00	1,006,140.84	1,006,182.88	2	1.930
Sub Total / Average					**69,356,000.00**	**71,751,963.59**	**70,645,356.83**	**832**	**1.474**
LAIF - Public Safety Facility Bonds									
LAIF LGIP	LGIP7018	10002	LAIF	6/30/2011	50,438.78	50,438.78	50,438.78	1	0.257
Sub Total / Average					**50,438.78**	**50,438.78**	**50,438.78**	**1**	**0.257**
Money Market Account									
Bank of America MM	MM0555	2001	Bank of Americ	5/31/2011	4,904,622.14	4,904,622.14	4,904,622.14	1	0.200
Sub Total / Average					**4,904,622.14**	**4,904,622.14**	**4,904,622.14**	**1**	**0.200**

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 9/30/2013

Description	CUSIP/Ticker	Transaction ID	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost
Negotiable Certificate of Deposit									
Ally Bank 0.5 11/12/2013	02005QE66	2012-4	Ally Bank	5/9/2012	245,000.00	245,000.00	245,000.00	43	0.500
Discover Bank 0.5 11/12/2013	254671AP5	2012-5	Discover Bank	5/9/2012	245,000.00	245,000.00	245,000.00	43	0.500
Huntington Nat 0.6 12/16/2013	446438QU0	2012-11	Huntington Na	6/15/2012	245,000.00	245,000.00	245,000.00	77	0.600
Sub Total / Average					**735,000.00**	**735,000.00**	**735,000.00**	**54**	**0.533**
Treasury Coupon Securities									
T-Bond 0.25 8/31/2014	912828TL4	2013-0328B	Treasury	3/28/2013	2,500,000.00	2,503,025.00	2,501,096.31	335	0.201
T-Note 2.125 5/31/2015	912828NF3	4027	Treasury	6/18/2010	1,000,000.00	1,030,900.00	1,002,311.95	608	1.978
Sub Total / Average					**3,500,000.00**	**3,533,925.00**	**3,503,408.26**	**413**	**0.709**
Total / Average					**98,710,799.81**	**101,140,688.40**	**100,003,564.90**	**600**	**1.127**

Tracker
City of Escondido
Transactions Summary
Transaction Summary Report - Investments Matured
Group By: Action
Portfolio / Report Group: All Portfolios
From 7/1/2013 To 9/30/2013

Description	CUSIP/Ticker	Settlement Date	Face Amount/Shares	Principal	Total
Matured					
FFCB 4.25 7/8/2013	31331Y2Q2	7/8/2013	2,000,000.00	2,000,000.00	2,000,000.00
FNMA 4.375 7/17/2013	31359MSL8	7/17/2013	1,000,000.00	1,000,000.00	1,000,000.00
FHLB 1.875 8/30/2013	3133XXL21	8/30/2013	3,000,000.00	3,000,000.00	3,000,000.00
GoldmanSachs 0.55 8/15/2013	38143AJY2	8/15/2013	225,000.00	225,000.00	225,000.00
FHLB 2.625 9/13/2013	3133XUPZ0	9/13/2013	1,050,000.00	1,050,000.00	1,050,000.00
FHLB 2.625 9/13/2013	3133XUPZ0	9/13/2013	3,000,000.00	3,000,000.00	3,000,000.00
Total			**10,275,000.00**	**10,275,000.00**	**10,275,000.00**

CITY OF ESCONDIDO
FUNDS MANAGED BY OUTSIDE PARTIES
September 30, 2013

	Type of Funds / Institution	Market Value	Interest Rate	Type of Investment
	BOND FUNDS			
	BANK OF NEW YORK MELLON TRUST COMPANY, N.A. :			
	1993 Vineyard Golf Course Certificates of Participation	$ 700,363.97	0.010%	Money Market
*	2001 Reidy Creek Golf Course Lease Revenue Bonds (issued April 2001)	2,809.61	0.000%	Cash
	2007 COP - Water Project (Certificates issued September 2007)	7,179,134.11	0.010%	Money Market
	2004A Wastewater Bond (1996 Wastewater Refunding)	2,026,342.59	0.010%	Money Market
	2004B Wastewater Bond - Brine Project	3,587,602.51	0.010%	Money Market
*	2001 Community Facility District (Hidden Trails)	315.31	0.010%	Money Market
	2006 Community Facility District (Eureka Ranch)	1,220,754.15	0.010%	Money Market
	1986-1R/98 Auto Parkway Assessment District	336,337.89	0.010%	Money Market
	1998-1 Rancho San Pasqual Assessment District	342,516.33	0.010%	Money Market
	2012 JPFA Revenue Bonds (Water System Financing)	20,058,283.75	0.257%	LAIF/Money Market
	2012 JPFA Revenue Bonds (Wastewater System Financing)	25,072,894.96	0.257%	LAIF/Money Market
	2013 JPFA Reidy Creek Refunding	284,030.03	0.030%	Money Market
	2013 CFD 2000-01 Hidden Trails Special Tax Refunding Bonds	20,159.94	0.031%	Money Market
	TOTAL FUNDS MANAGED BY OUTSIDE PARTIES	$ 60,831,545.15		

* The 2001 Reidy Creek Revenue Bonds and the 2001 CFD Hidden Trails bonds were redeemed from proceeds of new refunding issues effective April 2013 and September 2013 respectively. Remaining trustee account balances at September 30, 2013 consist primarily of interest and dividends earned prior to but received subsequent to the refunding dates. The trustee account balances of $2809.61 and $315.31 were transferred into the applicable refunding bonds trustee accounts subsequent to September 30, 2013.

ESCONDIDO
City of Choice

CITY COUNCIL

For City Clerk's Use:
☐ APPROVED ☐ DENIED
Reso No. ____________ File No. ____________
Ord No. ____________

Agenda Item No.: 5
Date: December 11, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Gilbert Rojas, Director of Finance

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

RECOMMENDATION:
City Council accepts and files the report.

FISCAL ANALYSIS:
No impact.

BACKGROUND:
The California Government Code Section 66006 requires local agencies to annually report certain financial information related to capital funds which were established to track fees charged in connection with the approval of a development project. The information required by the Government Code includes the beginning and ending balance for the fiscal year, the fee charged, interest, other income, the amount of expenditures by public facility and any refunds made to developers pursuant to the Code. The fiscal year 2012/2013 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 year 2013/2014 and in the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013, which will be provided to you near the end of December.

Respectfully submitted,

Gilbert Rojas
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, 2013

	Beginning Fund Balance	Developer Fee Revenue	Interest Earned	Other Revenue and Transfers-In	Capital Expenditures and Transfers-Out	Ending Fund Balance	FYE 2013 Appropriation Balance	Fees as a Percentage of Total Project's Funding
PARK DEVELOPMENT FUND	$255,949	$160,150	$4,325	$0	$0	$420,424	$204,000	

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

Capital Expenditures and Transfers Out:

Project No.	Expenditure Description	Expenditures	Current Approp	
508301	El Caballo Master Plan	-	50,000	100%
504301	Park Avenue Community Center	-	40,000	100%
501302	Jesmond Dene Ballfield Lights	-	114,000	100%
	Total Expenditures and Appropriations:	**$0**	**$204,000**	

	Beginning Fund Balance	Developer Fee Revenue	Interest Earned	Other Revenue and Transfers-In	Capital Expenditures and Transfers-Out	Ending Fund Balance	FYE 2013 Appropriation Balance	Fees as a Percentage of Total Project's Funding
TRAFFIC IMPACT FUND	$1,410,887	$883,804	$130,796	$0	$0	$2,425,487	$1,576,050	

Fee: City-wide Traffic Fee
Residential - $285/Average Daily Trip (ADT)
Non-residential - $42/Average Daily Trip (ADT)

Regional Transportation Congestion Improvement Program (RTCIP) Fee
Residential - $2,165/Residential Dwelling Unit

Capital Expenditures and Transfers Out:

Project No.	Expenditure Description	Expenditures	Current Approp	
661001	Citracado, West Valley to Harmony Grove	-	1,576,050	8%
	Total Expenditures and Appropriations:	**$0**	**$ 1,576,050**	

CITY OF ESCONDIDO
Financial Information Report
Capital Funds Funded by Developer Fees and Subject to Gov. Code Sec. 66006
Fiscal Year Ended June 30, 2013

	Beginning Fund Balance	Developer Fee Revenue	Interest Earned	Other Revenue and Transfers-In	Capital Expenditures and Transfers-Out	Ending Fund Balance	FYE 2013 Appropriation Balance	Fees as a Percentage of Total Project's Funding
PUBLIC ART FUND	$508,954	$42,612	$4,313	$8,275	($184,830)	$379,324	$361,043	

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

Other Revenue and Transfers In:

Other Revenue Description	
Insurance Recoveries	8,275
Total Other Revenue and Transfers In:	**$8,275**

Capital Expenditures:

Project No.	Expenditure Description	Expenditures	Current Approp	
421301	Escondido Creek Art	-	89,435	100%
421202	Maple Street Pedestrian Plaza Art	114,615	-	10%
420119	Niki de Saint Phalle Art	-	24,943	86%
420019	Public Art - Administration	24,920	-	100%
427201	Public Art - Maintenance Program	33,710	73,835	100%
421001	Public Art - Pedestrian Pathfinders	-	150,115	100%
427905	Public Art - Repair and Relocate Eucalyptus Leaf Court	2,500	-	91%
421201	Queen Califia Power	9,085	20,915	100%
429999	Contingency	-	1,800	100%
	Total Expenditures and Appropriations:	**$ 184,830**	**$ 361,043**	

CITY OF ESCONDIDO
Financial Information Report
Capital Funds Funded by Developer Fees and Subject to Gov. Code Sec. 66006
Fiscal Year Ended June 30, 2013

	Beginning Fund Balance	Developer Fee Revenue	Interest Earned	Other Revenue and Transfers-In	Capital Expenditures and Transfers-Out	Ending Fund Balance	FYE 2013 Appropriation Balance	Fees as a Percentage of Total Project's Funding
STORM DRAIN FUND	$450,940	$85,732	$6,403		($18,534)	$524,541	$200,001	

Fee: Single-Family Residential $1,071 per Dwelling Unit
Multi-Family Residential $428 per Dwelling Unit, $363 per Dwelling Unit located in the Downtown Specific Plan Area
Non-Residential $0.70 per sq. ft.

Capital Expenditures:

Project No.	Expenditure Description	Expenditures	Current Approp	
679908	Storm Drain - La Honda Drive	-	200,001	100%
799501	Fees 11 Available for Developer Reimbursements	14,570	-	100%
	Total Expenditures and Appropriations:	**$14,570**	**$200,001**	

Transfers Out:

Transfer Out Description	Transfer Out
City's Share of FEMA reimbursed Project-Simpson Channel Wall Repair	3,964
Total Transfers Out:	**$3,964**

CITY OF ESCONDIDO
Financial Information Report
Capital Funds Funded by Developer Fees and Subject to Gov. Code Sec. 66006
Fiscal Year Ended June 30, 2013

	Beginning Fund Balance	Developer Fee Revenue	Interest Earned	Other Revenue and Transfers-In	Capital Expenditures and Transfers-Out	Ending Fund Balance	FYE 2013 Appropriation Balance	Fees as a Percentage of Total Project's Funding
PUBLIC FACILITIES	$4,247,080	$352,260	$59,152	$43,253	($477,364)	$4,224,381	537,994	

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

Capital Expenditures:

Project No.	Expenditure Description	Expenditures	Current Approp	
100239	Computer Aided Dispatch	194,657	211,803	43%
127201	CRW Upgrade and Enhancement	-	9,987	96%
150059	Digital Imaging Storage - Police	-	3,915	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%
414101	Joslyn Senior Center Craft Room Remodel	6,975	-	100%
410039	Joslyn Senior Center Remodel	13,716	-	100%
400029	Library Books Circulation	211,585	74,955	100%
408101	Library & Technology Center	50,431	149,569	100%
	Total Expenditures and Appropriations:	**$477,364**	**$537,994**	

ESCONDIDO
City of Choice

CITY COUNCIL

For City Clerk's Use:
☐ APPROVED ☐ DENIED
Reso No. ______ File No. ______
Ord No. ______

Agenda Item No.: 6
Date: December 11, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Gilbert Rojas, Director of Finance

SUBJECT: Approve a Membership Agreement with the California Municipal Finance Authority and Adopt a Resolution Approving the Issuance of Revenue Bonds by the Authority for the Benefit of Southeastern California Conference of Seventh-Day Adventists

RECOMMENDATION:

It is recommended that Council adopt Resolution No. 2013-170 approving, authorizing and directing execution of a Joint Exercise of Powers Agreement relating to the California Municipal Finance Authority (the "CMFA") and approving the issuance of revenue bonds by the CMFA for the purpose of refinancing the acquisition, construction and improvement of certain facilities for the benefit of Southeastern California Conference of Seventh-Day Adventists. The bonds will not exceed $32,330,000 of which $17,000,000 will be attributable to refinancing the bonds issued to fund the Escondido Adventist Academy (the "Project").

FISCAL ANALYSIS:

There is no fiscal impact to the City. The purpose of this agenda item is to adopt a Resolution to approve the issuance of these revenue bonds by the CMFA for this Project. The City has no financial, legal, obligation, liability or responsibility for this Project or the repayment of these Bonds for the refinancing of this Project.

PREVIOUS ACTION:

The City held a Tax Equity and Fiscal Responsibility Act ("TEFRA") hearing in 2008 approving the issuance of Colorado Educational and Cultural Facilities Authority revenue bonds for the purpose of financing the costs of acquisition, construction, improvement, renovation, remodeling, furnishing and equipping of educational facilities for Escondido Adventist Academy.

BACKGROUND:

Southeastern California Conference of Seventh-Day Adventists, a California nonprofit corporation (the "Borrower"), has requested that the California Municipal Finance Authority ("CMFA") issue tax exempt revenue bonds in the maximum principal amount of $32,330,000 for the purpose of making a $17,000,000 loan to the Borrower, to enable the Borrower to refinance the costs of acquiring, constructing and equipping the facilities of the Escondido Adventist Academy located at 1301 Deodar Road (the "Project"). See Resolution 2013-170, Exhibit A, Item ii for a Project description. Since this is a refinancing, there are no outstanding permits or other City approvals required. All construction has been completed. The recommended bond issue is a refinancing that will result in financial savings to the Borrower.

In order for the CMFA to have the authority to serve as the issuer of these revenue bonds, it is necessary for the City of Escondido to become a member of the CMFA. This is accomplished by the City entering into a Joint Exercise of Powers Agreement with the Authority. The purpose of this agreement is to give the CMFA the authority to issue tax exempt bonds to obtain funds to make loans to finance nonprofit projects for healthcare, education and cultural facilities. The CMFA was created on January 1, 2004 and is a public entity, separate and apart from its members so the debts, liabilities and obligations of the CMFA do not constitute debts, liabilities or obligations of its members. The CMFA provides that any member may withdraw from the Agreement upon written notice to the Board of Directors of the CMFA.

Staff is recommending that Council adopt Resolution 2013-170 approving a membership agreement with the CMFA and approving the issuance of revenue bonds by the CMFA for the purpose of refinancing the acquisition, construction and improvement of certain facilities for the benefit of Southeastern California Conference of Seventh-Day Adventists.

Respectfully submitted,

Gilbert Rojas
Director of Finance

RESOLUTION NO. 2013-170

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, APPROVING, AUTHORIZING AND DIRECTING EXECUTION OF A JOINT EXERCISE OF POWERS AGREEMENT RELATING TO THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY AND APPROVING THE ISSUANCE OF REVENUE BONDS BY THE AUTHORITY FOR THE PURPOSE OF REFINANCING THE ACQUISITION, CONSTRUCTION AND IMPROVEMENT OF CERTAIN FACILITIES FOR THE BENEFIT OF SOUTHEASTERN CALIFORNIA CONFERENCE OF SEVENTH-DAY ADVENTISTS

WHEREAS, pursuant Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), certain public agencies (the "Members") have entered into a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, dated as of January 1, 2004 (the "Agreement"), in order to form the California Municipal Finance Authority (the "Authority"), for the purpose of promoting economic, cultural and community development, and in order to exercise any powers common to the Members, including the issuance of bonds, notes or other evidences of indebtedness; and

WHEREAS, the City of Escondido (the "City"), has determined that it is in the public interest and for the public benefit that the City become a Member of the Authority in order to facilitate the promotion of economic, cultural and community development activities in the City, including the financing of projects therefor by the Authority; and

WHEREAS, the Agreement has been filed with the City, and the members of the City Council, with the assistance of its staff, have reviewed said document and there is now before this City Council (the "City Council") the form of the Agreement; and

WHEREAS, the Authority is authorized to issue and sell revenue bonds for the purpose, among others, of refinancing certain capital projects; and

WHEREAS, Southeastern California Conference Of Seventh-Day Adventists, a California nonprofit corporation (the "Borrower") has requested that the Authority issue and sell revenue bonds in the maximum principal amount of $32,330,000 (the "Bonds") for the purpose of making a loan to the Borrower, to enable the Borrower to refinance the costs of the acquisition, construction and improvement of the facilities described on Exhibit "A" (the "Project"), attached hereto and incorporated by this reference; and

WHEREAS, the Authority has requested that the City Council approve the issuance of the Bonds by the Authority in order to satisfy the requirements of Section 4 of the Agreement; and

WHEREAS, it is in the public interest and for the public benefit that the City Council approve the issuance of the Bonds by the Authority for the aforesaid purposes;

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

SECTION 1. The foregoing resolutions are true and correct.

SECTION 2. The Agreement, attached as Exhibit "B" and incorporated by this reference, is hereby approved and the Mayor or the designee thereof is hereby authorized and directed to execute said document, and the City Clerk or the City Clerk's designee is hereby authorized and directed to attest thereto.

SECTION 3. The City Council hereby approves the issuance of the Bonds by the Authority in accordance with Section 4 of the Agreement.

SECTION 4. The issuance of the Bonds shall be subject to the approval of the Authority of any and all financing documents relating thereto to which the Authority is a party. The City shall have no responsibility or liability whatsoever with respect to the Bonds.

SECTION 5. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing to acquire or construct the Project or any refinancing of the Project; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, rehabilitation or operation of the Project; (iii) make any contribution or advance any funds whatsoever to the Authority; or (iv) take any further action with respect to the Authority or its membership therein.

SECTION 6. The Mayor, the City Clerk and all other proper officers and officials of the City are hereby authorized and directed to execute such other agreements, documents and certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of this Resolution and the transactions herein authorized.

SECTION 7. The City Clerk shall forward a certified copy of this Resolution and an originally executed Agreement to the Authority in care of its counsel:

Ronald E. Lee, Esq.
Jones Hall
650 California Street, 18th Floor
San Francisco, CA 94108

SECTION 8. This resolution shall take effect immediately upon its passage.

EXHIBIT "A"

Project Description

The "Project" consists of refinancing costs incurred for the acquisition, construction, improvement, renovation, remodeling, furnishing and equipping of certain educational facilities for (i) "Loma Linda Academy," a grades K-12 educational facility located at 10656 Anderson Street, Loma Linda, California, including but not limited to remodeling of the physics classroom, remodeling the high school gym lobby, entrance/parking reconfiguration, remodeling a classroom complex, building a new junior high school gymnasium, building a new campus core building, building a new campus quad area, building a new library, and making corresponding infrastructure changes; (ii) "Escondido Adventist Academy," a grades K-12 educational facility located at 1301 Deodar Road, Escondido, California, including but not limited to a new approximately 63,000 square feet grades K-12 school building including classrooms, computer and science laboratories, gymnasium, cafeteria/auditorium, administrative offices, library, outdoor playgrounds and athletic fields; and (iii) the "Pine Springs Ranch Retreat and Conference Center," located at 58000 Apple Canyon Road, Mountain Center, California, including but not limited to construction and equipping of a new approximately 15,500 square foot dining facility including a commercial kitchen, dining room and meeting rooms.

JOINT EXERCISE OF POWERS AGREEMENT RELATING TO THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY

THIS AGREEMENT, dated as of January 1, 2004, among the parties executing this Agreement (all such parties, except those which have withdrawn as provided herein, are referred to as the "Members" and those parties initially executing this Agreement are referred to as the "Initial Members"):

WITNESSETH

WHEREAS, pursuant to Title 1, Division 7, Chapter 5 of the California Government Code (in effect as of the date hereof and as the same may from time to time be amended or supplemented, the "Joint Exercise of Powers Act"), two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, each of the Members is a "public agency" as that term is defined in Section 6500 of the Joint Exercise of Powers Act; and

WHEREAS, each of the Members is empowered by law to promote economic, cultural and community development, including, without limitation, the promotion of opportunities for the creation or retention of employment, the stimulation of economic activity, the increase of the tax base, and the promotion of opportunities for education, cultural improvement and public health, safety and general welfare; and

WHEREAS, each of the Members may accomplish the purposes and objectives described in the preceding preamble by various means, including through making grants, loans or providing other financial assistance to governmental and nonprofit organizations; and

WHEREAS, each Member is also empowered by law to acquire and dispose of real property for a public purpose; and

WHEREAS, the Joint Exercise of Powers Act authorizes the Members to create a joint exercise of powers entity with the authority to exercise any powers common to the Members, as specified in this Agreement and to exercise the additional powers granted to it in the Joint Exercise of Powers Act and any other applicable provisions of the laws of the State of California; and

WHEREAS, a public entity established pursuant to the Joint Exercise of Powers Act is empowered to issue or execute bonds, notes, commercial paper or any other evidences of indebtedness, including leases or installment sale agreements or certificates of participation therein (herein "Bonds"), and to otherwise undertake financing programs under the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California to accomplish its public purposes; and

WHEREAS, the Members have determined to specifically authorize a public entity authorized pursuant to the Joint Exercise of Powers Act to issue Bonds pursuant to the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California; and

WHEREAS, it is the desire of the Members to use a public entity established pursuant to the Joint Exercise of Powers Act to undertake the financing and/or refinancing of projects of any nature, including, but not limited to, capital or working capital projects, insurance, liability or retirement programs or facilitating Members use of existing or new financial instruments and mechanisms; and

WHEREAS, it is further the intention of the Members that the projects undertaken will result in significant public benefits to the inhabitants of the jurisdictions of the Members; and

WHEREAS, by this Agreement, each Member desires to create and establish the "California Municipal Finance Authority" for the purposes set forth herein and to exercise the powers provided herein;

NOW, THEREFORE, the Members, for and in consideration of the mutual promises and agreements herein contained, do agree as follows:

Section 1. Purpose.

This Agreement is made pursuant to the provisions of the Joint Exercise of Powers Act. The purpose of this Agreement is to establish a public entity for the joint exercise of powers common to the Members and for the exercise of additional powers given to a joint powers entity under the Joint Powers Act or any other applicable law, including, but not limited to, the issuance of Bonds for any purpose or activity permitted under the Joint Exercise of Powers Act or any other applicable law. Such purpose will be accomplished and said power exercised in the manner hereinafter set forth.

Section 2. Term.

This Agreement shall become effective in accordance with Section 17 as of the date hereof and shall continue in full force and effect until such time as it is terminated in writing by all the Members; provided, however, that this Agreement shall not terminate or be terminated until all Bonds issued or caused to be issued by the Authority (defined below) shall no longer be outstanding under the terms of the indenture, trust agreement or other instrument pursuant to which such Bonds are issued, or unless a successor to the Authority assumes all of the Authority's debts, liabilities and obligastions.

Section 3. Authority.

A. CREATION AND POWERS OF AUTHORITY.

Pursuant to the Joint Exercise of Powers Act, there is hereby created a public entity to be known as the "California Municipal Finance Authority" (the "Authority"), and said Authority shall be a public entity separate and apart from the Members. Its debts, liabilities and obligations do not constitute debts, liabilities or obligations of any Members.

B. BOARD.

The Authority shall be administered by the Board of Directors (the "Board," or the "Directors" and each a "Director") of the California Foundation for Stronger Communities, a nonprofit public benefit corporation organized under the laws of the State of California (the "Foundation"), with each such Director serving in his or her individual capacity as a Director of the Board. The Board shall be the administering agency of this Agreement and, as such, shall be vested with the powers set forth herein, and shall administer this Agreement in accordance with the purposes and functions provided herein. The number of Directors, the appointment of Directors, alternates and successors, their respective terms of office, and all other provisions relating to the qualification and office of the Directors shall be as provided in the Articles and Bylaws of the Foundation, or by resolution of the Board adopted in accordance with the Bylaws of the Foundation.

All references in this Agreement to any Director shall be deemed to refer to and include the applicable alternate Director, if any, when so acting in place of a regularly appointed Director.

Directors may receive reasonable compensation for serving as such, and shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a Director, if the Board shall determine that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

The Foundation may be removed as administering agent hereunder and replaced at any time by amendment of this Agreement approved as provided in Section 16; provided that a successor administering agent of this Agreement has been appointed and accepted its duties and responsibilities under this Agreement.

C. OFFICERS; DUTIES; OFFICIAL BONDS.

The officers of the Authority shall be the Chair, Vice-Chair, Secretary and Treasurer (defined below). The Board, in its capacity as administering agent of this Agreement, shall elect a Chair, a Vice-Chair, and a Secretary of the Authority from among Directors to serve until such officer is re-elected or a successor to such office is elected by the Board. The Board shall appoint one or more of its officers or employees to serve as treasurer, auditor, and controller of the Authority (the "Treasurer") pursuant to Section 6505.6 of the Joint Exercise of Powers Act to serve until such officer is re-elected or a successor to such office is elected by the Board.

Subject to the applicable provisions of any resolution, indenture, trust agreement or other instrument or proceeding authorizing or securing Bonds (each such resolution, indenture, trust agreement, instrument and proceeding being herein referred to as an "Indenture") providing for a trustee or other fiscal agent, and except as may otherwise be specified by resolution of the Board, the Treasurer is designated as the depositary of the Authority to have custody of all money of the Authority, from whatever source derived and shall have the powers, duties and responsibilities specified in Sections 6505, 6505.5 and 6509.5 of the Joint Exercise of Powers Act.

The Treasurer of the Authority is designated as the public officer or person who has charge of, handles, or has access to any property of the Authority, and such officer shall file an official bond with the Secretary of the Authority in the amount specified by resolution of the Board but in no event less than $1,000.

The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

The Board shall have the power, by resolution, to the extent permitted by the Joint Exercise of Power Act or any other applicable law, to delegate any of its functions to one or more of the Directors or officers, employees or agents of the Authority and to cause any of said Directors, officers, employees or agents to take any actions and execute any documents or instruments for and in the name and on behalf of the Board or the Authority.

D. MEETINGS OF THE BOARD.

(1) Ralph M. Brown Act.

All meetings of the Board, including, without limitation, regular, adjourned regular, special, and adjourned special meetings shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the Government Code of the State of California), or any successor legislation hereinafter enacted (the "Brown Act").

(2) Regular Meetings.

The Board shall provide for its regular meetings; provided, however, it shall hold at least one regular meeting each year. The date, hour and place of the holding of the regular meetings shall be fixed by resolution of the Board. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(3) Special Meetings.

Special meetings of the Board may be called in accordance with the provisions of Section 54956 of the Government Code of the State of California. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(4) Minutes.

The Secretary of the Authority shall cause to be kept minutes of the regular, adjourned regular, special, and adjourned special meetings of the Board and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director.

(5) Quorum.

A majority of the Board shall constitute a quorum for the transaction of business. No action may be taken by the Board except upon the affirmative vote of a majority of the Directors constituting a quorum, except that less than a quorum may adjourn a meeting to another time and place.

E. RULES AND REGULATIONS.

The Authority may adopt, from time to time, by resolution of the Board such rules and regulations for the conduct of its meetings and affairs as may be required.

Section 4. Powers.

The Authority shall have the power, in its own name, to exercise the common powers of the Members and to exercise all additional powers given to a joint powers entity under any of the laws of the State of California, including, but not limited to, the Joint Exercise of Powers Act, for any purpose authorized under this Agreement. Such powers shall include the common powers specified in this Agreement and may be exercised in the manner and according to the method provided in this Agreement. The Authority is hereby authorized to do all acts necessary for the exercise of such power, including, but not limited to, any of all of the following: to make and enter into contracts; to employ agents and employees; to acquire, construct, provide for maintenance and operation of, or maintain and operate, any buildings, works or improvements; to acquire, hold or dispose of property wherever located; to incur debts, liabilities or obligations; to receive gifts, contributions and donations of property, funds, services, and other forms of assistance from person, firms, corporations and any governmental entity; to sue and be sued in its own name; to make grants, loans or provide other financial assistance to governmental and nonprofit organizations (e.g., the Members or the Foundation) to accomplish any of its purposes; and generally to do any and all things necessary or convenient to accomplish its purposes.

Without limiting the generality of the foregoing, the Authority may issue or cause to be issued Bonds, and pledge any property or revenues as security to the extent permitted under the Joint Exercise of Powers Act, or any other applicable provision of law; provided, however, the Authority shall not issue Bonds with respect to any project located in the jurisdiction of one or more Members unless the governing body of any such Member, or its duly authorized representative, shall approve, conditionally or unconditionally, the project, including the issuance of Bonds therefor. Such approval may be evidenced by resolution, certificate, order, report or such other means of written approval of such project as may be selected by the Member (or its authorized representative) whose approval is required. No such approval shall be required in connection with Bonds that refund Bonds previously issued by the Authority and approved by the governing board of a Member.

The manner in which the Authority shall exercise its powers and perform its duties is and shall be subject to the restrictions upon the manner in which a California general law city could exercise such powers and perform such duties. The manner in which the Authority shall exercise its powers and perform its duties shall not be subject to any restrictions applicable to the manner in which any other public agency could exercise such powers or perform such duties, whether such agency is a party to this Agreement or not.

Section 5. Fiscal Year.

For the purposes of this Agreement, the term "Fiscal Year" shall mean the fiscal year as established from time to time by resolution of the Board, being, at the date of this Agreement, the period from July 1 to and including the following June 30, except for the first Fiscal Year which shall be the period from the date of this Agreement to June 30, 2004.

Section 6. Disposition of Assets.

At the end of the term hereof or upon the earlier termination of this Agreement as set forth in Section 2, after payment of all expenses and liabilities of the Authority, all property of the Authority both real and personal shall automatically vest in the Members in the manner and amount determined by the Board in its sole discretion and shall thereafter remain the sole property of the Members; provided, however, that any surplus money on hand shall be returned in proportion to the contributions made by the Members.

Section 7. Bonds.

From time to time the Authority shall issue Bonds, in one or more series, for the purpose of exercising its powers and raising the funds necessary to carry out its purposes under this Agreement.

The services of bond counsel, financing consultants and other consultants and advisors working on the projects and/or their financing shall be used by the Authority. The expenses of the Board shall be paid from the proceeds of the Bonds or any other unencumbered funds of the Authority available for such purpose.

Section 8. Bonds Only Limited and Special Obligations of Authority.

The Bonds, together with the interest and premium, if any, thereon, shall not be deemed to constitute a debt of any Member or pledge of the faith and credit of the Members or the Authority. The Bonds shall be only special obligations of the Authority, and the Authority shall under no circumstances be obligated to pay the Bonds except from revenues and other funds pledged therefor. Neither the Members nor the Authority shall be obligated to pay the principal of, premium, if any, or interest on the Bonds, or other costs incidental thereto, except from the revenues and funds pledged therefor, and neither the faith and credit nor the taxing power of the Members nor the faith and credit of the Authority shall be pledged to the payment of the principal of, premium, if any, or interest on the Bonds nor shall the Members or the Authority in any manner be obligated to make any appropriation for such payment.

No covenant or agreement contained in any Bond or related document shall be deemed to be a covenant or agreement of any Director, or any officer, employee or agent of the Authority in his or her individual capacity and neither the Board of the Authority nor any Director or officer thereof executing the Bonds shall be liable personally on any Bond or be subject to any personal liability or accountability by reason of the issuance of any Bonds.

Section 9. Accounts and Reports.

All funds of the Authority shall be strictly accounted for. The Authority shall establish and maintain such funds and accounts as may be required by good accounting practice and by any provision of any Indenture (to the extent such duties are not assigned to a trustee of Bonds). The books and records of the Authority shall be open to inspection at all reasonable times by each Member.

The Treasurer of the Authority shall cause an independent audit to be made of the books of accounts and financial records of the Authority by a certified public accountant or public accountant in compliance with the provisions of Section 6505 of the Joint Exercise of Powers Act. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of accounts and records is made by a certified public accountant or public accountant, a report thereof shall be filed as a public record with each Member and also with the county auditor of each county in which a Member is located; provided, however, that to the extent permitted by law, the Authority may, instead of filing such report with each Member and such county auditor, elect to post such report as a public record electronically on a website designated by the Authority. Such report if made shall be filed within 12 months of the end of the Fiscal Year or Years under examination.

The Treasurer is hereby directed to report in writing on the first day of July, October, January, and April of each year to the Board and the Members which report shall describe the amount of money held by the Treasurer for the Authority, the amount of receipts since the last such report, and the amount paid out since the last such report (which may exclude amounts held by a trustee or other fiduciary in connection with any Bonds to the extent that such trustee or other fiduciary provided regular reports covering such amounts.)

Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants in making an audit pursuant to this Section, shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for that purpose.

In any Fiscal Year the Board may, by resolution adopted by unanimous vote, replace the annual special audit with an audit covering a two-year period.

Section 10. **Funds.**

Subject to the applicable provisions of any Indenture, which may provide for a trustee or other fiduciary to receive, have custody of and disburse Authority funds, the Treasurer of the Authority shall receive, have the custody of and disburse Authority funds pursuant to the accounting procedures developed under Sections 3.C and 9, and shall make the disbursements required by this Agreement or otherwise necessary to carry out any of the provisions of purposes of this Agreement.

Section 11. **Notices.**

Notices and other communications hereunder to the Members shall be sufficient if delivered to the clerk of the governing body of each Member; provided, however, that to the extent permitted by law, the Authority may, provide notices and other communications and postings electronically (including, without limitation, through email or by posting to a website).

Section 12. **Additional Members/Withdrawal of Members.**

Qualifying public agencies may be added as parties to this Agreement and become Members upon: (1) the filing by such public agency with the Authority of an executed counterpart of this Agreement, together with a copy of the resolution of the governing body of such public agency approving this Agreement and the execution and delivery hereof; and (2) adoption of a resolution of the Board approving the addition of such public agency as a Member. Upon satisfaction of such conditions, the Board shall file such executed counterpart of this Agreement as an amendment hereto, effective upon such filing.

A Member may withdraw from this Agreement upon written notice to the Board; provided, however, that no such withdrawal shall result in the dissolution of the Authority so long as any Bonds remain outstanding. Any such withdrawal shall be effective only upon receipt of the notice of withdrawal by the Board which shall acknowledge receipt of such notice of withdrawal in writing and shall file such notice as an amendment to this Agreement effective upon such filing.

Section 13. **Indemnification.**

To the full extent permitted by law, the Board may authorize indemnification by the Authority of any person who is or was a Director or an officer, employee of other agent of the Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a Director or an officer, employee or other agent of the Authority, against expenses, including attorneys fees, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith in a manner such person reasonably believed to be in the best interests of the Authority and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful and, in the case of an action by or in the right of the Authority, acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

Section 14. Contributions and Advances.

Contributions or advances of public funds and of the use of personnel, equipment or property may be made to the Authority by the Members for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution or advance. Any such advance may be made subject to repayment, and in such case shall be repaid, in the manner agreed upon by the Authority and the Member making such advance at the time of such advance. It is mutually understood and agreed to that no Member has any obligation to make advances or contributions to the Authority to provide for the costs and expenses of administration of the Authority, even though any Member may do so. The Members understand and agree that a portion of the funds of the Authority that otherwise may be allocated or distributed to the Members may instead be used to make grants, loans or provide other financial assistance to governmental units and nonprofit organizations (e.g., the Foundation) to accomplish any of the governmental unit's or nonprofit organization's purposes.

Section 15. Immunities.

All of the privileges and immunities from liabilities, exemptions from laws, ordinances and rules, and other benefits which apply to the activity of officers, agents or employees of Members when performing their respective functions within the territorial limits of their respective public agencies, shall apply to the same degree and extent to the Directors, officers, employees, agents or other representatives of the Authority while engaged in the performance of any of their functions or duties under the provisions of this Agreement.

Section 16. Amendments.

Except as provided in Section 12 above, this Agreement shall not be amended, modified, or altered, unless the negative consent of each of the Members is obtained. To obtain the negative consent of each of the Members, the following negative consent procedure shall be followed: (a) the Authority shall provide each Member with a notice at least sixty (60) days prior to the date such proposed amendment is to become effective explaining the nature of such proposed amendment and this negative consent procedure; (b) the Authority shall provide each Member who did not respond a reminder notice with a notice at least thirty (30) days prior to the date such proposed amendment is to become effective; and (c) if no Member objects to the proposed amendment in writing within sixty (60) days after the initial notice, the proposed amendment shall become effective with respect to all Members.

Section 17. Effectiveness.

This Agreement shall become effective and be in full force and effect and a legal, valid and binding obligation of each of the Members on the date that the Board shall have received from two of the Initial Members an executed counterpart of this Agreement, together with a certified copy of a resolution of the governing body of each such Initial Member approving this Agreement and the execution and delivery hereof.

Section 18. Partial Invalidity.

If any one or more of the terms, provisions, promises, covenants or conditions of this Agreement shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Agreement shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

Section 19. Successors.

This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto. Except to the extent expressly provided herein, no Member may assign any right or obligation hereunder without the consent of the other Members.

Section 20. Miscellaneous.

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

The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to.

Wherever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

This Agreement shall be governed under the laws of the State of California.

This Agreement is the complete and exclusive statement of the agreement among the Members, which supercedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between and among the Members relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the City of Escondido has caused this Agreement to be executed and attested by its duly authorized representatives as of the ___ day of _____________, 2013.

Member:

CITY OF ESCONDIDO

By ____________________________
Name:
Title:

ATTEST:

By ____________________________
Name:
Title:

ESCONDIDO
City of Choice

CITY COUNCIL

For City Clerk's Use:
☐ APPROVED ☐ DENIED
Reso No. ____________ File No. ____________
Ord No. ____________

Agenda Item No.: 7
Date: December 11, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Barbara J. Redlitz, Director of Community Development

SUBJECT: Initiation of Annexation and Development Agreement for 4.17 Acres located in the North Broadway Deficiency Area

STAFF RECOMMENDATION:

It is requested that Council initiate the proposed Annexation and Development Agreement for further study and authorize the Planning Division to accept an application from the applicant.

PROJECT DESCRIPTION:

A request from Pacific Land Investors, LLC to initiate an Annexation and Development Agreement to facilitate a proposal for a residential subdivision on 4.17 acres of land in the North Broadway Deficiency Area. The property is bounded by Ash Street, Stanley Avenue and Lehner Avenue and is adjacent to several other parcels being developed by the applicant. The anticipated development on the site would include 13 single-family residences on lots that are at least 10,000 SF in size.

FISCAL ANALYSIS:

All City and LAFCO costs associated with the annexation would be paid by the applicant. The Growth Management Ordinance (Article 68) in the Escondido Zoning Code requires the implementation of a Development Agreement to allow residential construction to proceed prior to improving infrastructure in the North Broadway Deficiency Area. The Development Agreement will likely require the applicant to pay a "Deficiency Fee" to finance traffic and drainage improvements in the North Broadway area, and also could include a negotiated cost-sharing method for off-site infrastructure improvements as well.

GENERAL PLAN ANALYSIS:

The Growth Management Element (Section VIII) of the Escondido General Plan notes there could be situations where development is delayed in areas with critical deficiencies until adequate facilities are available. Public Financing Policy 3.3 (Pg. VIII-9) encourages the use of development agreements to ensure the timely provision of facilities necessary to support the demands of development.

Annexation proposals generally occur at the request of property owners as the City does not actively seek to annex unincorporated lands, except land owned by the City. Annexation Policies 16.1 and 16.4 of the Escondido General Plan state the City shall allow property owners to annex to the City if it can be demonstrated that appropriate improvements as determined by the City will be financed by the property owner, and that such expansion of the City will not have unacceptable adverse fiscal or environmental impacts to existing city services or residents.

The site is located in the Suburban designation of the General Plan and has already been prezoned R-1-10. The Suburban designation permits a maximum density of 3.3 dwelling units per acre with a minimum lot size of 10,000 SF. Development in this designation is generally characterized by single family homes with a traditional residential neighborhood character that includes interconnected streets supporting pedestrian and bicycle use along with vehicle circulation.

BACKGROUND:

The subject property is the only County property within the block bounded by Stanley Avenue to the north, Lehner Avenue to the south, Ash Street to the west and Conway Drive to the east. The other properties on this block were annexed in 2006 as part of the 22-acre annexation area (2004-02-AN) that was approved with Tract 889, a 16-lot residential development adjacent to the eastern boundary of the subject property. The applicant now has rights to Tract 889 and the three properties to the east with a total of 59 residential lots either already approved or in the Tentative Map process. A proposed Tentative Map for the subject property shows an additional 13 lots potentially could be provided under the current Escondido General Plan and prezone designations.

The property and all other properties on this block are located in the North Broadway Deficiency Area which requires the approval of a Development Agreement for residential development projects to address infrastructure deficiencies in the area. The applicant could avoid the Development Agreement process by developing the property under current County 1-acre zoning which would yield up to four lots, but is choosing to go through the Development Agreement process to assist with infrastructure needs in return for a significant increase in residential density. Two other Development Agreements were approved in 2006 on this block and subsequently expired. The applicant is currently processing four other Development Agreements for his other properties on this block.

ANALYSIS:

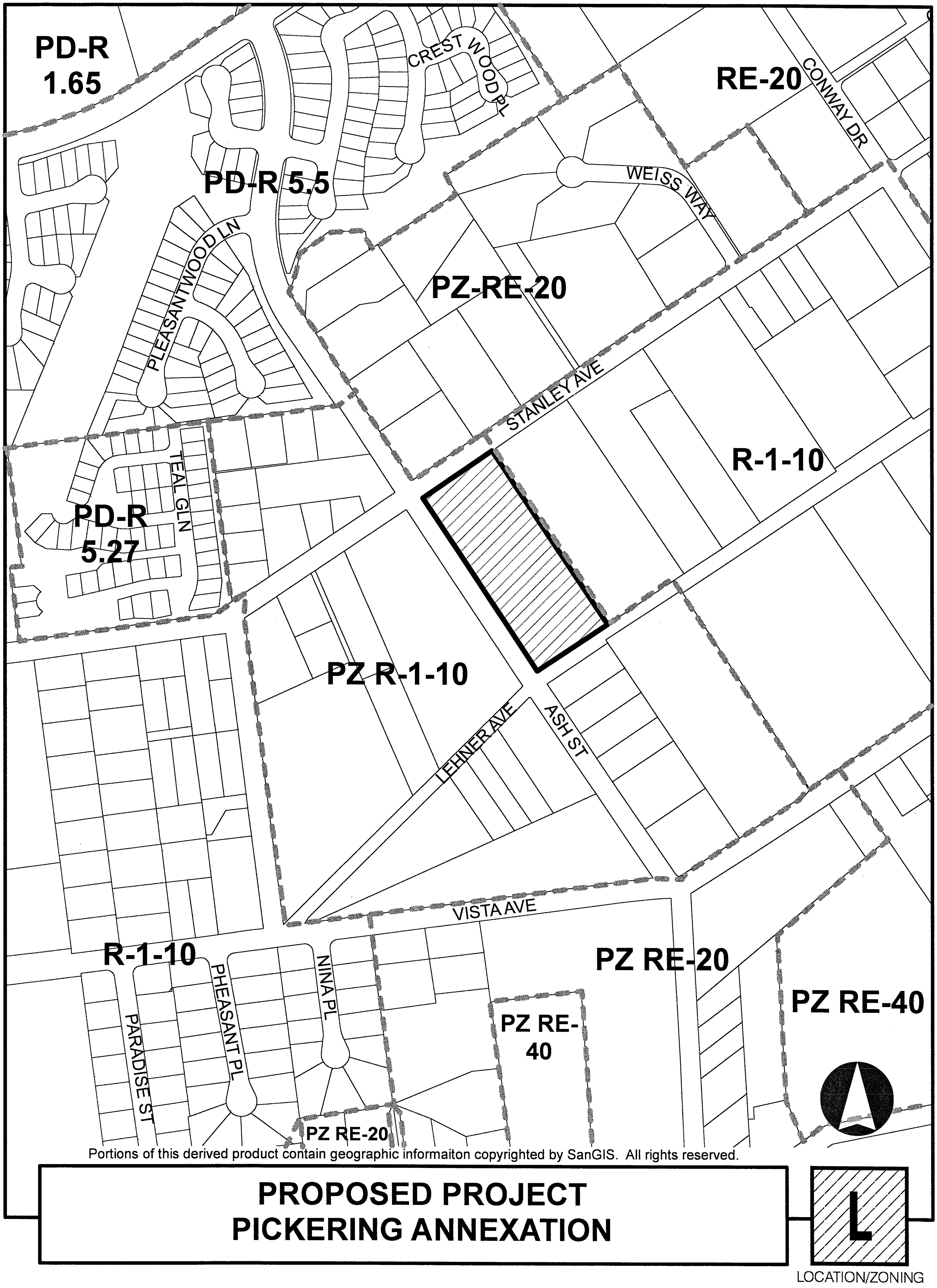
The property is currently located within the jurisdiction of the County of San Diego and the city limits for Escondido run the length of the eastern property line. An annexation would represent a logical extension of the city limits by taking in the last remaining property on this block. No other properties are needed to provide connectivity, and it is unknown at this point whether additional properties (besides one other controlled by the applicant to the west) would want to annex as part of this process. A determination on annexation survey limits will be made in consultation with LAFCO if the proposal is initiated. The advantage of annexing for neighboring property owners would be a potential opportunity to increase density over the existing County zoning, connect to sewer and also receive police services.

One benefit of annexing the subject property would be the construction of street frontage improvements for the three public streets that border the project site. Potential issues associated with developing the proposed annexation site include cost-sharing for off-site water line improvements and the payment of a "Deficiency Fee" for traffic and drainage upgrades in the North Broadway Deficiency Area. These issues are currently being negotiated with the applicant as part of the Development Agreements for Tract 889 and Tract 894. It is anticipated that similar terms would be incorporated into future Development Agreements on this block, including the subject property if initiated. All of these issues would be part of the review that staff will undertake should the Council decide to initiate the applicant's request for further study. This action would lead to the preparation of environmental documents, review of project entitlement plans and documents, and negotiation of Development Agreement terms prior to scheduling the proposed annexation and development proposal for public hearings before the Planning Commission and City Council.

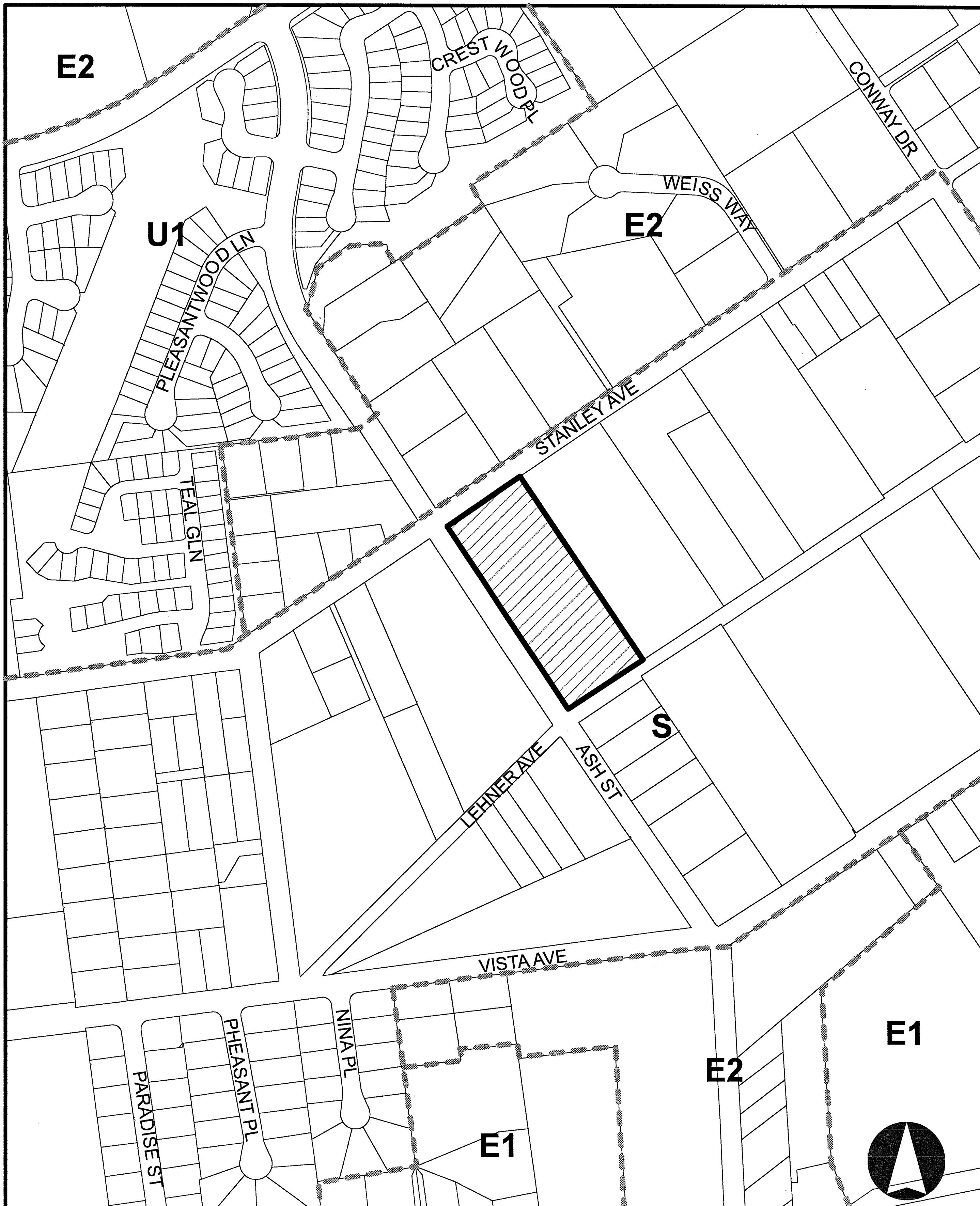
Respectfully Submitted,

Barbara J. Redlitz
Director of Community Development

Bill Martin
Principal Planner

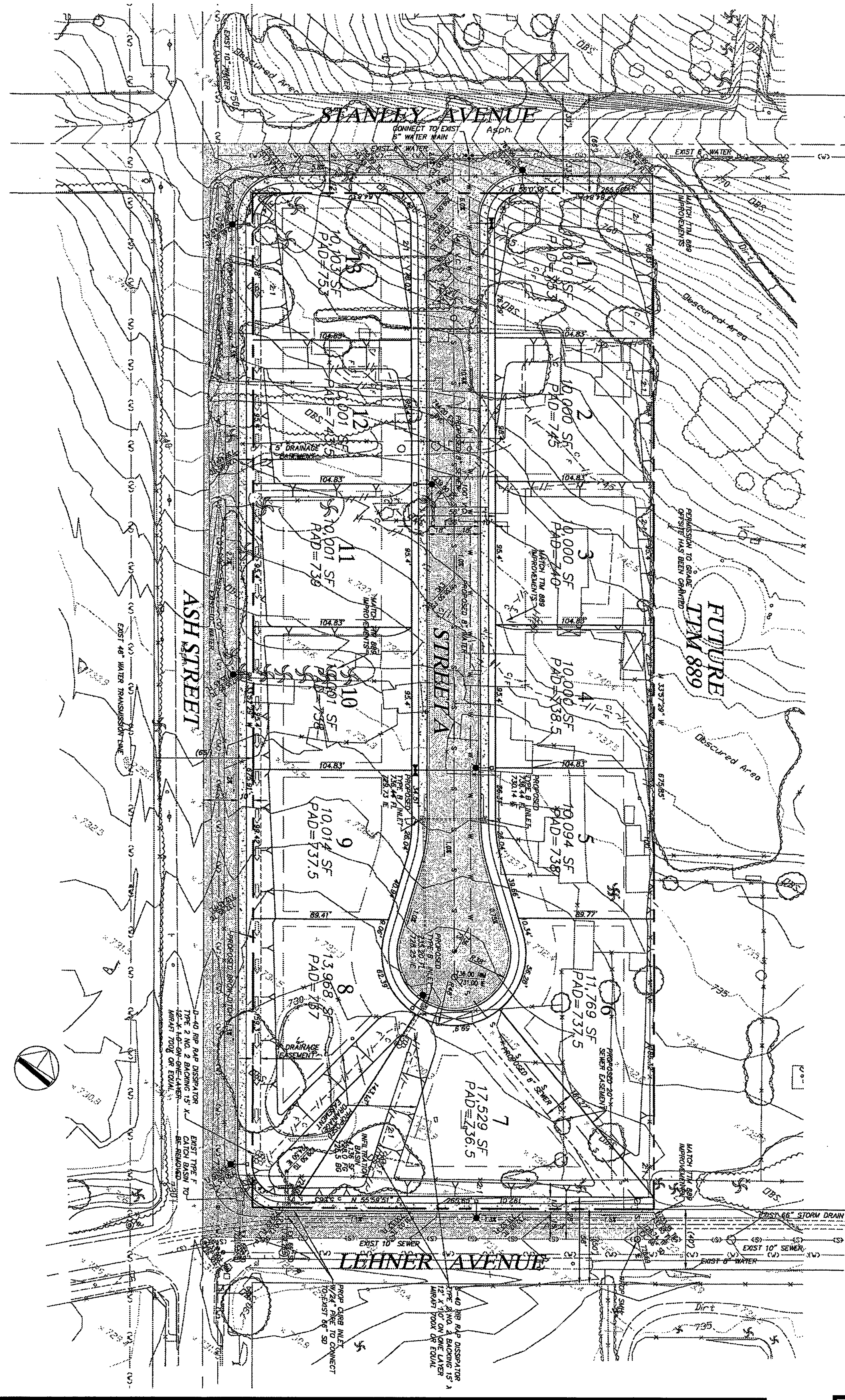


PROPOSED PROJECT
PICKERING ANNEXATION



PROPOSED PROJECT
PICKERING ANNEXATION

GP
GENERAL PLAN



PROPOSED PROJECT
PICKERING ANNEXATION

S

SITE PLAN

PACIFIC LAND INVESTORS

RECEIVED
NOV 19 2013
PLANNING DIVISION

November 19, 2013

Mr. Bill Martin
Planning Department
CITY OF ESCONDIDO
201 North Broadway
Escondido, CA 92025

RE: REQUEST FOR ANNEXATION INTO THE CITY OF ESCONDIDO
APN 224-142-01

Dear Mr. Martin:

In 2006, the City adopted Resolution No. 2006-23 (2) and 2006-24, approving Tract 889, which also included the annexation of multiple properties into the City of Escondido. This property (APN: 224-142-01) is adjacent and to the west of Tract 889. The property is currently zoned PZ-R-1-10 (Single Family Residential, 10,000 SF minimum lot sizes). The property fronts on Stanley Avenue, Ash Street and Lehner Avenue and abuts the City of Escondido city limits. Attached is a proposed site plan for 13 single family lots.

Currently, waterlines existing in Stanley Avenue, Ash Street, and Lehner Avenue, while sewer exists in Lehner Avenue abutting the property. Additionally, a 66-inch storm drain exists in Lehner serving the property.

Pursuant to our meeting, we are forwarding this letter requesting the City of Escondido to consider APN 224-142-01 for annexation into the City of Escondido.

Attached please find 8 ½ x 11 exhibits of the property for your use.

If you would like to discuss this matter further, please do not hesitate to contact me.

Sincerely,

PACIFIC LAND INVESTORS, LLC

Mark Ferraro

Attachment

ESCONDIDO
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CITY COUNCIL

For City Clerk's Use:
☐ APPROVED ☐ DENIED
Reso No. ____________ File No. ____________
Ord No. ____________

Agenda Item No.: 8
Date: December 11, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Jeffrey R. Epp, City Attorney

SUBJECT: City Council Member and Mayor Compensation

RECOMMENDATION:

Adopt Ordinance 2013-16 amending Section 2-28 of the Escondido Municipal Code to increase the salary for the City Council Members from $1,569.06 per month to $1,725.97 per month, effective on the date the City Council Members elected in 2014 are sworn into office.

FISCAL ANALYSIS:

Adoption of the salary adjustment would result in an annual increase to the General Fund budget of $16,355.00 as of December 2014.

DISCUSSION

During nonelection (odd numbered years), state law allows the City Council to consider adopting an Ordinance to increase the Council salary to be effective after the next municipal election and account for each of the two years since the last increase became effective.

The subject of salaries for City Council Members is controlled by California Government Code Sections 36516 and 36516.5. Under Section 36516(c), any salary increases must be adopted by ordinance, and cannot exceed five percent for each calendar year calculated from the operative date of the last increase. Amounts paid by the city for retirement, health and welfare are not included in these computations, provided the same benefits are available and paid by the city for its employees. Future, automatic increases are not permitted. Salary increases for City Council Members, regardless of when adopted, cannot take effect until one or more members commences a new term of office.

The last increase in City Council Member salaries was adopted in 2012. The City Council approved Ordinance 2012-04R which amended Section 2-28 of the Escondido Municipal Code to increase the compensation of City Council Members to $1,569.06 per month. This salary adjustment was effective December 5, 2012. Pursuant to State law, the City Council can increase its monthly salary by ten percent, five percent for each calendar year calculated from the effective date of the last increase. A ten percent increase will change the salary for the City Council Members from $1,569.06 per month to $1,725.97 per month, effective on the date the City Council Members elected in 2014 are sworn into office. Pursuant to Escondido Municipal Code Section 2-28(b), the Mayor's salary would also increase by the same percentage set forth in any ordinance adopted which provides for City Council salaries. The Mayor's current salary is $4,429.06 per month. A ten percent increase in the Mayor's salary would result in a monthly salary of $4,871.97.

State law supports adopting Ordinance 2013-16 amending Section 2-28 of the Escondido Municipal Code to increase the salary for the City Council Members from $1,569.06 per month to $1,725.97 per month, effective on the date the City Council Members elected in 2014 are sworn into office.

Respectfully submitted,

Jeffrey R. Epp
City Attorney

ORDINANCE NO. 2013-16

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 on December 5, 2012, following the 2012 Regular Municipal Election pursuant to Ordinance No. 2012-04R; 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 $1,569.06 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 2014 Regular Municipal Election are sworn into office, the members of the City Council shall receive a monthly salary of $1,725.97 per month in accordance with the provisions of Section 36516 of the Government Code.

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

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

SECTION 5. That the City Clerk is hereby directed to certify to the passage of this ordinance and to cause the same or a summary to be published, in accordance with Government Code section 36933, to be published one time within 15 days of its passage in a newspaper of general circulation, printed and published in the City of Escondido.

ESCONDIDO
City of Choice

CITY COUNCIL

For City Clerk's Use:
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Reso No. ________ File No. ________
Ord No. ________

Agenda Item No.: 9
Date: December 11, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Jeffrey R. Epp, City Attorney

SUBJECT: Appointment of *Ad Hoc* Subcommittee on Water Service Issues

RECOMMENDATION:

Request Council approve appointment of Councilmembers John Masson and Michael Morasco to serve as an ad hoc subcommittee on water service, recycled water service, and water service for fire protection in the Escondido, Rincon del Diablo, and overlapping jurisdictional areas.

FISCAL ANALYSIS:

N/A

DISCUSSION:

An interest has been expressed in creating an ad hoc subcommittee to work with staff to explore the provision of water service in the City of Escondido and surrounding areas in the most economical and efficient manner. The subcommittee would be temporary in nature and largely for the purpose of providing limited policy direction to staff, meeting with other officials from other agencies, and assembling background information for consideration by the full Council at a future date.

Respectfully submitted,

Jeffrey R. Epp
City Attorney

Christopher W. McKinney
Christopher W. McKinney
Director of Utilities

ESCONDIDO
City of Choice

CITY COUNCIL

For City Clerk's Use:
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Reso No. ____________ File No. ____________
Ord No. ____________

Agenda Item No.: 10
Date: December 11, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Edward N. Domingue, Public Works Director/City Engineer
Richard O'Donnell, Deputy Director/Maintenance

SUBJECT: Authorize Fleet Services to Purchase One (1) Global M4 Street Sweeper, by Utilizing a Cooperative Purchase Contract with the County of Los Angeles

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2013-166 authorizing Fleet Services to purchase directly from Plumbers Depot Inc. one (1) Global Environmental Products, Global M4 Street Sweeper, by utilizing the cooperative purchasing contract with the County of Los Angeles, Internal Services Department, Central Purchasing, RFB #IS-13201672-1 and as per the Escondido Municipal Code Section 10-90, the City may use Cooperative Purchasing, which has been conducted in a competitive manner by the State, County or any other Public or Municipal Agency.

FISCAL ANALYSIS:

Sufficient funds are budgeted in the Fleet Services Vehicle Replacement Fund.

PREVIOUS ACTION:

N/A

BACKGROUND:

The purchase of this Global M4 Street Sweeper will replace an existing 2001 Elgin Broom Bear Street Sweeper, unit #3271. A typical street sweeper has a service life of seven (7) years. Fleet Services extended the life of this unit an additional four (4) years. Unit #3271 was sent and sold at auction in May of 2012.

To ensure the County of Los Angeles contract would benefit the City, the Fleet Services Superintendent compared the current County of Los Angeles contract with the current State of California, Department of General Services, Procurement Division, and State Contract #1-31-01-02. By utilizing the County of Los Angeles contract, the City will save $4,331.88. Both current contract prices are listed below:

Contracts	Amount
County of Los Angeles	$258,972.12
State of California	$263,304.00

The Fleet Services Superintendent has reviewed the specifications from Plumbers Depot and agrees to utilize the cooperative purchasing contract with the County of Los Angeles, Internal Services Department, Central Purchasing, RFB #IS-13201672-1.

Respectfully submitted,

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

Richard O'Donnell
Deputy Director/Maintenance

RESOLUTION NO. 2013-166

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE CITY COUNCIL TO APPROVE, ON BEHALF OF THE CITY, THE PURCHASE OF ONE GLOBAL M4 STREET SWEEPER FROM PLUMBERS DEPOT, INC. THROUGH A COOPERATIVE PURCHASING CONTRACT WITH THE COUNTY OF LOS ANGELES

WHEREAS, the City of Escondido (the "City") wishes to purchase one (1) Global Environmental Products, Global M4, Street Sweeper; and

WHEREAS, sufficient funds for said purchase have been approved in the 2013/2014 Fleet Services Operating Budget; and

WHEREAS, the City wishes to utilize a cooperative purchase agreement with the County of Los Angeles; and

WHEREAS, request for bids for the purchase of Street Sweepers were released on June 19, 2013, from the County of Los Angeles, Internal Services Department, Central Purchasing and opened on July 2, 2013; and

WHEREAS, the City is utilizing the cooperative purchasing contract with the County of Los Angeles, Internal Services Department, Central Purchasing, RFB #IS-13201672-1 and as per the Escondido Municipal Code Section 10-90, the City may use Cooperative Purchasing, which has been conducted in a competitive manner by the State, County or any other Public or Municipal Agency; and

WHEREAS, Plumbers Depot Inc. can provide Global M4 Street Sweepers to local government agencies according to RFB #IS-13201672; and

WHEREAS, staff recommends awarding the purchase to Plumbers Depot Inc. in the amount of $258,972.12; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to utilize the cooperative purchasing contract with the County of Los Angeles, Internal Services Department, Central Purchasing, RFB #IS-13201672-1 and as per the Escondido Municipal Code Section 10-90, the City may use Cooperative Purchasing, which has been conducted in a competitive manner by the State, County or any other Public or Municipal Agency and award the purchase one (1) Global M4 Street Sweeper to Plumbers Depot 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 City Council authorize Fleet Services to purchase, on behalf of the City, one (1) Global Environmental Products, Global M4 Street Sweeper from Plumbers Depot Inc. utilizing the County of Los Angeles, Internal Services Department, Central Purchasing, RFB #IS-13201672-1.

Agenda Item No.: 11
Date: December 11, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Edward N. Domingue, Public Works Director/City Engineer
Frank P. Schmitz, Parks and Open Space Administrator

SUBJECT: City of Escondido Landscape Maintenance District - Preliminary Engineer's Report for Zone 38 for Fiscal Year 2014/2015

RECOMMENDATION:

It is requested that Council adopt Resolution Nos. 2013-135 and 2013-136 that will initiate the proceedings for the annual levy of assessments for the City of Escondido Landscape Maintenance Assessment District (LMD) (see attached map) for Zone 38 for the 2014/2015 fiscal year, approve the preliminary Engineer's report for LMD Zone 38, and set a public hearing date of February 12, 2014, for LMD Zone 38.

FISCAL ANALYSIS:

The LMD reimburses all costs incurred by the City in Zone 38.

PREVIOUS ACTION:

The City Council adopted Resolution 2013-134 on November 6, 2013, that authorized the annexation of Tract 888 into the LMD as Zone 38.

BACKGROUND:

The LMD was established as a means to fund the ongoing maintenance of certain landscape improvements associated with the development of the specific properties within the City of Escondido. These landscape improvements have special benefit to those specific properties. The LMD is divided into various zones. Property owners within each zone are assessed for the benefit received within their zone for the maintenance of the landscape improvements.

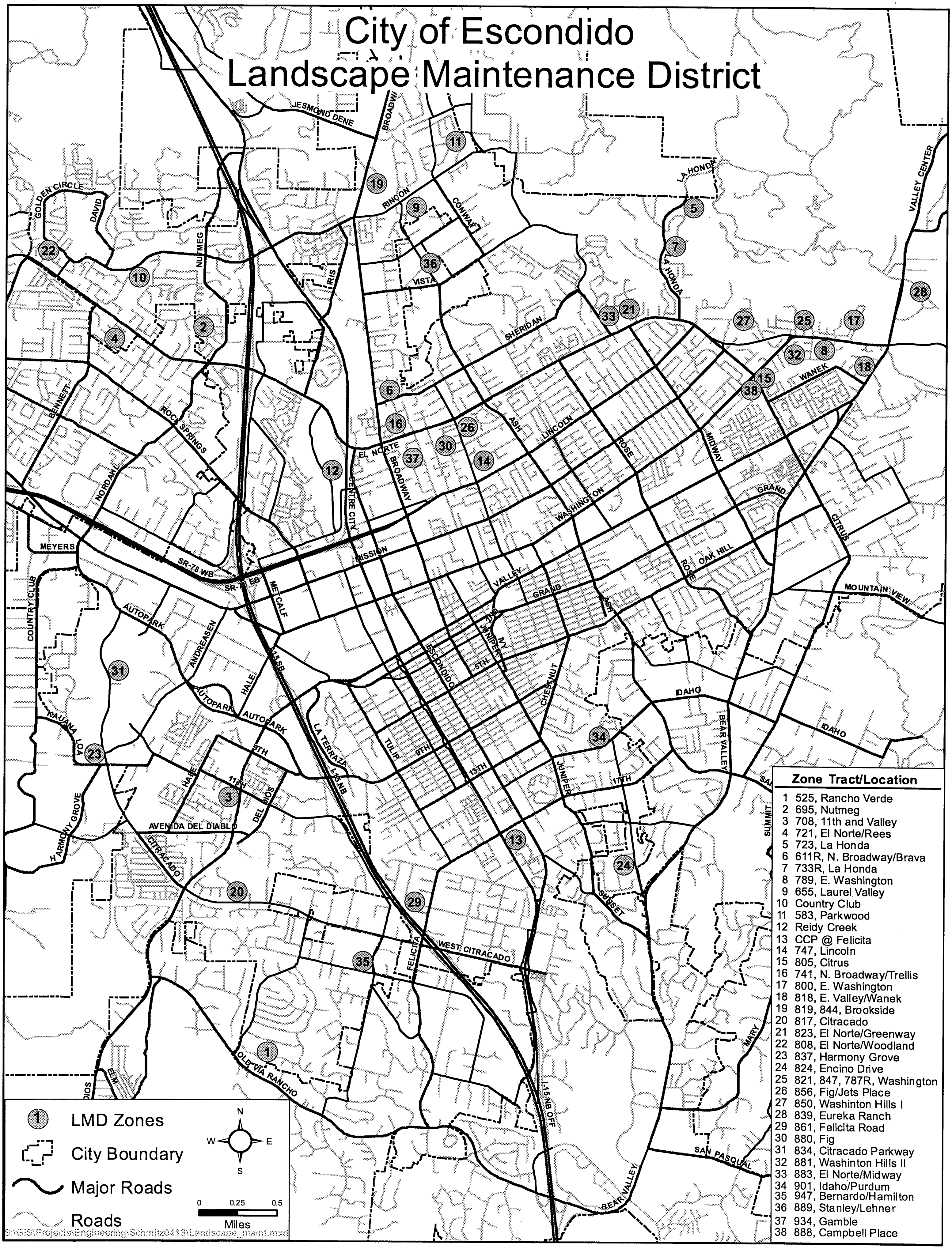
Pursuant to Proposition 218, passed by the California voters on November 5, 1996, all new assessments and increases in assessments require a vote of the affected property owners. In fiscal year 2014/2015 a new assessment is proposed for Zone 38. Ballots will be sent to all the property owners in Zone 38 giving them the option of approving or rejecting the proposed new assessment. These ballots will be tabulated after the close of the February 12, 2014, public hearing. The result of the ballot tabulation will be reported to the City Council at the March 5, 2014 City Council meeting in conjunction with Council action to approve the final Engineer's report and setting of assessments for Zone 38 for fiscal year 2014/2015.

Respectfully submitted,

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

Frank P. Schmitz
Parks and Open Space Administrator

City of Escondido Landscape Maintenance District



Agenda Item No.: 11
Date: December 11, 2013

RESOLUTION NO. 2013-135

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ORDERING THE PREPARATION OF AN ASSESSMENT ENGINEER'S REPORT FOR THE ANNUAL LEVY OF ASSESSMENTS IN ZONE 38 OF THE ESCONDIDO LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT

WHEREAS, the City Council of the City of Escondido has previously formed a maintenance district pursuant to the terms of the "Landscaping and Lighting Act of 1972," being Division 15, Part 2 of the Streets and Highways Code of the State of California (the "Act"), said maintenance district known and designated as the Escondido Landscape Maintenance Assessment District (the "Maintenance District"); and

WHEREAS, the City Council has further ordered the annexation of that certain property identified as Escondido Tract 888 to the Maintenance District and Zone 38 thereof ("Zone 38"); and

WHEREAS, at this time the City Council desires to initiate proceedings to provide for the annual levy of assessments for the next ensuing fiscal year to provide for the annual costs of maintenance of improvements within Zone 38 of the Maintenance District and order the preparation and filing of an Assessment Engineer's Report for Zone 38.

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

1. That the above recitals are true.

2. That the public interest and convenience requires, and it is the intention of this legislative body to initiate proceedings for the annual levy and collection of special

assessments for the payment of annual maintenance and/or servicing costs within Zone 38 of the Maintenance District.

3. That the City Engineer is hereby directed and ordered to prepare and file or cause to be prepared and filed, an Assessment Engineer's Report as required by the provisions of the Act, Article XIIID of the Constitution of the State of California ("Article XIIID"), and the Proposition 218 Omnibus Implementation Act (Government Code Section 53750 and following) (the "Implementation Act") (the 1972 Act, Article XIIID, and the Implementation Act are referred to collectively as the "Assessment Law") generally containing the following:

A. Plans and specifications describing the general nature, location and extent of the improvements to be maintained;

B. An estimate of the cost of the maintenance and/or servicing of the improvements for Zone 38 of the Maintenance District;

C. A diagram of Zone 38 of the Maintenance District, showing: (i) the exterior boundaries of Zone 38 of the Maintenance District; and (ii) the lines and dimensions of each lot or parcel of land within Zone 38 of the Maintenance District which is identified by a distinctive number or letter;

D. An assessment of the estimated costs of the maintenance and/or servicing of the improvements, assessing the net amount upon all assessable lots and/or parcels within Zone 38 of the Maintenance District in proportion of the special benefits received.

Upon completion of the preparation of said Assessment Engineer's Report, the original shall be filed with the City Clerk, who shall then submit the same to this City Council for its immediate review and consideration.

4. That the above Assessment Engineer's Report shall include all costs and expenses of said maintenance and/or servicing relating to Fiscal Year 2014/2015.

5. That this Resolution shall take effect immediately upon its adoption.

RESOLUTION NO. 2013-136

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, PRELIMINARILY APPROVING THE ASSESSMENT ENGINEER'S REPORT AND DECLARING ITS INTENTION TO ESTABLISH THE ANNUAL ASSESSMENTS IN ZONE 38 OF THE ESCONDIDO LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT, PROVIDE FOR THE ANNUAL LEVY AND COLLECTION OF ASSESSMENTS IN ZONE 38 OF THE ESCONDIDO LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT, AND SET THE TIME AND PLACE FOR A PUBLIC HEARING THEREON

WHEREAS, the City Council of the City of Escondido has previously formed a maintenance district pursuant to the terms of the "Landscaping and Lighting Act of 1972," being Division 15, Part 2 of the Streets and Highways Code of the State of California (the "Act), and, the Article XIIID of the Constitution of the State of California ("Article XIID"), and the Proposition 218 Omnibus Implementation Act (Government Code Section 53750 and following) (the "Implementation Act") (the 1972 Act, Article XIIID, and the Implementation Act are referred collectively as the "Assessment Law"). Such maintenance district is known and designated as the Escondido Landscape Maintenance Assessment District (the "Maintenance District"); and

WHEREAS, The City Council has previously ordered the annexation of that property identified as Escondido Tract 888 to the Maintenance District and the inclusion of such property in Zone 38; and

WHEREAS, this City Council ordered the preparation and filing of an Assessment Engineer's Report to initiate proceedings to provide for the annual levy of assessments for Zone 38 of the Maintenance District for the next ensuing fiscal year to provide for the costs and expenses necessary to pay for the maintenance of improvements in the Maintenance District; and

WHEREAS, there has been presented to the City Council and filed with the City Clerk the Assessment Engineer's Report for the Maintenance District and Zone 38 thereof, attached hereto as Exhibit "A" and by this reference incorporated herein, as required by the Assessment Law; and

WHEREAS, the City Council proposes to: (i) establish the annual assessments for the properties within Zone 38; (ii) establish a formula for annual adjustments for inflation measured by increases in the Consumer Price Index; and (iii) levy and collect assessments to pay a prescribed portion of the cost of future maintenance of those items within Zone 38 described in the Assessment Engineer's Report; and

WHEREAS, this City Council has now carefully examined and reviewed the Assessment Engineer's Report as presented, and is satisfied with each and all of the items and documents as set forth therein pertaining to Zone 38, and is satisfied that the assessments proposed for Zone 38, on a preliminary basis, have been spread in accordance with the special benefits received from the improvements to be maintained in Zone 38, as set forth in the Assessment Engineer's Report; and

WHEREAS, the City Council desires to initiate proceedings for a ballot protest procedure for the purpose of considering the establishment of the annual assessments for Zone 38 and to hold a public hearing in conformance with the Assessment Law for the purpose of considering the establishment of the annual assessments and authorizing the annual levy and collection of the assessments for Zone 38.

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

1. Recitals. The above recitals are true.

2. Intention. The public interest and convenience requires, and it is the intention of this City Council, to levy and collect assessments to pay the annual costs and expenses for the maintenance and/or servicing of the improvements for the above-referenced Zone 38, said improvements are generally described in the Assessment Engineer's Report.

3. Improvements. The proposed improvements, which generally consist of landscape improvements located in the public rights-of-way within Zone 38, are of special benefit to certain identified properties within the boundaries of Zone 38.

4. Assessment Engineer's Report. The Assessment Engineer's Report, as presented pertaining to Zone 38, is hereby approved on a preliminary basis, and is ordered to be filed in the office of the City Clerk as a permanent record and to remain open to public inspection. Reference is made to the Assessment Engineer's Report for (a) a full and detailed description of the improvements; (b) the boundaries of Zone 38; and (c) the proposed assessments upon assessable lots and parcels of land within Zone 38 of the Maintenance District.

5. Proposed Establishment of Assessments. The public interest and convenience requires, and it is the intention of this City Council to order the proposed establishment of the annual levy and collection of the assessments for Zone 38, as set forth and described in the Assessment Engineer's Report. It is further determined to be

in the best public interest and convenience to levy and collect annual assessments to pay the costs and expense of said maintenance and improvement as estimated in the Assessment Engineer's Report for Zone 38. All costs and expenses of the maintenance and incidental expenses for Zone 38 have been apportioned and distributed to the benefiting parcels in accordance with the special benefits received from the existing improvements. Assessments are proposed to be established within Zone 38 within the range of assessments proposed to be established for the properties within Zone 38 of the Maintenance District, together with the establishment of a formula for annual adjustments for inflation measured by increases in the Consumer Price Index.

6. Public Hearing. NOTICE IS HEREBY GIVEN that a public hearing will be held February 12, 2014, at 4:30 p.m., or as soon thereafter as the matter may be heard, in the regular meeting place of this City council, located at 201 North Broadway, Escondido, California 92025, which are the time, date, and place fixed by the City Council for the hearing of protests or objections in reference to the proposed establishment of and levy and collection of the annual assessments within Zone 38, to the extent of the maintenance, by any interested person and any other matters contained in this Resolution. At such time the legislative body will consider and finally determine whether to levy the proposed annual assessments.

Pursuant to the provisions of the Assessment Law, the record owner of each parcel proposed to be assessed within Zone 38 has the right to submit an assessment ballot in favor of or in opposition to the assessment proposed to be levied on such parcel.

timely received. If a majority protest exists, as described below, the City Council shall not impose the proposed establishment of the assessments within Zone 38 of the Maintenance District. A majority protest to the establishment of the levy of the assessments within Zone 38 exists if, upon the close of the public hearing, assessment ballots submitted in opposition to the establishment of the assessments within Zone 38 exceed the assessment ballots submitted in favor of such establishment of the assessments. In tabulating the assessment ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property.

7. Notice of the Public Hearing. In accordance with the Assessment Law, the City Clerk is hereby authorized and directed to give notice of the public hearing for the proposed establishment of the levy of the assessments within Zone 38 as follows:

a. At least forty-five (45) days before the date set forth for hearing protests, the City Clerk shall, pursuant to Government Code Section 53753, mail or cause to be mailed, postage prepaid, notice of the public hearing and of the adoption of the Resolution of Intention, as amended, and the filing and consideration of the Assessment Engineer's Report to all persons owning real property proposed to be assessed whose names and addresses appear on the last equalized assessment roll for taxes of the County of San Diego, or who are known to the City Clerk. The form of such notice shall conform in all respects with the requirements of California Government Code Section 53753(b) and pursuant to California Government Code Section 53753(c), each such notice shall contain an assessment ballot whereon the record owner may indicate his or her support for or opposition to the proposed establishment of the assessments within Zone 38.

b. Except as provided in the following sentence, the assessments to be reflected in the assessment ballots shall be the proposed assessments for Zone 38 as set forth in the Assessment Engineers Report.

c. Upon the completion of the mailing of such notices, the City Clerk shall file with the City Council, a certificate setting forth the time and manner of compliance with the requirements of this resolution for mailing notices.

8. Tabulation Official. For purposes of tabulating the assessment ballots for these proceedings, as required pursuant to the Assessment Law, the City Council hereby designates the City Clerk to act as the tabulation official to tabulate the assessment ballots submitted.

9. For any and all information relating to these proceedings, including information relating to protest procedure, your attention is directed to the person designated below:

Frank Schmitz

Engineering Department

City of Escondido

201 North Broadway

Escondido, CA 92025

(760) 839-4039

10. This Resolution shall take effect immediately upon its adoption.

SDFA

Resolution No. 2013 - 136
EXHIBIT A
Page 1 of 18

Assessment Engineer's Report
Zone 38

Fiscal Year 2014/15

City of Escondido

201 North Broadway – Escondido California 92025

Landscape Maintenance Assessment District

PRELIMINARY REPORT

December 11, 2013

DUE TO THE NUMBER OF PAGES OF EXHIBIT(s) A COMPLETE SET IS AVAILABLE IN THE OFFICE OF THE CITY CLERK OR CITY ATTORNEY.
For Councilmembers, a set is available in the Council reading file.

Report pursuant to the Landscaping and Lighting Act of 1972, Part 2 Division 15 of the Streets and Highways Code, Article XIII.D. of the California Constitution, and Proposition 218 Omnibus Implementation Act (Government Code Section 53750 et seq.). The Streets and Highways Code, Part 2, Division 15, Article 4, commencing with Section 22565, directs the preparation of the Assessment Engineer's Report for each fiscal year for which assessments are to be levied and collected to pay the costs of the improvements described herein.

SPECIAL DISTRICT FINANCING & ADMINISTRATION
437 West Grand Avenue
Escondido CA 92025
760·233·2630 Fax 233·2631

ESCONDIDO
City of Choice

CITY COUNCIL

For City Clerk's Use:
☐ APPROVED ☐ DENIED
Reso No. ______________ File No. ______________
Ord No. ______________

Agenda Item No.: 12
Date: December 11, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Craig Carter, Chief of Police

SUBJECT: State of California 9-1-1 For Kids Funding

RECOMMENDATION:

It is requested that Council accept $3,050.30 in funds from the State of California 9-1-1 Emergency Communications Office; authorize the Chief of Police and Police Department staff to execute contract documents on behalf of the City; and approve budget adjustments needed to spend funds.

FISCAL ANALYSIS:

This action will have no impact on the General Fund Budget. Funds allocated to the City will be used to purchase 9-1-1 educational materials.

PREVIOUS ACTION:

None

BACKGROUND:

The Escondido Police Department has qualified for funding to reimburse costs for 9-1-1 education materials. Each year Escondido Public Safety Dispatchers visit local schools and provide information about how students can correctly use 9-1-1. The 9-1-1 For Kids educational material focuses on appropriate reasons to call 9-1-1, how to properly dial 9-1-1 and what to say to the 9-1-1 dispatcher.

Respectfully submitted,

Craig Carter
Chief of Police

ESCONDIDO
City of Choice

CITY OF ESCONDIDO

BUDGET ADJUSTMENT REQUEST

Date of Request: December 2, 2013

Department: Police

Division: Administration

Project/Budget Manager: Lisa Rodelo (Name) 4905 (Extension)

Council Date (if applicable): December 11, 2013
(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
Revenue	4127-451-New Project Number	3,050.30	
Police Grants	451-New Project Number	3,050.30	

Explanation of Request:

A budget adjustment is needed to spend FY 2013-14 State of California 9-1-1 For Kids Funds for 9-1-1 educational material.

APPROVALS

Department Head	Date 12-3-13	City Manager	Date
Finance	Date 12/3/13	City Clerk	Date

Distribution (after approval): Original: Finance

FM\105 (Rev.11/06)

ESCONDIDO
City of Choice

CITY COUNCIL

For City Clerk's Use:

☐ APPROVED ☐ DENIED

Reso No. ______________ File No. ______________

Ord No. ______________

Agenda Item No.: 13
Date: December 11, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Loretta McKinney, Director of Library and Community Services
Amy Shipley, Assistant Director of Community Services

SUBJECT: County of San Diego Senior Nutrition Services Grant Application Authorization

RECOMMENDATION:

It is requested that Council authorize the Director of Library and Community Services or her designee to complete a grant application for the County of San Diego Health and Human Services Agency, Aging and Independence Services for the Senior Nutrition Program, which includes transportation and meal services. The initial contract period will be from July 1, 2014 through June 30, 2015. The County of San Diego reserves the right to exercise options for three (3) additional terms of up to one (1) year each for a potential contract terms of four (4) years, through June 30, 2018.

FISCAL ANALYSIS:

Escondido's Senior Nutrition Program is funded through the General Fund in the amount of $249,650 in FY 2013-14, and will be offset by Senior Nutrition Services grant from the County of San Diego by a maximum amount of $183,065. If awarded, the contract will be a fixed price/cost reimbursement contract. Reimbursement amounts have not been announced for FY 2014-15.

BACKGROUND:

The Senior Nutrition Program, which began in the County of San Diego in 1975, is funded through Title III of the Older Americans Act, a federal program administered by state and county governments and operated under the rules, policies, and regulations of the California Department of Aging (CDA). Aging & Independence Services, as an Area Agency on Aging, oversees this program for the County of San Diego.

The Senior Nutrition Program offers seniors nutritionally balanced meals in a group setting at the Park Avenue Community Center, promoting better health and reducing isolation through coordinated transportation, congregate meals, and supportive services. The Escondido Senior Center has offered this program Monday through Friday for over 38 years. The grant stipulates that there can be no charge to seniors 60 and older for these services, although many choose to make a contribution.

The Senior Nutrition Program is comprised of two components, transportation and congregate meal service. The transportation component provides seniors a means to access the congregate meal service component. The City is reimbursed for both components through grant. Transportation service is reimbursed per each one-way ride and meal service is reimbursed per each meal served to seniors 60 and older. By the end of FY 2013-14, the Senior Nutrition Program will provide approximately 14,200 rides and serve approximately 24,000 meals.

Staff recommends pursuing the County of San Diego grant opportunity to offset expenses of the Senior Nutrition Program and continue this valuable service to the senior community of Escondido.

Respectfully submitted,

LORETTA MCKINNEY
Director of Library and Community Services

AMY SHIPLEY
Assistant Director of Community Services

ESCONDIDO
City of Choice

CITY COUNCIL

For City Clerk's Use:
☐ APPROVED ☐ DENIED
Reso No. ____________ File No.____________
Ord No. ____________

Agenda Item No.:14
Date: December 11, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Michael Lowry, Fire Chief

SUBJECT: Amendment to the 2012 Regional Assistance to Firefighters Grant (AFG)

RECOMMENDATION:

It is requested that Council approve the grant amendment for the Federal 2012 Regional Assistance to Firefighters Grant (AFG) Program to purchase additional EKG Monitors/Defibrillators.

FISCAL ANALYSIS:

The Cities of Escondido and San Marcos were awarded the 2012 Regional Assistance to Firefighters Grant to purchase 20 heart monitors/defibrillators (EKG). When the initial grant proposal was written, the budget was based on an average price of available EKG Cardiac Monitors on the market. Through the competitive bid process conducted by the City of Escondido, the pricing provided by the selected vendor was significantly lower than what was budgeted in the grant award. As a result of the lower cost, excess Federal funding (80% Federal Share) and Capital Project funding (20% matching share) is available.

No additional funds are needed, the savings from the approved bid are sufficient to cover costs.

Rather than returning excess grant funds, a grant amendment was written, submitted, and approved by the AFG program to utilize the excess funds to purchase six (6) additional EKG Heart Monitors, which are needed for the two ambulances placed in service in 2013 and to have two reserve EKG Cardiac Monitors in each city.

PREVIOUS ACTION:

On June 5, 2013, City Council authorized the Fire Chief to accept and execute grant documents on behalf of the City for the Grant award of $612,993 from the Federal 2012 Regional Assistance to Firefighters Grant and authorized the Fire Chief to execute a Memorandum of Understanding (MOU) with the City of San Marcos Fire Department.

On October 2, 2013, City Council adopted Resolution 2013-124 to accept the apparent second low bid from Bound Tree Medical for the purchase of monitors/defibrillators.

BACKGROUND:

By utilizing the Cooperative EMS Division with the City of San Marcos, the two fire departments joined together to apply for the 2012 Regional Assistance to Firefighters Grant (AFG) to purchase the replacement of twenty (20) EKG Heart Monitors, which will be utilized by both departments. This equipment consisted of EKG Cardiac Monitors, batteries, battery charging stations and applicable sales or use tax and an additional four-year of warranty/preventative maintenance service agreement.

The AFG regional grant award establishes the EFD as the Host Agency and the SMFD as the Participating Agency. In order to meet the requirements of the AFG, a MOU must be established to identify the jurisdictions participating in the regional grant and to ensure each jurisdiction complies with the AFG Guidelines.

Respectfully submitted,

Michael Lowry
Fire Chief

Agenda Item No.: 15
Date: December 11, 2013

ORDINANCE NO. 2013-17

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AMENDING THE ESCONDIDO MUNICIPAL CODETO PROVIDE FOR CITY COUNCIL ELECTIONS BY DISTRICTS

THE CITY COUNCIL OF THE CITY OF ESCONDIDO DOES ORDAIN AS FOLLOWS:

SECTION 1. Future elections for the City of Escondido's four City Council members will be conducted under a district-based method of election in which the four City Council members will be elected from four districts and the Mayor will remain elected at-large.

SECTION 2. The Consent Decree entered in San Diego Superior Court Case No. 37-2011-00060480-CU-CR-NC establishes the guidelines and criteria for districting of the City of Escondido.

SECTION 3. The City Council makes the following findings:

1. The City of Escondido established a seven-member independent districting commission vested with the authority to develop an initial district-based plan for future City Council elections; and

2. The Independent Districting Commission has considered the matter of drawing four council districts in the City of Escondido, and has considered the population of the City of Escondido as reflected in the United States 2010 Census; and

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

Agenda Item No.: 16
Date: December 11, 2013

ORDINANCE NO. 2013-13

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AMENDING CHAPTER 11 OF THE ESCONDIDO MUNICIPAL CODE, TO ADOPT THE 2013 CALIFORNIA FIRE CODE, THE COUNTY OF SAN DIEGO 2011 CONSOLIDATED FIRE CODE AND LOCAL AMENDMENTS

WHEREAS, the State of California Building Standards Commission is charged with the development of uniform codes and regulations for application to the construction of buildings within the state; and

WHEREAS, California Health and Safety Code Section 17960 requires the City enforce within its jurisdiction all the provisions published in the State Buildings Standards Code and the provisions of other rules and regulations promulgated pursuant to the provisions of the California Health and Safety Code pertaining to the erection, construction, reconstruction, movement, enlargement, conversion, alteration, repair, removal, or arrangement of apartments, hotels or dwellings; and

WHEREAS, every three years the California Building Standards Commission updates and adopts uniform codes for application throughout the state; and

WHEREAS, California Health and Safety Code Section 17958.7 allows local amendments to the California Building Standards Codes, when such codes are amended and adopted at the local level, and when local findings are made for unique climatic, geological or topographical conditions; and

WHEREAS, this Ordinance sets forth those local amendments to the uniform codes; and the required findings attached to this Ordinance as Exhibit "A" and

Agenda Item No.: 17
Date: December 11, 2013

ORDINANCE NO. 2013-11

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AMENDING CHAPTER 6 OF THE ESCONDIDO MUNICIPAL CODE, TO ADOPT THE 2013 CALIFORNIA BUILDING, RESIDENTIAL, PLUMBING, ELECTRICAL, MECHANICAL, AND GREEN BUILDING STANDARDS CODES AND LOCAL AMENDMENTS

WHEREAS, the State of California Building Standards Commission is charged with the development of uniform codes and regulations for application to the construction of buildings within the state; and

WHEREAS, California Health and Safety Code Section 17960 requires the City enforce within its jurisdiction all the provisions published in the State Buildings Standards Code and the provisions of other rules and regulations promulgated pursuant to the provisions of the California Health and Safety Code pertaining to the erection, construction, reconstruction, movement, enlargement, conversion, alteration, repair, removal, or arrangement of apartments, hotels or dwellings; and

WHEREAS, every three years the California Building Standards Commission updates and adopts uniform codes for application throughout the state; and

WHEREAS, California Health and Safety Code Section 17958.7 allows local amendments to the California Building Standards Codes, when such codes are amended and adopted at the local level, and when local findings are made for unique climatic, geological or topographical conditions; and

ORDINANCE NO. 2013-12

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AMENDING ESCONDIDO ZONING CODE ARTICLE 47 REGARDING ENVIRONMENTAL QUALITY REGULATIONS

Planning Case No. AZ 13-0003

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

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

SECTION 2. That the City Council has reviewed and considered the Notice of Exemption prepared for this project in conformance with CEQA Section 15061(b)(3) "General Rule" and finds that no significant environmental impact will result from approving this code amendment.

SECTION 3. That upon consideration of the staff report, Planning Commission recommendation, Factors to be Considered, attached as Exhibit "A" to this Ordinance and incorporated by this reference, and all public testimony presented at the hearing held on this amendment, this City Council finds that this Code Amendment is consistent with the General Plan and all applicable specific plans of the City of Escondido.

SECTION 4. That Article 47 of the Zoning Code is amended as set forth in Exhibit "B" which is attached and incorporated by this reference.

SECTION 5. SEPARABILITY. If any section, subsection sentence, clause, phrase or portion of this Ordinance is held invalid or unconstitutional for any reason by

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

ORDINANCE NO. 2013-14(R)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, APPROVING A DEVELOPMENT AGREEMENT BETWEEN MERIT GROUP, INC. AND THE CITY OF ESCONDIDO TO AUTHORIZE CONSTRUCTION OF THE PREVIOUSLY APPROVED 11-LOT TRACT 894 RESIDENTIAL SUBDIVISION IN THE NORTH BROADWAY DEFICIENCY AREA

PLANNING CASE NO.: PHG 13-0027

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

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

SECTION 2. That the City Council has reviewed and considered the Mitigated Negative Declaration (City Log No. ER-2004-31) and Mitigation Monitoring Report originally prepared for the Tract 894 project and has determined that all environmental issues associated with the project have been addressed and no significant environmental impacts will result from approving this agreement.

SECTION 3. That upon consideration of the staff report, Planning Commission recommendation and all public testimony presented at the hearing held on this agreement, this City Council finds that the Development Agreement is consistent with the Escondido General Plan and the Growth Management Ordinance (Article 68) of the Zoning Code.

SECTION 4. That the City Council desires at this time and deems it to be in the best public interest to approve the Development Agreement with Merit Group, Inc. attached as Exhibit "A" and incorporated by this reference.

SECTION 5. That the City Council hereby consents to the future assignment of the Development Agreement to Pacific Land Investors, LLC.

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

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

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

RECORDING REQUESTED BY:	
CITY CLERK, CITY OF ESCONDIDO	
WHEN RECORDED MAIL TO:	
CITY CLERK CITY OF ESCONDIDO 201 N. BROADWAY ESCONDIDO, CA 92025	*THIS SPACE FOR RECORDER'S USE ONLY*

APN: 224-142-35-00

Recording Fees Exempt Per Government Code Section 27383

DEVELOPMENT AGREEMENT for Tract 894 (Buckmaster)

between

CITY OF ESCONDIDO

and

MERIT GROUP, INC., A California corporation

___________, 2013

DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") is entered into by and between the CITY OF ESCONDIDO, a municipal corporation ("City"), and MERIT GROUP, INC., a California corporation ("Owner")(collectively, "the Parties").

ARTICLE I

Recitals

The Agreement is entered into on the basis of the following facts, understanding and intentions of the Parties:

1. **Code Authorization.** Government Code Sections 65864 through 65869.5, Article 58 of the City's Zoning Code (the "Development Agreement Legislation") and Article 68 of the City's Zoning Code ("Growth Management Ordinance") authorize the City to enter into binding development agreements with persons or entities having legal or equitable interests in real property for the purpose of establishing certainty in the development process for both the City and the property owner, and to enable specific terms regarding property development, to be negotiated and agreed upon.

2. **Interest of Owner.** Owner is the legal and/or equitable owner of certain real property totaling approximately 3.19 acres, with the current address of 1026 Lehner Avenue, located in the County of San Diego, State of California (the "Property"), as further described in Exhibit A , and more specifically within the North Broadway Region of Influence identified in the City's Growth Management Ordinance. Owner intends to subdivide the Property into eleven (11) lots for single-family residential units and to construct such other improvements as are required by the conditions of approval of the Entitlements, Future Entitlements and the Agreement (collectively, the "Project").

3. **Sale of Property.** Owner has entered into an agreement to sell the Property to Pacific Land Investors, LLC, ("PLI") and by letter dated July 20, 2013 on file with the City, has authorized Mark Ferraro of PLI to act on its behalf with respect to this Agreement.

4. **Intent of Parties.** By the Agreement, the City and Owner intend to accomplish the following:

a. Eliminate uncertainty in the planning and development of the Project by assuring Owner that it may develop the Property, in accordance with Existing Laws, subject to the terms and conditions contained in the Agreement;

b. Assure the orderly installation of necessary improvements and the provision for public services appropriate for the development of the Project; and

c. Enable the City to obtain substantial public benefits by virtue of the Agreement.

5. **Execution.** The execution of the Agreement by the City and Owner shall constitute conclusive evidence that duly noticed public hearings before the Planning Commission and the City Council required by the Development Agreement Legislation have been held, and that the City Council has introduced (first reading) and adopted (second reading) an Ordinance approving the Agreement and containing the findings required by the Development Agreement Legislation.

6. **Effective Date.** The effective date ("Effective Date") of the Agreement shall be January 10, 2014, which is the date 30 days after the adoption of the development agreement ordinance.

7. **Entitlements.** The City has also approved or certified the following entitlements, attached hereto as Exhibit B, which are necessary to implement the Project:

a. Tentative Subdivision Map, No. 894 (the "Tentative Map"), by City Council Resolution No. 2006-156 on August 16, 2006, including grading exemptions. Owner and the City understand that the Tentative Map has been modified to comply with the stormwater regulations as stated in Article II, Section 3. Owner and the City agree that the map, as modified, is in substantial conformance with the map as approved by Resolution 2006-156.

b. Mitigated Negative Declaration (Tract 894) ER 2004-31, certified by City Council Resolution No. 2006-156 on August 16, 2006.

8. **Amendment.** The Tentative Map is set to expire on September 22, 2015 pursuant to Article IV, Section 10 of the Development Agreement as extended by California Government Code Sections 66452.22 and 66452.23. The Parties desire to extend the Term of the Tentative Map to align with the term of this Agreement by the terms and conditions herein.

NOW THEREFORE, in consideration of the Recitals and the mutual covenants conditions set forth herein, the Parties agree as follows:

ARTICLE II

Definitions

1. **"Entitlements"** refers to all approvals and permits necessary or incidental to the development of the Project or any portion thereof, whether discretionary or ministerial, including but not limited to, those listed in Article I, Section 6 above, final tract map approvals, whether standard or vesting, project plans, grading permits, building permits, and the Agreement.

2. **"Exaction"** refers to any fee, tax, requirement, condition, dedication, restriction, or limitation imposed by the City upon the development of the Property at any time in accordance with the Existing Laws.

3. **"Existing Laws"** refers to the ordinances, resolutions, codes, rules, regulations, stormwater regulations and official policies of the City governing the development of the Property, including, but not limited to the permitted uses of the Property, the density or intensity of use, the design, improvement and construction standards and specifications for the Project,

including the maximum height and size of proposed buildings, and the provisions for reservation and dedication of land for public purposes, in effect on the Effective Date of this Agreement.

4. **"Future Exaction"** refers to Exactions imposed after the Effective Date, whether by ordinance, initiative, resolution, rule, regulation, policy, order or otherwise.

5. **"Future Laws"** refers to all ordinances, resolutions, codes, rules, regulations, and official policies implemented by the City after the Effective Date, whether by ordinance, initiative, resolution, rule, regulation, policy, order or otherwise. "Future Laws" includes changes to the Existing Laws.

6. **"Future Entitlements"** refers to all Entitlements approved or adopted by the City after the Effective Date.

7. **"General Fees"** refers to all general development fees which the City may levy pursuant to the Government Code Sections 66000 et seq. ("the Mitigation Fee Act"), including, but not limited to, application fees, processing fees, utility connection fees, inspection fees, capital facilities fees, development impact fees, traffic impact fees, park fees and such other similar fees as may be enacted from time to time and generally applied throughout the City.

8. **"General Plan"** refers to the City's General Plan in effect on the Effective Date.

9. **"North Broadway Deficiency Area"** refers to the region specified in the City's Growth Management Ordinance No. 94-16, and to surrounding unincorporated areas within the City's Sphere of Influence, of which the Property is a part.

10. **"Project"** shall mean and refer to all improvements described in the Entitlements, Future Entitlements, and the Agreement.

11. **"Public Benefits"** shall refer to the consideration given by Owner to the City, as described in Exhibit C attached hereto, in return for the City's good faith performance of all applicable terms and conditions in the Agreement.

ARTICLE III

General Provisions

1. **Term of Agreement.** The term of the Agreement (the "Term") shall commence on the Effective Date of this Agreement and shall continue until the fifth (5^{th}) anniversary thereof, January 10, 2019, unless terminated, modified, or extended as permitted by the Agreement.

Following the expiration of the Term, the Agreement shall be deemed terminated and of no further force or effect; provided, however, such termination shall not affect any right or duty arising from the City approvals, including, without limitation, the Entitlements, the Future Entitlements and any reimbursement agreement that may be entered into pursuant to the terms of the Existing Laws or the Agreement.

The Agreement shall terminate with respect to any lot and such lot shall be released and no longer is subject to the Agreement, without the execution or recordation of any further document, when a certificate of occupancy has been issued for the building(s) on the lot.

2. **Assignment**. The rights and obligations of Owner under the Agreement may be assigned by Owner as part of an assignment of all or a portion of the Property. Except for Owner's assignment of the Agreement to PLI, which the City approves by execution of this Agreement, no assignment shall be effective unless (1) such assignment is in writing and expressly provides that the assignment shall be subject to the Agreement; (2) the Assignee assumes all of Owner's rights and obligations with respect to the Property, or portion thereof, assigned; and, (3) the City has determined that the assignment will not affect the timely completion or fulfillment of any

requirements in the Entitlements, the Future Entitlements or the Agreement relating to the Public Benefits. Owner shall provide Thirty (30) days advance written notice to the City of any assignment. In determining whether an assignment will affect the timely completion or fulfillment of any requirements relating to the Public Benefits, the City agrees (a) not to unreasonably withhold its determination that the assignment will not affect the timely completion or fulfillment of requirements relating to the Public Benefits and (b) to approve any assignment where it can reasonably be demonstrated that the proposed assignee has the financial capability to complete in a timely fashion and fulfill any uncompleted requirements relating to the Public Benefits.

During the Term, any assignee shall have all rights, benefits, and obligations of Owner under the Agreement with respect to the portion of the Property assigned. Following an assignment, Owner shall be released from its obligations with respect to the Property which has been assigned. Upon any transfer of any portion of the Property and the express assumption of Owner's obligations under the Agreement by such transferee, the City agrees to look solely to the transferee for compliance by such transferee with the provisions of the Agreement as such provisions relate to the portion of the Property acquired by such transferee. A default by any transferee shall only affect that portion of the Property owned by such transferee and shall not cancel or diminish in any way Owner's rights hereunder with respect to any portion of the Property not owned by such transferee. The transferee shall be responsible for the reporting and annual review requirements relating to the portion of the Property owned by such transferee, and any amendment to the Agreement between the City and a transferee shall only affect the portion of the Property owned by such transferee.

3. **Amendment of Agreement.** The Agreement may be amended by the mutual consent of the Parties in the manner provided by the Development Agreement Legislation. The Agreement shall include any amendment properly approved and executed. Minor modifications in the manner of performance, including, but not limited to changes which relate to the form or timing of payment of Public Benefits or the design of the Project shall not constitute an Amendment to the Agreement and may be accomplished through an "Operating Memorandum" subject to Article IV, Section 10 of the Agreement.

4. **Enforcement.** Unless amended or terminated as provided herein, the Agreement is enforceable by either Party or its successors and assigns, notwithstanding any Future Laws, which alter or amend the Existing Laws.

5. **Hold Harmless.**

a. Owner agrees to indemnify, hold harmless, and provide and pay all costs for a defense for the City in any legal action filed in a court of competent jurisdiction by a third party challenging the validity of the Agreement. The provisions of this Section shall not apply to the extent such damage, liability, or claim is proximately caused by the intentional or negligent act of the City, its officers, agents, employees, or representatives.

b. Owner shall further indemnify, defend and hold harmless the City and its officers, employees and agents from and against 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) of the California Regional Water Quality Control Board Region 9, San Diego, as amended or extended, which the City might suffer, incur, or become subject by reason of or occurring as a result of or allegedly caused by the construction of the Project or the Improvements.

6. **Third Party Challenges.** In the event the validity, applicability, or implementation of the Agreement is challenged by means of legal proceedings by any party other than the City and Owner, it shall be the City's option, at its sole and absolute discretion, whether to undertake the defense of such challenge. If the City determines not to defend such challenge, it shall be the option of Owner, at its sole and absolute discretion, to defend the validity, applicability, or implementation of the Agreement in the proceeding at Owner's expense. If the City opts to defend a challenge against the validity, applicability, or implementation of the Agreement, Owner shall not be responsible for the defense of any of the City's actions brought in such a challenge or for the expense of defending such City actions. The City and Owner agree to cooperate in the defense of any such challenges.

7. **Notices.** All notices or communication between the City and Owner pursuant to the Agreement shall be in writing and shall be given by personal delivery (including commercial express delivery services providing acknowledgments of receipt), registered, certified, express mail, facsimile or telecopy, or telegram to the addresses set forth below. Receipt shall be deemed complete as follows:

a. For personal delivery, upon actual receipt;

b. For registered, certified, or express mail, upon the delivery date or attempted delivery date as shown on the return receipt; and

c. For facsimile, upon transmission of the facsimile or, if transmitted after business hours, then the next business day.

Notices shall be addressed as follows:

To the City: City Clerk
City of Escondido
201 N. Broadway
Escondido, CA 92025
FAX (760) 741-7541

With Copy to: Jeffrey R. Epp, Esq.
City Attorney
City of Escondido
201 N. Broadway
Escondido, CA 92025
FAX (760) 741-7541

To Owner: Pacific Land Investors, LLC
Attn: Mark Ferraro
101 Pacifica, Ste. 200
Irvine, CA 92618
FAX 949-789-0006

With copy to: David W. Ferguson, Esq.
Lounsbery Ferguson Altona & Peak, LLP
960 Canterbury Place, Suite 300
Escondido, CA 92025
FAX (760) 743-9926

The addresses to which notices shall be sent may be changed by giving Ten (10) days written notice of change of address in the manner set forth above.

8. **Conflict of State or Federal Laws.** If state or federal laws or regulations enacted after the Effective Date prevent compliance with any provision of the Agreement or require changes in the Entitlements or any Future Entitlements, those laws or regulations shall be controlling and the Parties shall make a good faith, reasonable attempt to modify the Agreement to comply both with the intent of the Agreement and with the new laws or regulations.

The City shall timely assist Owner in securing any permits, including permits from other public agencies, which may be required as a result of the modifications, suspensions, or alternate course of action.

ARTICLE IV

Development of the Property

1. **Applicable Rules, Regulations, and Policies.** Owner shall have the vested right, to the fullest extent allowed under the Development Agreement Legislation, to develop the Property in accordance with the Entitlements, Future Entitlements and the Existing Laws. During the Term, the Entitlements, Future Entitlements, Existing Laws and the Agreement shall control the overall design, development and construction of the Project. Notwithstanding the foregoing, nothing in the Agreement shall preclude the City from applying changes occurring from time to time in the uniform codes published in Title 24 of the California Code of Regulations and adopted by the City of Escondido, including local amendments, in effect when the building permits are issued. In the event of any inconsistency between the Existing Laws and the Agreement, the provisions of the Agreement shall control.

2. **Future Laws.** Future Laws shall not apply to the Project except as expressly provided in the Agreement. Owner may give the City written notice of its election to have any Future Law applied to the Property, in which case such Future Law shall be deemed to be an Existing Law.

3. **Future Discretionary Reviews.** Except as set forth in the Agreement, the City shall retain its discretionary rights in reviewing applications for Future Entitlements. Owner's applications for Future Entitlements and the City's review thereof, must comply with the Existing Laws and with the terms and conditions of the Agreement. Upon granting any Future Entitlement, such Future Entitlement shall become part of the Existing Laws. The City shall not

impose any conditions upon any Existing Entitlements that are more restrictive than or inconsistent with the terms of this Agreement or the Existing Laws, except as expressly required (as opposed to permitted) by state or federal law. The City may conduct, in accordance with CEQA and the Existing Laws, an environmental review for Future Entitlements. The City may impose, if required by CEQA, additional mitigation measures to mitigate significant adverse environmental effects that were not previously considered, or were found to be infeasible, to mitigate at the time of approval of this Agreement.

4. **Permitted Uses and Density.** The Agreement shall vest the right to develop the Property to the fullest extent allowed under the Development Agreement Legislation with respect to the permitted uses of land, density and intensity of uses, and timing and phasing of development as described in the Entitlements and Future Entitlements. The permitted uses, density, and intensity of use of the Project, the maximum height and size of proposed buildings and provisions for reservation or dedication of land for public purposes, shall substantially conform to those specified in the Entitlement and Future Entitlement conditions of approval, Existing Laws and the Agreement. All other aspects of the Project that are not specified in the Entitlement or Future Entitlement conditions of approval shall be determined by the Existing Laws, except as expressly provided herein.

To the extent the City retains discretion in the Future Entitlements concerning future permitted land uses, density, and intensity of use(s), the City agrees, absent conditions that the City determines are dangerous to the health or safety of the residents of the City, not to exercise that discretion in such a way as to reduce the allowed number of residential units, alter the timing of development or modify the height and design features of the Project as described in the Entitlements, Future Entitlements and the Agreement.

5. **Application of Future Laws.** Subject to Article V of the Agreement, Future Laws may be applied to the Project if they are not in conflict with the Existing Laws and will not prevent, hinder, delay, or adversely economically impact the Project.

6. **Permitted Fees.** Except as otherwise provided in the Agreement, and specifically excluding fees set by entities not controlled by the City that are collected by the City, the City shall only charge and impose those General Fees and Exactions described as "Processing Fees," "Permit/Inspection Fees," "Connection Fees," and "Development Fees" in the amounts and of the type which are in effect at the time they are incurred by Owner or any successor-in-interest as described in the Escondido Fee Guide For Development Projects. The Project shall be subject to City-wide fees only and nothing in this Agreement shall impose on the Project any additional City special or district fees or taxes that do not currently exist.

Notwithstanding the above, in return for Owner's construction of Public Benefits in the North Broadway Deficiency Area as described in Exhibit C, the City will waive SIXTY-FOUR THOUSAND, THREE HUNDRED AND ELEVEN DOLLARS and FIFTY CENTS ($64,311.50) of the total water connection fees.

7. **Required Financial Contribution to City Capital Improvement Projects.** Prior to the City's grant of the first building permit for the Project, Owner agrees to pay the City TWELVE THOUSAND FIVE HUNDRED DOLLARS ($12,500.00) per approved residential lot ("Deficiency Fee"), which funds the City shall use to finance certain roadway and drainage improvements in the vicinity of the Project.

8. **Time for Construction and Completion of the Project.** Owner cannot predict when or the rate or the order in which the Property or the parcels will be developed, if at all. Such decisions depend upon numerous factors that are not within the control of the Owner, such as

market orientation and demand, interest rates, absorption, completion, and other similar factors. Therefore, Owner or its assignees shall have the right to develop the Property in phases, in such order, at such rate, and at such times as Owner or its assignees deems appropriate in Owner's or its assignees' business judgment, subject only to the provisions of the Agreement. Owner or its assignees shall be entitled to apply for and receive approval of permits, building permits, and other Entitlements and Future Entitlements for use at any time and for any or all portions or phases of the Project, provided that application is made in a manner consistent with the Agreement.

Owner shall be allowed to perform onsite Project grading and offsite road construction and water line installation prior to approval of a Final Map. The City may require, and will process, all customary plans and agreements generally applicable to developers in the City for similar works of onsite or offsite improvements. Once Owner has obtained approval of the Final Map, it may commence construction of the single-family residences.

9. **Moratorium.** No City-imposed moratorium or other limitation (whether relating to the rate, timing or sequencing of the development or construction of all or any part of the Property, whether imposed by ordinance, initiative, resolution, policy, order or otherwise, and whether enacted by the City Council, an agency of the City, the electorate, or otherwise) affecting parcel or subdivision maps (whether tentative, vesting tentative, or final), building permits, occupancy certificates or other entitlements to use or service (including, without limitation, water and sewer) approved, issued or granted within the City, or portions of the City, shall apply to the Property to the extent such moratorium or other limitation is in conflict with the Agreement; provided, however, the provisions of this Section shall not affect the City's compliance with

moratoria or other limitations mandated by other governmental agencies or court-imposed moratoria or other limitations.

10. **Operating Memoranda.** The Parties acknowledge that the provisions of the Agreement require cooperation between the City and Owner, and that the refinements and further development of the Project hereunder may demonstrate that changes are appropriate with respect to the details of performance of the Parties hereunder. The Parties desire, therefore, to retain a certain degree of flexibility with respect to those items covered in general terms under the Agreement. If and when, from time to time during the Term, the Parties find that such changes or adjustments are necessary or appropriate, they shall effectuate such changes or adjustments through Operating Memoranda approved by the Parties, which, after execution, shall be attached hereto as addenda and become a part hereof, and may be further changed and amended from time to time as necessary with further approval by the City and Owner. No such Operating Memoranda shall require prior notice or hearing, or constitute an amendment to the Agreement; and in the case of the City, such Operating Memoranda may be acted upon by the City Manager, Director of Community Development or by their designee. Failure of the Parties to enter into any such Operating Memoranda shall not affect or abrogate any of the rights, duties or obligations of the Parties hereunder or the provisions of the Agreement. An Operating Memoranda may be recorded as an Addendum to the Agreement.

11. **Term of Map(s) and Other Project Approvals.** Pursuant to California Government Code Section 66452.6(a), the term of the subdivision map that is processed on all or any portion of the Property and the term of each of the Entitlements and Future Entitlements shall be extended for a period of time through the Term of the Agreement as specified in Article III Section 1.

12. **Infrastructure Capacity.** Subject to Owner's proportionate contribution to infrastructure and the Public Benefits provided by Owner, in accordance with the requirements of the Entitlements and Future Entitlements, the City hereby acknowledges that it will have sufficient capacity in its infrastructure services and utility systems, including, without limitation, traffic circulation, flood control, sewer collection, sewer treatment, sanitation service and, except for reasons beyond the City's control, water supply, treatment, distribution and service, to accommodate the Project. To the extent that the City renders such services or provides such utilities, the City hereby agrees that it will serve the Project and that there shall be no restriction on connections or service for the Project except for reasons beyond the City's control. Notwithstanding the foregoing, the City acknowledges that sufficient capacity for sewer collection, sewer treatment and sanitation service for the Project exists as of the Effective Date. Owner acknowledges that the City cannot guarantee sufficient capacity for sewer collection, sewer treatment and sanitation service during the Term of this Agreement. The City shall guarantee sufficient capacity for sewer collection, sewer treatment and sanitation service for the Project for one (1) year from the Effective Date.

13. **Termination or Modification.** Notwithstanding the provisions of Section 33-1149 of the City's Zoning Code, the City's right to terminate or modify the Agreement may be exercised pursuant to the terms of Section 33-1149 after a public hearing only if the City determines that the failure of the City to terminate or modify the Agreement would place the residents of the City in an immediate condition dangerous to their health or safety. Upon approval of the Agreement by the Escondido City Council, Owner shall have 45 days to sign the Agreement or the Agreement shall automatically expire.

14. **Easements.** Easements dedicated for pedestrian use shall be permitted to include easements for underground drainage, water, sewer, gas, electricity, telephone, cable and other utilities and facilities so long as they do not unreasonably interfere with pedestrian use.

15. **Conditions of Approval.** Owner agrees to construct the following roadway improvements:

STREET	**IMPROVEMENT**
Street "A" (located within Project)	Full width
Lehner Avenue frontage	Half width plus 10 feet
Ash Street (one side)	Complete pedestrian walkway from Sheridan Avenue to Vista Avenue
Conway	Pedestrian walkway on the east side of Conway from project site to Rincon*

*Remaining pedestrian walkways required by Condition 7 of the Street Improvements and Traffic section of the Conditions of Approval have been completed.

Work to be performed based upon Escondido Design Standards and Standard Drawings (Effective Date: June 23, 1999).

ARTICLE V

Provision of Public Benefits

1. **Description of Public Benefits.** Owner or its assignees shall compensate the City with the following Public Benefits, as further described in Exhibit C attached hereto, as consideration for the City's good faith performance of all applicable terms and conditions in the Agreement:

a. Fulfilling long-term economic goals for the City.

b. Providing fiscal benefits to the City.

c. Providing short-term construction employment within the City.

d. Providing housing which will help to satisfy the City's obligation to meet the City's share of regional housing needs.

e. Advancement of the City's planned construction of roadway and drainage infrastructure needed in the future to serve areas near or surrounding the Project, and Owner's payment of a Community Benefit Fee TWELVE THOUSAND FIVE HUNDERD DOLLARS ($12,500.00) per unit to be developed, pursuant to Article IV, Section 6.

2. **Occupancy Contingent on Construction of Public Improvements.** Owner acknowledges that the City shall not grant a certificate of occupancy for residences constructed on the Property until Owner constructs all Public Benefits listed in Exhibit C. This contingency for occupancy shall survive the termination of the Agreement.

3. **Recordation of Final Map Contingent on Security for Public Benefits.** Prior to recordation of the Final Map, Owner must enter into an "Agreement for Completion of Improvements," which will detail Owner's construction obligations for project-required improvements and the Public Benefits, and will require Owner to provide financial security for completion of construction and shall be in substantially the form attached at Exhibit D.

4. **Other Governmental Bodies.** To the extent that the City, the City Council, the Planning Commission or any other City board, agency or commission that constitutes and sits as any other board, agency or commission, it shall not take any action that conflicts with the City's obligations under the Agreement.

5. **Processing During Third Party Litigation.** The filing of any third party lawsuit(s) against the City or Owner relating to the Agreement, the Entitlements, any Future Entitlements or to other development issues affecting the Property shall not delay or stop the development,

processing or construction of the Project or approval of Future Entitlements, unless the third party obtains a court order preventing the activity. The City shall not stipulate to or cooperate in the issuance of any such order.

ARTICLE VI

Annual Review

1. **City Responsibilities.** At least every twelve (12) months during the Term, the City shall review the extent of good faith substantial compliance by Owner with the terms of the Agreement (the "Annual Review"). At the conclusion of the Annual Review, the City's finding of good faith substantial compliance by Owner with the terms of the Agreement shall be conclusive up to the date of such finding for the purposes of future Annual Reviews or legal action between the Parties.

2. **Owner Responsibilities.** At the annual review, it shall be the responsibility of Owner to demonstrate good faith substantial compliance with the major provisions of the Agreement and to provide, to the best extent possible, the status and timing of development of the Project and related public improvements. If requested by the City, Owner shall provide any additional detail or information necessary to demonstrate good faith compliance with any particular provision of the Agreement identified by the City.

3. **Opportunity to be Heard.** Owner shall be permitted an opportunity to be heard orally and in writing at any noticed public hearing regarding its performance under the Agreement. Owner shall be heard before each appropriate board agency or commission and the City Council at any required public hearing concerning a review of performance under the Agreement.

4. **Information to be Provided to Owner.** The City shall mail to Owner a copy of staff reports and related exhibits concerning Agreement performance, a minimum of ten (10) calendar

days prior to consideration and review by the City Council as required by the Development Agreement Legislation.

5. **Annual Review Letter.** If Owner is found to be in substantial compliance with the Agreement after the Annual Review, the City shall issue, upon written request by Owner, a letter to Owner (the "Review Letter") stating that, based upon information known or made known to the City Council, the City Planning Commission, and/or the City Manager, the Agreement remains in effect and Owner is in compliance. Owner may record the Review Letter in the Official Records of the County of San Diego.

6. **Estoppel Certificates.** Either Party may at any time, and from time to time, deliver written notice to the other Party requesting that the other Party certify in writing that to the knowledge of the certifying Party:

a. The Agreement is in full force and effect and is a binding obligation of the Parties.

b. The Agreement has not been amended or modified orally or in writing or, if so amended, identifying the amendments.

c. There exists no material default in the performance of the requesting Party's obligations under the Agreement or, if in default, the nature and amount of any material default.

A Party receiving a request under this Section shall execute and return a certificate within Thirty (30) days following receipt of the request. The failure to deliver such certificate within such time shall be conclusive upon the party which fails to deliver such certificate that the Agreement is in full force and effect without modification and that there are no uncured defaults in the performance of the requesting party. A certificate given pursuant to this Section may be relied upon by assignees and mortgagees.

7. **Failure of Annual Review.** The City's failure to perform the Annual Review of Owner's substantial compliance with the terms and conditions of the Agreement shall not constitute or be asserted as a default by Owner.

ARTICLE VII

Delay, Default, Remedies, and Termination

1. **Notice and Cure of Default.** In the event of a material default, the Party alleging a default shall give the defaulting Party a notice of default in writing. The notice of default shall specify the nature of the alleged material default, and the manner and period of time of not less than thirty (30) days in which the default must be cured (the "Cure Period"). The Cure Period must provide sufficient and reasonable time for the default to be cured. During the Cure Period, the Party charged shall not be considered in default. If the default is cured within the Cure Period, then no default shall be deemed to exist.

2. **Option to Institute Legal Proceedings or to Terminate.** If a material default is not cured within the Cure Period, the noticing Party may institute legal proceedings as provided in Article VII Section 8 and/or give to the defaulting Party a notice of intent to terminate the Agreement. If a notice of intent to terminate the Agreement is given, the City Council, within thirty (30) days after the giving of the Notice, shall hold a public hearing in the manner set forth in the Development Agreement Legislation, as amended, to consider and review the matter.

3. **Notice of Termination.** Following consideration of the evidence presented before the City Council and its determination that a default exists, the Party alleging a material default by the other Party, at its option, may give written notice of termination of the Agreement to the other Party and the Agreement shall be terminated immediately upon the giving of the Notice. The

validity of the basis for such a termination may be challenged pursuant to Article VII Section 8 by the Party alleged to be in default.

4. **Waiver.** Failure or delay in giving notice of default pursuant to Article VII Section 1 shall not constitute a waiver of any other material default. Except as otherwise expressly provided in the Agreement, a failure or delay in asserting any rights or remedies as to any default shall not operate as a waiver of any default or of any rights or remedies otherwise available to a Party or deprive a Party of the right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any rights or remedies it may have.

5. **Default by Owner.** An Annual Review may result in amendment or termination of the Agreement provided a material default has been established by substantial evidence and such default has not been cured within the Cure Period.

6. **Default by the City.** Upon a material default by the City, Owner, without limiting any of its other remedies, shall not be obligated to complete any of its obligations under the Agreement. Upon a City default, any resulting delays in Owner's performance shall neither be construed as a material default by Owner nor constitute grounds for termination or cancellation of this Agreement by the City and the Term shall be extended for the period of any such delay.

7. **Enforced Delay, Extension of Time of Performance.** Neither Party shall be deemed to be in default where delays or defaults are due to war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of nature, unavailability of materials, governmental restrictions imposed or mandated by other applicable governmental entities, suspension of rights in accordance with the existence of unforeseen circumstances, litigation, or similar bases for excused performance. If written notice of such delay is given to the other Party following the commencement of such delay, an extension of time for performance shall be granted in writing

for the period of the delay, or longer as may be mutually agreed upon. An extension shall commence to run from time of commencement of the cause of delay.

8. **Institution of Legal Action.** In addition to any other rights or remedies, either Party may institute legal action to cure, correct, or remedy any default, to enforce any provision of the Agreement, to enjoin any threatened or attempted violation of the Agreement, to recover damages for any default, or to obtain any remedies consistent with the purpose of the Agreement. Legal actions shall be instituted in the Superior Court of the County of San Diego, North County Branch, State of California, or in the Federal District Court in the Southern District of California. Pursuant to Code of Civil Procedure Section 638, et seq., all legal actions shall be heard by a referee who shall be a retired judge from either the San Diego County Superior Court, the California Court of Appeal, the United States District Court or the United States Court of Appeals, provided that the selected referee shall have experience in resolving land use and real property disputes. Owner and the City shall agree upon a single referee who shall then try all issues, whether fact or law, and report a finding and judgment thereon and issue all legal and equitable relief appropriate under the circumstances of the controversy before such referee. If Owner and the City are unable to agree upon a referee within ten (10) days of a written request to do so by either party hereto, it will not be considered a material default by Owner nor constitute grounds for termination or cancellation of the Agreement by the City and the Term shall be extended for the period of any such delay, and either party may seek to have a referee appointed pursuant to Code of Civil Procedure Section 640. The cost of such proceeding shall initially be borne equally by the parties. Any referee selected pursuant to this Article VII Section 8 shall be considered a temporary judge appointed pursuant to Article 6, Section 21 of the California Constitution. Notwithstanding the provisions of this Article VII Section 8, either party shall be

entitled to seek declaratory and injunctive relief in any court of competent jurisdiction to enforce the terms of the Agreement, or to enjoin the other party from an asserted breach thereof, pending the selection of a referee as provided in this Article VII Section 8, on a showing that the moving party would otherwise suffer irreparable harm.

ARTICLE VIII

Encumbrances and Releases on Property

1. **Discretion to Encumber.** The Agreement shall not prevent or limit Owner, in any manner, from encumbering the Property or any portion of the Property or any improvement on the Property by any mortgage. The City acknowledges that lenders providing financing may require modifications to the Agreement and the City agrees, upon request, from time to time, to meet with Owner and/or representatives of lenders to negotiate in good faith any lender request for modification. The City agrees that it will not unreasonably withhold its consent to any lender requested modification to the Agreement.

2. **Entitlement to Written Notice of Default.** Any mortgagee and its successors and assigns, upon written request to the City, shall be entitled to receive from the City written notice of any Owner default at the same time Owner is provided with such notice pursuant to Article VII Section 1 above.

3. **Additional Mortgagee Protection.** Any mortgagee of a mortgage or a beneficiary of a deed of trust of the Property shall be entitled to the following rights and privileges:

a. Neither entering into the Agreement nor a breach of the Agreement shall defeat, render invalid, diminish, or impair the lien of any mortgage or deed of trust on the Property made in good faith and for value.

b. Any mortgagee receiving the notice referred to in Article VIII Section 2 above shall have the right, but not the obligation, to cure the default during the remaining cure period allowed such party under the Agreement. If the default is of a nature which can only be remedied or cured by such mortgagee upon obtaining possession, such mortgagee shall seek to obtain possession with diligence and continuity through foreclosure, a receiver or otherwise, and shall thereafter remedy or cure the default or noncompliance within thirty (30) days after obtaining possession. If any such default or noncompliance cannot, with diligence be remedied or cured within such 30-day period, then such mortgagee shall have such additional time as may be reasonably necessary to remedy or cure such default or noncompliance if such mortgagee commences cure during such 30-day period, and thereafter diligently pursues and completes such cure.

ARTICLE IX

Miscellaneous Provisions

1. **Rules of Construction.** The singular includes the plural; the masculine gender includes the feminine; "shall" is mandatory; "may" is permissive.

2. **Severability.** If any non-material provision of the Agreement shall be adjudged by a court of competent jurisdiction to be invalid, void, or illegal, it shall in no way affect, impair, or invalidate any other provision of the Agreement. If any material part of the Agreement is adjudged by a court of competent jurisdiction to be invalid, void, or illegal, the Parties shall take all steps necessary to modify the Agreement to implement the original intent of the Parties in a valid and binding manner. These steps may include the waiver by either of the Parties of their right under the unenforceable provision. If, however, the Agreement objectively cannot be modified to implement the original intent of the Parties and the Party substantially benefited by

the material provision does not waive its rights under the unenforceable provision, the entire Agreement shall become void.

3. **Entire Agreement.** Except as the Agreement expressly refers to and/or incorporates other agreements between the City and Owner, the Agreement constitutes the entire understanding and agreement of the Parties with respect to the subject matter of the Agreement. The Agreement supersedes all other negotiations and previous agreements between the Parties with respect to that subject matter.

4. **Waivers.** All waivers of the provisions of the Agreement must be in writing and signed by the appropriate agents of the City or of Owner.

5. **Amendments.** All amendments to the Agreement must be in writing signed by the appropriate agents of the City and Owner, in a form suitable for recording in the Official Records of San Diego County, California.

6. **Recording.** The City Clerk shall cause a copy of the Agreement to be recorded with the Office of the County Recorder of San Diego County, California within Ten (10) days following the Effective Date. Upon the completion of performance of the Agreement or its revocation or termination, a statement evidencing completion, revocation, or termination signed by the appropriate agents of Owner and the City shall be recorded in the Official Records of San Diego County, California.

7. **Project as a Private Undertaking.** It is specifically understood by the Parties that the Project is a private development and that Owner shall have the full power and exclusive control of the Property subject to the provisions of the Agreement.

8. **Incorporation of Recitals.** The Recitals set forth in Article I of the Agreement are part of the Agreement.

9. **Captions.** The captions of the Agreement are for convenience and reference only and shall not define, explain, modify, construe, limit, amplify or aid in the interpretation, construction or meaning of any of the provisions of the Agreement.

10. **Consent.** Where the consent or approval of a Party is required or necessary under the Agreement, the consent or approval shall not be withheld unreasonably.

11. **The City's Ongoing Statutory Authority.** Except as expressly stated, nothing in this Agreement shall limit the City's authority and responsibility under the California Constitution and applicable California statutes to act in the best interests of the public health, safety, and welfare, and nothing in this Agreement is intended to limit in any way the legislative discretion otherwise afforded the Escondido City Council under state or federal law, as amended.

12. **Covenant of Cooperation.** The Parties shall cooperate with and assist each other in the performance of the provisions of the Agreement including assistance in obtaining permits for the development of the Property which may be required from public agencies other than the City. The covenant of cooperation shall include, to the maximum extent permitted by law, that the City shall use its best efforts to prevent any ordinance, measure, moratorium or other limitation from invalidating, prevailing over or making impossible any provision of the Agreement, and the City shall cooperate with Owner to keep the Agreement in full force and effect. Owner reserves the right to challenge any such ordinance, measure, moratorium, or other limitation in a court of law if it becomes necessary to protect the development rights vested in the Property pursuant to the Agreement.

13. **Further Actions and Instruments.** Each of the Parties shall cooperate with and provide reasonable assistance to the other in the performance of all obligations under the Agreement and the satisfaction of the conditions of the Agreement. Upon the request of either Party, the other

Party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of the Agreement to carry out the intent and to fulfill the provisions of the Agreement or to evidence or consummate the transactions contemplated by the Agreement.

14. **Successors and Assigns.** Subject to Article III Section 2 above, the burdens of the Agreement shall be binding upon, and the benefits of the Agreement inure to, all successors-in-interest and assigns of the Parties.

15. **Time of the Essence.** Time is of the essence of the Agreement and of each and every term and condition hereof.

16. **Applicable Laws.** The Agreement shall be construed and enforced in accordance with the laws of the State of California. All statutory references are to California statutes.

17. **No Waiver of Existing Rights or Applicable Laws.** The Agreement shall not constitute a waiver of any of Owner's existing rights or applicable laws, nor shall it limit or expand Owner's right to challenge any General Fee as being contrary to applicable law or to challenge any existing or Future Exaction as being in excess of Exactions permitted by applicable law.

18. **Authorization.** Each person executing this Agreement hereby warrants and represents that he/she has the authority to enter into this Agreement and to bind his/her respective entity to the provisions hereof. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original.

19. **No Third Party Beneficiaries.** This Agreement and each and every provision hereof is for the exclusive benefit of the Parties hereto and not for the benefit of any third party.

SIGNATURE PAGE FOLLOWS

The Agreement has been executed by the Parties as of the dates set forth below:

CITY OF ESCONDIDO

By: ______________________________
Sam Abed
Its: Mayor

CITY OF ESCONDIDO

By: ______________________________
Diane Halverson
Its: Clerk

PACIFIC LAND INVESTORS, LLC
A Delaware limited liability company on behalf of
MERIT GROUP, INC.
A California corporation

By: ______________________________
Its: ______________________________

APPROVED AS TO FORM AND CONTENT:

CITY OF ESCONDIDO

By: ______________________________
Jeffrey R. Epp
Its: City Attorney

LOUNSBERY FERGUSON ALTONA & PEAK, LLP

By: ______________________________
David W. Ferguson, Esq.
Attorney for Pacific Land Investors, LLC.

EXHIBIT A

LEGAL DESCRIPTION

All that certain real property situated in the County of San Diego, State of California, described as follows:

That portion of Parcel 2 as shown on a Parcel Map filed in Book of Parcel Maps on Page 971, being a portion of Lot 1, Block 418 of Rancho Rincon Del Diablo, in the County of San Diego, State of California, according to Map thereof No. 1520, filed in the Office of the County Recorder of San Diego County, January 21, 1913, said portion of Parcel 2 being described as follows:

Beginning at the most Southerly corner of Parcel 1 of said Parcel Map 971; thence North 55°33'17" East 298.69 feet to the most Easterly corner of Parcel 4 of said Parcel Map 971, being also a corner in the boundary of said Parcel 2. as follows:

South 34°23'03" East 475.56 feet; thence South 55°34'37" West 298.63 feet; thence North 34°23'32" West 475.45 feet to the Point of Beginning.

Assessor's Parcel Number: **224-142-35-00**

EXHIBIT B

ENTITLEMENTS

1. Tentative Subdivision Map (Tract 894), No. 894 (the "Tentative Map"), by City Council Resolution No. 2006-156 on August 16, 2006, including grading exemptions. Owner and the City understand that the Tentative Map has been modified to comply with the stormwater regulations as stated in Article II, Section 3. Owner and the City agree that the map, as modified, is in substantial conformance with the map as approved by Resolution 2006-156.

2. Mitigated Negative Declaration (Tract 894) ER 2004-31, certified by City Council Resolution No. 2006-156 on August 16, 2006.

EXHIBIT C

PUBLIC BENEFITS

A. Owner shall pay the City TWELVE THOUSAND FIVE HUNDRED DOLLARS ($12,500.00) per lot shown on the Project's approved Final Map prior to the City's grant of the first building permit for the Project, which funds the City shall use to finance certain roadway and drainage improvements in the vicinity of the Project.

B. Owner shall construct a 24" water line along Conway Drive from Lehner Avenue to Stanley Avenue.

EXHIBIT D

AGREEMENT FOR COMPLETION OF IMPROVEMENTS

This Agreement is made and entered into this ___ day of __________, 20_, by and between the CITY OF ESCONDIDO, a municipal corporation, hereinafter referred to as "CITY," and ________________________ a ________________________ hereinafter referred to as "APPLICANT";

WHEREAS, APPLICANT proposes to construct a building, structure or development at ____ in the City of Escondido, County of San Diego, State of California, the "Project"; and

WHEREAS, certain public improvements are required to be constructed and/or installed in the streets and/or easements adjacent to the lot or parcel upon which such the Project is to be constructed or erected; and

WHEREAS, pursuant to the provisions of Ordinance No. 93-2 of the Escondido Municipal Code, it is necessary that certain public improvements as detailed in the plans and specifications on file with the City Engineer of the City of Escondido, the "Improvements", be constructed and/or installed as a condition of and prerequisite to final inspection and acceptance of the Project.

NOW, THEREFORE, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

1. APPLICANT hereby agrees, at its sole cost and expense, to furnish all labor, equipment and materials to construct the Improvements in a good workmanlike manner and in conformance with the approved plans and specifications on file with the City Engineer. APPLICANT agrees that the Improvements shall be completed within two years from the date of this Agreement. The Improvements shall be completed to the satisfaction of the City Engineer, and shall not be deemed complete until approved and accepted by the CITY. The estimated cost of the Improvements is the sum of $__________________________.

2. APPLICANT covenants that all Improvements shall be constructed in a manner that does not damage existing public property. Should any damage occur to public property, including, but not limited to, the Improvements in the public right-of-way as a result of APPLICANT or APPLICANT'S contractor performing construction, APPLICANT shall be responsible for repair or reconstruction of the public property. Such repair or reconstruction shall be at the APPLICANT'S sole expense and shall be completed to the satisfaction of the City Engineer.

3. The CITY and its respective elected and appointed boards, officials, officers, agents, employees and volunteers (individually and collectively, "Indemnitees") shall have no liability to APPLICANT or any other person for, and APPLICANT shall indemnify, defend, protect and hold harmless Indemnitees 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 Indemnitees may suffer or incur or to which Indemnitees may become subject by reason of or arising out of any injury to or death of any person(s), damage to property, loss of use of property, economic loss or otherwise occurring as a result of or allegedly caused by construction of the Improvements. The CITY shall not by its approval of the Project, or any part of it, or by entering into this Agreement, or by granting any permits concerning this Project or Improvements, be deemed an insurer or surety for the design or construction of the Improvements.

If any action or proceeding is brought against Indemnitees by reason of any of the matters against which APPLICANT has agreed to indemnify Indemnitees as provided above, APPLICANT, upon notice from the CITY, shall defend Indemnitees at APPLICANT'S expense by counsel acceptable to the CITY, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to indemnification in order to be so indemnified. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

If a court of competent jurisdiction determines that the CITY has acted with negligence with respect to anything covered in this Agreement, APPLICANT's obligation to indemnify the CITY shall be limited by the provisions of California Civil Code Section 2782(b).

4. APPLICANT shall further indemnify, defend and hold harmless the CITY and its officers, employees and agents from and against 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) 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 of the Project or the Improvements.

5. It is further agreed that APPLICANT will at all times, prior to CITY acceptance of the Improvements, give good and adequate warning to the traveling public of each and every defective and/or dangerous condition existing in the affected public rights-of-way and/or easements or any of them, and will protect the traveling public from such defective or dangerous conditions. It is understood and agreed that until acceptance of the Improvements, each of the affected public rights-of-way and/or easements not accepted as improved shall be under the charge of APPLICANT for the purposes of this Agreement. APPLICANT may, upon approval of the City Engineer, close all or a portion of any public right-of-way whenever it is reasonably necessary to protect the traveling public during construction of the Improvements. APPLICANT agrees that the provisions of Sections 3 and 4, respecting indemnification, are applicable to the obligations as set forth in this Section 5.

6. APPLICANT hereby agrees to pay for any inspection of streets and/or easements as may be required by CITY ordinances.

7. It is further agreed that APPLICANT shall file with the City Clerk at the time of signing this Agreement a good and sufficient bond or Instrument of Credit in an amount not less than the estimated cost of the Improvements, as specified above, for the faithful performance of the terms and conditions of this Agreement, including payment for all labor and materials furnished in connection therewith and the guarantee and warranty of the Improvements for a period of two years against any defective work or labor or defective materials furnished, and that should the sureties on the bond or either of them become insufficient, APPLICANT agrees to renew the bond with good and sufficient sureties within 10 days after receiving notice that the sureties are insufficient.

8. In lieu of filing a bond as provided above, APPLICANT may deposit with the City Clerk or with a responsible escrow agent, bank, savings and loan or trust company, a sum of money or other form of security acceptable to the City Attorney, not less than the estimated cost of the Improvements as above specified, together with instructions to the escrow agent or bank, savings and loan or trust company for the payment of such money, which instructions shall be subject to the approval of the City Attorney.

9. Upon mutual consent of APPLICANT and the City Engineer, the City Engineer may make such changes, alterations or additions to the plans and specifications for the Improvements as may be determined necessary and desirable by the City Engineer for the proper completion of the Improvements and no such changes, alterations or additions shall relieve the surety or sureties on any bond given for the faithful performance of this Agreement.

10. It is further agreed by and between the parties hereto that, in the event it is deemed necessary to extend the time of completion of the Improvements required under this Agreement, the extension may be granted by the CITY and shall in no way affect the validity of this Agreement, nor shall such extension release the surety or sureties on any bond given for the faithful performance of this Agreement. In accordance herewith, the surety waives the provisions of Section 2819 of the Civil Code of the State of California.

11. It is further agreed by and between the parties hereto that the terms of this Agreement shall run with the land and shall be binding on all parties having or acquiring any right, title, or interest in the above-described land or any part thereof.

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

CITY OF ESCONDIDO

Date:_______________________ By _______________________
City Manager

APPLICANT

Date:_______________________ By_______________________
Authorized Signature

Address:
____
____
(SIGNATURES MUST BE NOTARIZED)

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY

____
City Attorney

Agenda Item No.: 20
Date: December 11, 2013

ORDINANCE NO. 2013-15(R)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, APPROVING A DEVELOPMENT AGREEMENT BETWEEN BG LIHTC, LLC AND THE CITY OF ESCONDIDO TO AUTHORIZE CONSTRUCTION OF THE PREVIOUSLY APPROVED 16-LOT TRACT 889 RESIDENTIAL SUBDIVISION IN THE NORTH BROADWAY DEFICIENCY AREA

PLANNING CASE NO.: PHG 13-0028

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

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

SECTION 2. That the City Council has reviewed and considered the Mitigated Negative Declaration (City Log No. ER-2004-24) and Mitigation Monitoring Report originally prepared for the Tract 889 project and has determined that all environmental issues associated with the project have been addressed and no significant environmental impacts will result from approving this agreement.

SECTION 3. That upon consideration of the staff report, Planning Commission recommendation and all public testimony presented at the hearing held on this agreement, this City Council finds that the Development Agreement is consistent with the Escondido General Plan and the Growth Management Ordinance (Article 68) of the Zoning Code.

SECTION 4. That the City Council desires at this time and deems it to be in the best public interest to approve the Development Agreement with BG LIHTC, LLC attached as Exhibit "A" and incorporated by this reference.

SECTION 5. That the City Council hereby consents to the future assignment of the Development Agreement to Pacific Land Investors, LLC.

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

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

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

RECORDING REQUESTED BY:

CITY CLERK, CITY OF ESCONDIDO

WHEN RECORDED MAIL TO:

CITY CLERK
CITY OF ESCONDIDO
201 N. BROADWAY
ESCONDIDO, CA 92025

THIS SPACE FOR RECORDER'S USE ONLY

APN: 224-142-02

Recording Fees Exempt Per Government Code Section 27383

DEVELOPMENT AGREEMENT for Tract 889

between

CITY OF ESCONDIDO

and

BG LIHTC, LLC
A California limited liability company

_________, 2013

DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") is entered into by and between the CITY OF ESCONDIDO, a municipal corporation ("City"), and BG LIHTC, LLC, a California limited liability company ("Owner")(collectively, "the Parties").

ARTICLE I

Recitals

The Agreement is entered into on the basis of the following facts, understanding intentions of the Parties:

1. **Code Authorization.** Government Code Sections 65864 through 65869.5, Article 58 of the City's Zoning Code (the "Development Agreement Legislation") and Article 68 of the City's Zoning Code ("Growth Management Ordinance") authorize the City to enter into binding development agreements with persons or entities having legal or equitable interests in real property for the purpose of establishing certainty in the development process for both the City and the property owner, and to enable specific terms regarding property development, to be negotiated and agreed upon.

2. **Interest of Owner.** Owner is the legal and/or equitable owner of certain real property totaling approximately 4.63 acres, located in the County of San Diego, State of California (the "Property"), as described in Exhibit A attached hereto, and more specifically within the North Broadway Region of Influence identified in the City's Growth Management Ordinance. Owner intends to subdivide the Property into sixteen (16) lots for single-family residential units and to construct such other improvements as are required by the conditions of approval of the Entitlements, Future Entitlements and the Agreement (collectively, the "Project").

3. **Sale of Property.** Owner has entered into an agreement to sell the Property to Pacific Land Investors, LLC, ("PLI") and by letter dated July 18, 2013 on file with the City, has authorized Mark Ferraro of PLI to act on its behalf with respect to this Agreement.

4. **Intent of Parties.** By the Agreement, the City and Owner intend to accomplish the following:

a. Eliminate uncertainty in the planning and development of the Project by assuring Owner that it may develop the Property, in accordance with Existing Laws, subject to the terms and conditions contained in the Agreement;

b. Assure the orderly installation of necessary improvements and the provision for public services appropriate for the development of the Project; and

c. Enable the City to obtain substantial public benefits by virtue of the Agreement.

5. **Execution.** The execution of the Agreement by the City and Owner shall constitute conclusive evidence that duly noticed public hearings before the Planning Commission and the City Council required by the Development Agreement Legislation have been held, and that the City Council has introduced (first reading) and adopted (second reading) an Ordinance approving the Agreement and containing the findings required by the Development Agreement Legislation.

6. **Effective Date.** The effective date ("Effective Date") of the Agreement shall be January 10, 2014, which is the date 30 days after adoption of the development agreement ordinance.

7. **Entitlements.** The City has also approved or certified the following entitlements, attached hereto as Exhibit B, which are necessary to implement the Project:

a. Tentative Subdivision Map, No. 889 (the "Tentative Map"), by City Council Resolution No. 2006-23 on February 8, 2006, including grading exemptions. Owner and the City understand that the Tentative Map has been modified to comply with the stormwater regulations as stated in Article II, Section 3. Owner and City agree that the map, as modified, is in substantial conformance with the map as approved by Resolution 2006-23.

b. Mitigated Negative Declaration (Tract 889) ER2004-24, certified by City Council Resolution No. 2006-23 on February 8, 2006.

8. **Amendment.** The Tentative Map is set to expire on February 8, 2015 pursuant to Article IV, Section 10 of the Development Agreement as extended by California Government Code Sections 66452.22 and 66452.23. The Parties desire to extend the Term of the Tentative Map to align with the term of this Agreement by the terms and conditions herein.

NOW THEREFORE, in consideration of the Recitals and the mutual covenants conditions set forth herein, the Parties agree as follows:

ARTICLE II

Definitions

1. **"Entitlements"** refers to all approvals and permits necessary or incidental to the development of the Project or any portion thereof, whether discretionary or ministerial, including but not limited to, those listed in Article I Section 6 above, final tract map approvals, whether standard or vesting, project plans, grading permits, building permits, and the Agreement.

2. **"Exaction"** refers to any fee, tax, requirement, condition, dedication, restriction, or limitation imposed by the City upon the development of the Property at any time in accordance with the Existing Laws.

3. **"Existing Laws"** refers to the ordinances, resolutions, codes, rules, regulations, stormwater regulations and official policies of the City governing the development of the Property, including, but not limited to the permitted uses of the Property, the density or intensity of use, the design, improvement and construction standards and specifications for the Project,

including the maximum height and size of proposed buildings, and the provisions for reservation and dedication of land for public purposes, in effect on the Effective Date of this Agreement.

4. **"<u>Future Exaction</u>"** refers to Exactions imposed after the Effective Date, whether by ordinance, initiative, resolution, rule, regulation, policy, order or otherwise.

5. **"<u>Future Laws</u>"** refers to all ordinances, resolutions, codes, rules, regulations, and official policies implemented by the City after the Effective Date, whether by ordinance, initiative, resolution, rule, regulation, policy, order or otherwise. "Future Laws" includes changes to the Existing Laws.

6. **"<u>Future Entitlements</u>"** refers to all Entitlements approved or adopted by the City after the Effective Date.

7. **"<u>General Fees</u>"** refers to all general development fees which the City may levy pursuant to the Government Code Sections 66000 et seq. ("the Mitigation Fee Act"), including, but not limited to, application fees, processing fees, utility connection fees, inspection fees, capital facilities fees, development impact fees, traffic impact fees, park fees and such other similar fees as may be enacted from time to time and generally applied throughout the City.

8. **"<u>General Plan</u>"** refers to the City's General Plan in effect on the Effective Date.

9. **"<u>North Broadway Deficiency Area</u>"** refers to the region specified in the City's Growth Management Ordinance No. 94-16, and to surrounding unincorporated areas within the City's Sphere of Influence, of which the Property is a part.

10. **"<u>Project</u>"** shall mean and refer to all improvements described in the Entitlements, Future Entitlements, and the Agreement.

11. "**<u>Public Benefits</u>**" shall refer to the consideration given by Owner to the City, as described in Exhibit C attached hereto, in return for the City's good faith performance of all applicable terms and conditions in the Agreement.

ARTICLE III

General Provisions

1. **<u>Term of Agreement</u>.** The term of the Agreement (the "Term") shall commence on the Effective Date of this Agreement and shall continue until the fifth (5^{th}) anniversary thereof, January 10, 2019, unless terminated, modified, or extended as permitted by the Agreement.

Following the expiration of the Term, the Agreement shall be deemed terminated and of no further force or effect; provided, however, such termination shall not affect any right or duty arising from City approvals, including, without limitation, the Entitlements, the Future Entitlements and any reimbursement agreement that may be entered into pursuant to the terms of the Existing Laws or the Agreement.

The Agreement shall terminate with respect to any lot and such lot shall be released and no longer is subject to the Agreement, without the execution or recordation of any further document, when a certificate of occupancy has been issued for the building(s) on the lot.

2. **<u>Assignment</u>.** The rights and obligations of Owner under the Agreement may be assigned by Owner as part of an assignment of all or a portion of the Property. Except for Owner's assignment of the Agreement to PLI, which the City approves by execution of this Agreement, no assignment shall be effective unless (1) such assignment is in writing and expressly provides that the assignment shall be subject to the Agreement; (2) the Assignee assumes all of Owner's rights and obligations with respect to the Property, or portion thereof, assigned; and (3) the City has determined that the assignment will not affect the timely completion or fulfillment of any

requirements in the Entitlements, the Future Entitlements or the Agreement relating to the Public Benefits. Owner shall provide Thirty (30) days advance written notice to the City of any assignment. In determining whether an assignment will affect the timely completion or fulfillment of any requirements relating to the Public Benefits, the City agrees (a) not to unreasonably withhold its determination that the assignment will not affect the timely completion or fulfillment of requirements relating to the Public Benefits and (b) to approve any assignment where it can reasonably be demonstrated that the proposed assignee has the financial capability to complete in a timely fashion and fulfill any uncompleted requirements relating to the Public Benefits.

During the Term, any assignee shall have all rights, benefits, and obligations of Owner under the Agreement with respect to the portion of the Property assigned. Following an assignment, Owner shall be released from its obligations with respect to the Property which has been assigned. Upon any transfer of any portion of the Property and the express assumption of Owner's obligations under the Agreement by such transferee, the City agrees to look solely to the transferee for compliance by such transferee with the provisions of the Agreement as such provisions relate to the portion of the Property acquired by such transferee. A default by any transferee shall only affect that portion of the Property owned by such transferee and shall not cancel or diminish in any way Owner's rights hereunder with respect to any portion of the Property not owned by such transferee. The transferee shall be responsible for the reporting and annual review requirements relating to the portion of the Property owned by such transferee, and any amendment to the Agreement between the City and a transferee shall only affect the portion of the Property owned by such transferee.

3. **Amendment of Agreement.** The Agreement may be amended by the mutual consent of the Parties in the manner provided by the Development Agreement Legislation. The Agreement shall include any amendment properly approved and executed. Minor modifications in the manner of performance, including, but not limited to changes which relate to the form or timing of payment of Public Benefits or the design of the Project shall not constitute an Amendment to the Agreement and may be accomplished through an "Operating Memorandum" subject to Article IV, Section 10 of the Agreement.

4. **Enforcement.** Unless amended or terminated as provided herein, the Agreement is enforceable by either Party or its successors and assigns, notwithstanding any Future Laws, which alter or amend the Existing Laws.

5. **Hold Harmless.**

a. Owner agrees to indemnify, hold harmless, and provide and pay all costs for a defense for the City in any legal action filed in a court of competent jurisdiction by a third party challenging the validity of the Agreement. The provisions of this Section shall not apply to the extent such damage, liability, or claim is proximately caused by the intentional or negligent act of the City, its officers, agents, employees, or representatives.

b. Owner shall further indemnify, defend and hold harmless the City and its officers, employees and agents from and against 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) of the California Regional Water Quality Control Board Region 9, San Diego, as amended or extended, which the City might suffer, incur, or become subject by reason of or occurring as a result of or allegedly caused by the construction of the Project or the Improvements.

6. **Third Party Challenges.** In the event the validity, applicability, or implementation of the Agreement is challenged by means of legal proceedings by any party other than the City and Owner, it shall be the City's option, at its sole and absolute discretion, whether to undertake the defense of such challenge. If the City determines not to defend such challenge, it shall be the option of Owner, at its sole and absolute discretion, to defend the validity, applicability, or implementation of the Agreement in the proceeding at Owner's expense. If the City opts to defend a challenge against the validity, applicability, or implementation of the Agreement, Owner shall not be responsible for the defense of any of the City's actions brought in such a challenge or for the expense of defending such City actions. The City and Owner agree to cooperate in the defense of any such challenges.

7. **Notices.** All notices or communication between the City and Owner pursuant to the Agreement shall be in writing and shall be given by personal delivery (including commercial express delivery services providing acknowledgments of receipt), registered, certified, express mail, facsimile or telecopy, or telegram to the addresses set forth below. Receipt shall be deemed complete as follows:

a. For personal delivery, upon actual receipt;

b. For registered, certified, or express mail, upon the delivery date or attempted delivery date as shown on the return receipt; and

c. For facsimile, upon transmission of the facsimile or, if transmitted after business hours, then the next business day.

Notices shall be addressed as follows:

To the City: City Clerk
City of Escondido
201 N. Broadway
Escondido, CA 92025
FAX (760) 741-7541

With Copy to: Jeffrey R. Epp, Esq.
City Attorney
City of Escondido
201 N. Broadway
Escondido, CA 92025
FAX (760) 741-7541

To Owner: Pacific Land Investors, LLC
Attn: Mark Ferraro
101 Pacifica, Ste. 200
Irvine, CA 92618
FAX 949-789-0006

With copy to: David W. Ferguson, Esq.
Lounsbery Ferguson Altona & Peak, LLP
960 Canterbury Place, Suite 300
Escondido, CA 92025
FAX (760) 743-9926

The addresses to which notices shall be sent may be changed by giving Ten (10) days written notice of change of address in the manner set forth above.

8. **Conflict of State or Federal Laws.** If state or federal laws or regulations enacted after the Effective Date prevent compliance with any provision of the Agreement or require changes in the Entitlements or any Future Entitlements, those laws or regulations shall be controlling and the Parties shall make a good faith, reasonable attempt to modify the Agreement to comply both with the intent of the Agreement and with the new laws or regulations.

The City shall timely assist Owner in securing any permits, including permits from other public agencies, which may be required as a result of the modifications, suspensions, or alternate course of action.

ARTICLE IV

Development of the Property

1. **Applicable Rules, Regulations, and Policies.** Owner shall have the vested right, to the fullest extent allowed under the Development Agreement Legislation, to develop the Property in accordance with the Entitlements, Future Entitlements and the Existing Laws. During the Term, the Entitlements, Future Entitlements, Existing Laws and the Agreement shall control the overall design, development and construction of the Project. Notwithstanding the foregoing, nothing in the Agreement shall preclude the City from applying changes occurring from time to time in the uniform codes published in Title 24 of the California Code of Regulations and adopted by the City of Escondido, including local amendments, in effect when the building permits are issued. In the event of any inconsistency between the Existing Laws and the Agreement, the provisions of the Agreement shall control.

2. **Future Laws.** Future Laws shall not apply to the Project except as expressly provided in the Agreement. Owner may give the City written notice of its election to have any Future Law applied to the Property, in which case such Future Law shall be deemed to be an Existing Law.

3. **Future Discretionary Reviews.** Except as set forth in the Agreement, the City shall retain its discretionary rights in reviewing applications for Future Entitlements. Owner's applications for Future Entitlements and the City's review thereof, must comply with the Existing Laws and with the terms and conditions of the Agreement. Upon granting any Future Entitlement, such Future Entitlement shall become part of the Existing Laws. The City shall not

impose any conditions upon any Existing Entitlements that are more restrictive than or inconsistent with the terms of this Agreement or the Existing Laws, except as expressly required (as opposed to permitted) by state or federal law. The City may conduct, in accordance with CEQA and the Existing Laws, an environmental review for Future Entitlements. The City may impose, if required by CEQA, additional mitigation measures to mitigate significant adverse environmental effects that were not previously considered, or were found to be infeasible, to mitigate at the time of approval of this Agreement.

4. **Permitted Uses and Density.** The Agreement shall vest the right to develop the Property to the fullest extent allowed under the Development Agreement Legislation with respect to the permitted uses of land, density and intensity of uses, and timing and phasing of development as described in the Entitlements and Future Entitlements. The permitted uses, density, and intensity of use of the Project, the maximum height and size of proposed buildings and provisions for reservation or dedication of land for public purposes, shall substantially conform to those specified in the Entitlement and Future Entitlement conditions of approval, Existing Laws and the Agreement. All other aspects of the Project that are not specified in the Entitlement or Future Entitlement conditions of approval shall be determined by the Existing Laws, except as expressly provided herein.

To the extent the City retains discretion in the Future Entitlements concerning future permitted land uses, density, and intensity of use(s), the City agrees, absent conditions that the City determines are dangerous to the health or safety of the residents of the City, not to exercise that discretion in such a way as to reduce the allowed number of residential units, alter the timing of development or modify the height and design features of the Project as described in the Entitlements, Future Entitlements and the Agreement.

5. **Application of Future Laws.** Subject to Article V of the Agreement, Future Laws may be applied to the Project if they are not in conflict with the Existing Laws and will not prevent, hinder, delay, or adversely economically impact the Project.

6. **Permitted Fees.** Except as otherwise provided in the Agreement, and specifically excluding fees set by entities not controlled by the City that are collected by the City, the City shall only charge and impose those General Fees and Exactions described as "Processing Fees," "Permit/Inspection Fees," "Connection Fees," and "Development Fees" in the amounts and of the type which are in effect at the time they are incurred by Owner or any successor-in-interest as described in the Escondido Fee Guide For Development Projects. The Project shall be subject to City-wide fees only and nothing in this Agreement shall impose on the Project any additional City special or district fees or taxes that do not currently exist.

7. **Required Financial Contribution to City Capital Improvement Projects.** Prior to the City's grant of the first building permit for the Project, Owner agrees to pay the City TWELVE THOUSAND FIVE HUNDRED DOLLARS ($12,500.00) per approved residential lot ("Deficiency Fee"), which funds the City shall use to finance certain roadway and drainage improvements in the vicinity of the Project.

8. **Time for Construction and Completion of the Project.** Owner cannot predict when or the rate or the order in which the Property or the parcels will be developed, if at all. Such decisions depend upon numerous factors that are not within the control of Owner, such as market orientation and demand, interest rates, absorption, completion, and other similar factors. Therefore, Owner or its assignees shall have the right to develop the Property in phases, in such order, at such rate, and at such times as Owner or its assignees deems appropriate in Owner's or its assignees' business judgment, subject only to the provisions of the Agreement. Owner or its

assignees shall be entitled to apply for and receive approval of permits, building permits, and other Entitlements and Future Entitlements for use at any time and for any or all portions or phases of the Project, provided that application is made in a manner consistent with the Agreement.

Owner shall be allowed to perform onsite Project grading and offsite road construction and water line installation prior to approval of a Final Map. The City may require, and will process, all customary plans and agreements generally applicable to developers in the City for similar works of onsite or offsite improvements. Once Owner has obtained approval of the Final Map, it may commence construction of the single-family residences.

9. **Moratorium.** No City-imposed moratorium or other limitation (whether relating to the rate, timing or sequencing of the development or construction of all or any part of the Property, whether imposed by ordinance, initiative, resolution, policy, order or otherwise, and whether enacted by the City Council, an agency of the City, the electorate, or otherwise) affecting parcel or subdivision maps (whether tentative, vesting tentative, or final), building permits, occupancy certificates or other entitlements to use or service (including, without limitation, water and sewer) approved, issued or granted within the City, or portions of the City, shall apply to the Property to the extent such moratorium or other limitation is in conflict with the Agreement; provided, however, the provisions of this Section shall not affect the City's compliance with moratoria or other limitations mandated by other governmental agencies or court-imposed moratoria or other limitations.

10. **Operating Memoranda.** The Parties acknowledge that the provisions of the Agreement require cooperation between the City and Owner, and that the refinements and further development of the Project hereunder may demonstrate that changes are appropriate with respect

to the details of performance of the Parties hereunder. The Parties desire, therefore, to retain a certain degree of flexibility with respect to those items covered in general terms under the Agreement. If and when, from time to time during the Term, the Parties find that such changes or adjustments are necessary or appropriate, they shall effectuate such changes or adjustments through Operating Memoranda approved by the Parties, which, after execution, shall be attached hereto as addenda and become a part hereof, and may be further changed and amended from time to time as necessary with further approval by the City and Owner. No such Operating Memoranda shall require prior notice or hearing, or constitute an amendment to the Agreement; and in the case of the City, such Operating Memoranda may be acted upon by the City Manager, Director of Community Development or by their designee. Failure of the Parties to enter into any such Operating Memoranda shall not affect or abrogate any of the rights, duties or obligations of the Parties hereunder or the provisions of the Agreement. An Operating Memorandum may be recorded as an Addendum to the Agreement.

11. **Term of Map(s) and Other Project Approvals.** Pursuant to California Government Code Sections 66452.6(a), the term of the subdivision map that is processed on all or any portion of the Property and the term of each of the Entitlements and Future Entitlements shall be extended for a period of time through the Term of the Agreement as specified in Article III Section 1.

12. **Infrastructure Capacity.** Subject to Owner's proportionate contribution to infrastructure and the Public Benefits provided by Owner, in accordance with the requirements of the Entitlements and Future Entitlements, the City hereby acknowledges that it will have sufficient capacity in its infrastructure services and utility systems, including, without limitation, traffic circulation, flood control, sewer collection, sewer treatment, sanitation service and, except for

reasons beyond the City's control, water supply, treatment, distribution and service, to accommodate the Project. To the extent that the City renders such services or provides such utilities, the City hereby agrees that it will serve the Project and that there shall be no restriction on connections or service for the Project except for reasons beyond the City's control. Notwithstanding the foregoing, the City acknowledges that sufficient capacity for sewer collection, sewer treatment and sanitation service for the Project exists as of the Effective Date. Owner acknowledges that the City cannot guarantee sufficient capacity for sewer collection, sewer treatment and sanitation service during the Term of this Agreement. The City shall guarantee sufficient capacity for sewer collection, sewer treatment and sanitation service for the Project for one (1) year from the Effective Date.

13. **Termination or Modification.** Notwithstanding the provisions of Section 33-1149 of the City's Zoning Code, the City's right to terminate or modify the Agreement may be exercised pursuant to the terms of Section 33-1149 after a public hearing only if the City determines that the failure of the City to terminate or modify the Agreement would place the residents of the City in an immediate condition dangerous to their health or safety. Upon approval of the Agreement by the Escondido City Council, Owner shall have 45 days to sign the Agreement or the Agreement shall automatically expire.

14. **Easements.** Easements dedicated for pedestrian use shall be permitted to include easements for underground drainage, water, sewer, gas, electricity, telephone, cable and other utilities and facilities so long as they do not unreasonably interfere with pedestrian use.

15. **Conditions of Approval.** Owner agrees to construct the following roadway improvements:

STREET	**IMPROVEMENT**
Street "A"	Full Width
Lehner Avenue	Half width plus 10 feet
Stanley Avenue	Half width plus 10 feet

Owner shall construct a 12" water line along Stanley Avenue, from Ash Street to the Property's eastern boundary.

Work to be performed based upon Escondido Design Standards and Standard Drawings (Effective Date: June 23, 1999).

ARTICLE V

Provision of Public Benefits

1. **Description of Public Benefits.** Owner or its assignees shall compensate the City with the following Public Benefits, as further described in Exhibit C attached hereto, as consideration for the City's good faith performance of all applicable terms and conditions in the Agreement:

a. Fulfilling long-term economic goals for the City.

b. Providing fiscal benefits to the City.

c. Providing short-term construction employment within the City.

d. Providing housing which will help to satisfy the City's obligation to meet the City's share of regional housing needs.

e. Advancement of the City's planned construction of roadway and drainage infrastructure needed in the future to serve areas near and surrounding the Property, and Owner's payment of a Community Benefit Fee of TWELVE THOUSAND FIVE HUNDRED DOLLARS ($12,500.00) per unit to be developed, pursuant to Article IV, Section 6.

2. **Reimbursement by Future Development Projects.** In return for Owner's construction of the twelve inch (12") water line along Stanley Avenue as described in Exhibit C and the conditions of approval, the City shall include a requirement in future development agreements for development of any property on Stanley Avenue between Conway Drive and Ash Street, for each of those properties to reimburse Owner $3,555 per unit for that property's proportionate share of the 12" water line This provision shall expire ten years after the Effective Date.

3. **Occupancy Contingent on Construction of Public Benefits.** Owner acknowledges that the City shall not grant a certificate of occupancy for residences constructed on the Property until Owner constructs all Public Benefits listed in Exhibit C. This contingency for occupancy shall survive the termination of the Agreement.

4. **Recordation of Final Map Contingent on Security for Public Benefits.** Prior to recordation of the Final Map, Owner must enter into an "Agreement for Completion of Improvements," which will detail Owner's construction obligations for project-required improvements and the Public Benefits, and will require Owner to provide financial security for completion of construction and shall be in substantially the form attached at Exhibit D.

5. **Other Governmental Bodies.** To the extent that the City, the City Council, the Planning Commission or any other City board, agency or commission that constitutes and sits as any other board, agency or commission, it shall not take any action that conflicts with the City's obligations under the Agreement.

6. **Processing During Third Party Litigation.** The filing of any third party lawsuit(s) against the City or Owner relating to the Agreement, the Entitlements, any Future Entitlements or

to other development issues affecting the Property shall not delay or stop the development, processing or construction of the Project or approval of Future Entitlements, unless the third party obtains a court order preventing the activity. The City shall not stipulate to or cooperate in the issuance of any such order.

ARTICLE VI

Annual Review

1. **City Responsibilities.** At least every twelve (12) months during the Term, the City shall review the extent of good faith substantial compliance by Owner with the terms of the Agreement (the "Annual Review"). At the conclusion of the Annual Review, the City's finding of good faith substantial compliance by Owner with the terms of the Agreement shall be conclusive up to the date of such finding for the purposes of future Annual Reviews or legal action between the Parties.

2. **Owner Responsibilities.** At the annual review, it shall be the responsibility of Owner to demonstrate good faith substantial compliance with the major provisions of the Agreement and to provide, to the best extent possible, the status and timing of development of the Project and related public improvements. If requested by the City, Owner shall provide any additional detail or information necessary to demonstrate good faith compliance with any particular provision of the Agreement identified by the City.

3. **Opportunity to be Heard.** Owner shall be permitted an opportunity to be heard orally and in writing at any noticed public hearing regarding its performance under the Agreement. Owner shall be heard before each appropriate board agency or commission and the City Council at any required public hearing concerning a review of performance under the Agreement.

4. **Information to be Provided to Owner**. The City shall mail to Owner a copy of staff reports and related exhibits concerning Agreement performance, a minimum of ten (10) calendar days prior to consideration and review by the City Council as required by the Development Agreement Legislation.

5. **Annual Review Letter**. If Owner is found to be in substantial compliance with the Agreement after the Annual Review, the City shall issue, upon written request by Owner, a letter to Owner (the "Review Letter") stating that, based upon information known or made known to the City Council, the City Planning Commission, and/or the City Manager, the Agreement remains in effect and Owner is in compliance. Owner may record the Review Letter in the Official Records of the County of San Diego.

6. **Estoppel Certificates**. Either Party may at any time, and from time to time, deliver written notice to the other Party requesting that the other Party certify in writing that to the knowledge of the certifying Party:

a. The Agreement is in full force and effect and is a binding obligation of the Parties.

b. The Agreement has not been amended or modified orally or in writing or, if so amended, identifying the amendments.

c. There exists no material default in the performance of the requesting Party's obligations under the Agreement or, if in default, the nature and amount of any material default.

A Party receiving a request under this Section shall execute and return a certificate within Thirty (30) days following receipt of the request. The failure to deliver such certificate within such time shall be conclusive upon the party which fails to deliver such certificate that the Agreement is in full force and effect without modification and that there are no uncured defaults in the performance of the requesting party. A certificate given pursuant to this Section may be relied upon by assignees and mortgagees.

7. **Failure of Annual Review.** The City's failure to perform the Annual Review of Owner's substantial compliance with the terms and conditions of the Agreement shall not constitute or be asserted as a default by Owner.

ARTICLE VII

Delay, Default, Remedies, and Termination

1. **Notice and Cure of Default.** In the event of a material default, the Party alleging a default shall give the defaulting Party a notice of default in writing. The notice of default shall specify the nature of the alleged material default, and the manner and period of time of not less than thirty (30) days in which the default must be cured (the "Cure Period"). The Cure Period must provide sufficient and reasonable time for the default to be cured. During the Cure Period, the Party charged shall not be considered in default. If the default is cured within the Cure Period, then no default shall be deemed to exist.

2. **Option to Institute Legal Proceedings or to Terminate.** If a material default is not cured within the Cure Period, the noticing Party may institute legal proceedings as provided in Article VII Section 8 and/or give to the defaulting Party a notice of intent to terminate the Agreement. If a notice of intent to terminate the Agreement is given, the City Council, within thirty (30) days after the giving of the Notice, shall hold a public hearing in the manner set forth in the Development Agreement Legislation, as amended, to consider and review the matter.

3. **Notice of Termination.** Following consideration of the evidence presented before the City Council and its determination that a default exists, the Party alleging a material default by the other Party, at its option, may give written notice of termination of the Agreement to the other

Party and the Agreement shall be terminated immediately upon the giving of the Notice. The validity of the basis for such a termination may be challenged pursuant to Article VII Section 8 by the Party alleged to be in default.

4. **Waiver.** Failure or delay in giving notice of default pursuant to Article VII Section 1 shall not constitute a waiver of any other material default. Except as otherwise expressly provided in the Agreement, a failure or delay in asserting any rights or remedies as to any default shall not operate as a waiver of any default or of any rights or remedies otherwise available to a Party or deprive a Party of the right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any rights or remedies it may have.

5. **Default by Owner.** An Annual Review may result in amendment or termination of the Agreement provided a material default has been established by substantial evidence and such default has not been cured within the Cure Period.

6. **Default by the City.** Upon a material default by the City, Owner, without limiting any of its other remedies, shall not be obligated to complete any of its obligations under the Agreement. Upon a City default, any resulting delays in Owner's performance shall neither be construed as a material default by Owner nor constitute grounds for termination or cancellation of this Agreement by the City and the Term shall be extended for the period of any such delay.

7. **Enforced Delay, Extension of Time of Performance.** Neither Party shall be deemed to be in default where delays or defaults are due to war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of nature, unavailability of materials, governmental restrictions imposed or mandated by other applicable governmental entities, suspension of rights in accordance with the existence of unforeseen circumstances, litigation, or similar bases for excused performance. If written notice of such delay is given to the other Party following the

commencement of such delay, an extension of time for performance shall be granted in writing for the period of the delay, or longer as may be mutually agreed upon. An extension shall commence to run from time of commencement of the cause of delay.

8. **Institution of Legal Action.** In addition to any other rights or remedies, either Party may institute legal action to cure, correct, or remedy any default, to enforce any provision of the Agreement, to enjoin any threatened or attempted violation of the Agreement, to recover damages for any default, or to obtain any remedies consistent with the purpose of the Agreement. Legal actions shall be instituted in the Superior Court of the County of San Diego, North County Branch, State of California, or in the Federal District Court in the Southern District of California. Pursuant to Code of Civil Procedure Section 638, et seq., all legal actions shall be heard by a referee who shall be a retired judge from either the San Diego County Superior Court, the California Court of Appeal, the United States District Court or the United States Court of Appeals, provided that the selected referee shall have experience in resolving land use and real property disputes. Owner and the City shall agree upon a single referee who shall then try all issues, whether fact or law, and report a finding and judgment thereon and issue all legal and equitable relief appropriate under the circumstances of the controversy before such referee. If Owner and the City are unable to agree upon a referee within ten (10) days of a written request to do so by either party hereto, it will not be considered a material default by Owner nor constitute grounds for termination or cancellation of the Agreement by the City and the Term shall be extended for the period of any such delay, and either party may seek to have a referee appointed pursuant to Code of Civil Procedure Section 640. The cost of such proceeding shall initially be borne equally by the parties. Any referee selected pursuant to this Article VII Section 8, shall be considered a temporary judge appointed pursuant to Article 6, Section 21 of the California

Constitution. Notwithstanding the provisions of this Article VII Section 8, either party shall be entitled to seek declaratory and injunctive relief in any court of competent jurisdiction to enforce the terms of the Agreement, or to enjoin the other party from an asserted breach thereof, pending the selection of a referee as provided in this Article VII Section 8, on a showing that the moving party would otherwise suffer irreparable harm.

ARTICLE VIII

Encumbrances and Releases on Property

1. **Discretion to Encumber.** The Agreement shall not prevent or limit Owner, in any manner, from encumbering the Property or any portion of the Property or any improvement on the Property by any mortgage. The City acknowledges that lenders providing financing may require modifications to the Agreement and the City agrees, upon request, from time to time, to meet with Owner and/or representatives of lenders to negotiate in good faith any lender request for modification. The City agrees that it will not unreasonably withhold its consent to any lender requested modification to the Agreement.

2. **Entitlement to Written Notice of Default.** Any mortgagee and its successors and assigns, upon written request to the City, shall be entitled to receive from the City written notice of any Owner default at the same time Owner is provided with such notice pursuant to Article VII Section 1 above.

3. **Additional Mortgagee Protection.** Any mortgagee of a mortgage or a beneficiary of a deed of trust of the Property shall be entitled to the following rights and privileges:

a. Neither entering into the Agreement nor a breach of the Agreement shall defeat, render invalid, diminish, or impair the lien of any mortgage or deed of trust on the Property made in good faith and for value.

b. Any mortgagee receiving the notice referred to in Article VIII Section 2 above shall have the right, but not the obligation, to cure the default during the remaining cure period allowed such party under the Agreement. If the default is of a nature which can only be remedied or cured by such mortgagee upon obtaining possession, such mortgagee shall seek to obtain possession with diligence and continuity through foreclosure, a receiver or otherwise, and shall thereafter remedy or cure the default or noncompliance within thirty (30) days after obtaining possession. If any such default or noncompliance cannot, with diligence be remedied or cured within such 30-day period, then such mortgagee shall have such additional time as may be reasonably necessary to remedy or cure such default or noncompliance if such mortgagee commences cure during such 30-day period, and thereafter diligently pursues and completes such cure.

ARTICLE IX

Miscellaneous Provisions

1. **Rules of Construction.** The singular includes the plural; the masculine gender includes the feminine; "shall" is mandatory; "may" is permissive.

2. **Severability.** If any non-material provision of the Agreement shall be adjudged by a court of competent jurisdiction to be invalid, void, or illegal, it shall in no way affect, impair, or invalidate any other provision of the Agreement. If any material part of the Agreement is adjudged by a court of competent jurisdiction to be invalid, void, or illegal, the Parties shall take all steps necessary to modify the Agreement to implement the original intent of the Parties in a valid and binding manner. These steps may include the waiver by either of the Parties of their right under the unenforceable provision. If, however, the Agreement objectively cannot be modified to implement the original intent of the Parties and the Party substantially benefited by

the material provision does not waive its rights under the unenforceable provision, the entire Agreement shall become void.

3. **Entire Agreement.** Except as the Agreement expressly refers to and/or incorporates other agreements between the City and Owner, the Agreement constitutes the entire understanding and agreement of the Parties with respect to the subject matter of the Agreement. The Agreement supersedes all other negotiations and previous agreements between the Parties with respect to that subject matter.

4. **Waivers.** All waivers of the provisions of the Agreement must be in writing and signed by the appropriate agents of the City or of Owner.

5. **Amendments.** All amendments to the Agreement must be in writing signed by the appropriate agents of the City and Owner, in a form suitable for recording in the Official Records of San Diego County, California.

6. **Recording.** The City Clerk shall cause a copy of the Agreement to be recorded with the Office of the County Recorder of San Diego County, California within Ten (10) days following the Effective Date. Upon the completion of performance of the Agreement or its revocation or termination, a statement evidencing completion, revocation, or termination signed by the appropriate agents of Owner and the City shall be recorded in the Official Records of San Diego County, California.

7. **Project as a Private Undertaking.** It is specifically understood by the Parties that the Project is a private development and that Owner shall have the full power and exclusive control of the Property subject to the provisions of the Agreement.

8. **Incorporation of Recitals.** The Recitals set forth in Article I of the Agreement are part of the Agreement.

9. **Captions.** The captions of the Agreement are for convenience and reference only and shall not define, explain, modify, construe, limit, amplify or aid in the interpretation, construction or meaning of any of the provisions of the Agreement.

10. **Consent.** Where the consent or approval of a Party is required or necessary under the Agreement, the consent or approval shall not be withheld unreasonably.

11. **City's Ongoing Statutory Authority.** Except as expressly stated, nothing in this Agreement shall limit the City's authority and responsibility under the California Constitution and applicable California statutes to act in the best interests of the public health, safety, and welfare, and nothing in this Agreement is intended to limit in any way the legislative discretion otherwise afforded the Escondido City Council under state or federal law, as amended.

12. **Covenant of Cooperation.** The Parties shall cooperate with and assist each other in the performance of the provisions of the Agreement including assistance in obtaining permits for the development of the Property which may be required from public agencies other than the City. The covenant of cooperation shall include, to the maximum extent permitted by law, that the City shall use its best efforts to prevent any ordinance, measure, moratorium or other limitation from invalidating, prevailing over or making impossible any provision of the Agreement, and the City shall cooperate with Owner to keep the Agreement in full force and effect. Owner reserves the right to challenge any such ordinance, measure, moratorium, or other limitation in a court of law if it becomes necessary to protect the development rights vested in the Property pursuant to the Agreement.

13. **Further Actions and Instruments.** Each of the Parties shall cooperate with and provide reasonable assistance to the other in the performance of all obligations under the Agreement and the satisfaction of the conditions of the Agreement. Upon the request of either Party, the other

Party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of the Agreement to carry out the intent and to fulfill the provisions of the Agreement or to evidence or consummate the transactions contemplated by the Agreement.

14. **Successors and Assigns.** Subject to Article III Section 2 above, the burdens of the Agreement shall be binding upon, and the benefits of the Agreement inure to, all successors-in-interest and assigns of the Parties.

15. **Time of the Essence.** Time is of the essence of the Agreement and of each and every term and condition hereof.

16. **Applicable Laws.** The Agreement shall be construed and enforced in accordance with the laws of the State of California. All statutory references are to California statutes.

17. **No Waiver of Existing Rights or Applicable Laws.** The Agreement shall not constitute a waiver of any of Owner's existing rights or applicable laws, nor shall it limit or expand Owner's right to challenge any General Fee as being contrary to applicable law or to challenge any existing or Future Exaction as being in excess of Exactions permitted by applicable law.

18. **Authorization.** Each person executing this Agreement hereby warrants and represents that he/she has the authority to enter into this Agreement and to bind his/her respective entity to the provisions hereof. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original.

19. **No Third Party Beneficiaries.** This Agreement and each and every provision hereof is for the exclusive benefit of the Parties hereto and not for the benefit of any third party.

SIGNATURE PAGE FOLLOWS

The Agreement has been executed by the Parties as of the dates set forth below:

CITY OF ESCONDIDO

By: ______________________________
Sam Abed
Its: Mayor

CITY OF ESCONDIDO

By: ______________________________
Diane Halverson
Its: Clerk

PACIFIC LAND INVESTORS, LLC
A Delaware limited liability company on behalf of
BG LIHTC, LLC
A California limited liability company

By: ______________________________
Its: ______________________________

APPROVED AS TO FORM AND CONTENT:

CITY OF ESCONDIDO

By: ______________________________
Jeffrey R. Epp
Its: City Attorney

LOUNSBERY FERGUSON ALTONA & PEAK, LLP

By: ______________________________
David W. Ferguson, Esq.
Attorneys for Pacific Land Investors, LLC.

EXHIBIT A

LEGAL DESCRIPTION

Lot "L" in Block 418 of the Resubdivision of Block 418 and 419 of Rancho Rincon Del Diablo, in the County of San Diego, State of California, according to Map thereof No. 1520, filed in the Office of the County Recorder of San Diego County, January 21, 1913.

APN 224-142-02

EXHIBIT B

ENTITLEMENTS

1. Tentative Subdivision Map (Tract 889), No. 889 (the "Tentative Map"), by City Council Resolution No. 2006-23 on February 8, 2006, including grading exemptions. Owner and the City understand that the Tentative Map has been modified to comply with the stormwater regulations as stated in Article II, Section 3. Owner and the City agree that the map, as modified, is in substantial conformance with the map as approved by Resolution 2006-23.

2. Mitigated Negative Declaration (Tract 889) ER-2004-24, certified by City Council Resolution No. 2006-23 on February 8, 2006.

EXHIBIT C

PUBLIC BENEFITS

A. Owner shall pay the City TWELVE THOUSAND FIVE HUNDRED DOLLARS ($12,500.00) per lot shown on the Project's approved Final Map prior to the City's grant of the first building permit for the Project, which funds the City shall use to finance certain roadway and drainage improvements in the vicinity of the Project.

B. Owner shall construct a 12" water line along Stanley Avenue, from the Property's eastern boundary to Conway Drive.

EXHIBIT D

AGREEMENT FOR COMPLETION OF IMPROVEMENTS

This Agreement is made and entered into this ______ day of __________, 20_, by and between CITY OF ESCONDIDO, a municipal corporation, hereinafter referred to as "CITY," and ________________________ a ______________________ hereinafter referred to as "APPLICANT";

WHEREAS, APPLICANT proposes to construct a building, structure or development at ____ in the City of Escondido, County of San Diego, State of California, the "Project"; and

WHEREAS, certain public improvements are required to be constructed and/or installed in the streets and/or easements adjacent to the lot or parcel upon which such the Project is to be constructed or erected; and

WHEREAS, pursuant to the provisions of Ordinance No. 93-2 of the Escondido Municipal Code, it is necessary that certain public improvements as detailed in the plans and specifications on file with the City Engineer of the City of Escondido, the "Improvements", be constructed and/or installed as a condition of and prerequisite to final inspection and acceptance of the Project.

NOW, THEREFORE, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

1. APPLICANT hereby agrees, at its sole cost and expense, to furnish all labor, equipment and materials to construct the Improvements in a good workmanlike manner and in conformance with the approved plans and specifications on file with the City Engineer. APPLICANT agrees that the Improvements shall be completed within two years from the date of this Agreement. The Improvements shall be completed to the satisfaction of the City Engineer, and shall not be deemed complete until approved and accepted by CITY. The estimated cost of the Improvements is the sum of $__________________________

2. APPLICANT covenants that all Improvements shall be constructed in a manner that does not damage existing public property. Should any damage occur to public property, including, but not limited to, the Improvements in the public right-of-way as a result of APPLICANT or APPLICANT'S contractor performing construction, APPLICANT shall be responsible for repair or reconstruction of the public property. Such repair or reconstruction shall be at the APPLICANT'S sole expense and shall be completed to the satisfaction of the City Engineer.

3. CITY and its respective elected and appointed boards, officials, officers, agents, employees and volunteers (individually and collectively, "Indemnitees") shall have no liability to APPLICANT or any other person for, and APPLICANT shall indemnify, defend, protect and hold harmless Indemnitees 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 Indemnitees may suffer or incur or to which Indemnitees may become subject by reason of or arising out of any injury to or death of any person(s), damage to property, loss of use of property, economic loss or otherwise occurring as a result of or allegedly caused by construction of the Improvements. CITY shall not by its approval of the Project, or any part of it, or by entering into this Agreement, or by granting any permits concerning this Project or Improvements, be deemed an insurer or surety for the design or construction of the Improvements.

If any action or proceeding is brought against Indemnitees by reason of any of the matters against which APPLICANT has agreed to indemnify Indemnitees as provided above, APPLICANT, upon notice from CITY, shall defend Indemnitees at APPLICANT'S expense by counsel acceptable to CITY, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to indemnification in order to be so indemnified. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

If a court of competent jurisdiction determines that the CITY has acted with negligence with respect to anything covered in this Agreement, APPLICANT's obligation to indemnify CITY shall be limited by the provisions of California Civil Code Section 2782(b).

4. APPLICANT shall further indemnify, defend and hold harmless CITY and its officers, employees and agents from and against 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) of the California Regional Water Quality Control Board Region 9, San Diego, which CITY might suffer, incur, or become subject by reason of or occurring as a result of or allegedly caused by the construction of the Project or the Improvements.

5. It is further agreed that APPLICANT will at all times, prior to CITY acceptance of the Improvements, give good and adequate warning to the traveling public of each and every defective and/or dangerous condition existing in the affected public rights-of-way and/or easements or any of them, and will protect the traveling public from such defective or dangerous conditions. It is understood and agreed that until acceptance of the Improvements, each of the affected public rights-of-way and/or easements not accepted as improved shall be under the charge of APPLICANT for the purposes of this Agreement. APPLICANT may, upon approval of the City Engineer, close all or a portion of any public right-of-way whenever it is reasonably necessary to protect the traveling public during construction of the Improvements. APPLICANT agrees that the provisions of paragraph nos. 3 and 4, respecting indemnification, are applicable to the obligations as set forth in this paragraph no.

6. APPLICANT hereby agrees to pay for any inspection of streets and/or easements as may be required by CITY ordinances.

7. It is further agreed that APPLICANT shall file with the City Clerk at the time of signing this Agreement a good and sufficient bond or Instrument of Credit in an amount not less than the estimated cost of the Improvements, as specified above, for the faithful performance of the terms and conditions of this Agreement, including payment for all labor and materials furnished in connection therewith and the guarantee and warranty of the Improvements for a period of two years against any defective work or labor or defective materials furnished, and that should the sureties on the bond or either of them become insufficient, APPLICANT agrees to renew the bond with good and sufficient sureties within 10 days after receiving notice that the sureties are insufficient.

8. In lieu of filing a bond as provided above, APPLICANT may deposit with the City Clerk or with a responsible escrow agent, bank, savings and loan or trust company, a sum of money or other form of security acceptable to the City Attorney, not less than the estimated cost of the Improvements as above specified, together with instructions to the escrow agent or bank, savings and loan or trust company for the payment of such money, which instructions shall be subject to the approval of the City Attorney.

9. Upon mutual consent of APPLICANT and the City Engineer, the City Engineer may make such changes, alterations or additions to the plans and specifications for the Improvements as may be determined necessary and desirable by the City Engineer for the proper completion of the Improvements and no such changes, alterations or additions shall relieve the surety or sureties on any bond given for the faithful performance of this Agreement.

10. It is further agreed by and between the parties hereto that, in the event it is deemed necessary to extend the time of completion of the Improvements required under this Agreement, the extension may be granted by CITY and shall in no way affect the validity of this Agreement, nor shall such extension release the surety or sureties on any bond given for the faithful performance of this Agreement. In accordance herewith, the surety waives the provisions of Section 2819 of the Civil Code of the State of California.

11. It is further agreed by and between the parties hereto that the terms of this Agreement shall run with the land and shall be binding on all parties having or acquiring any right, title, or interest in the above-described land or any part thereof.

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

CITY OF ESCONDIDO

Date:____________________ By ____________________

City Manager

APPLICANT

Date:____________________ By____________________

Authorized Signature

Address:

____

____

(SIGNATURES MUST BE NOTARIZED)

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY

____

City Attorney

ESCONDIDO
City of Choice

CITY COUNCIL

For City Clerk's Use:
☐ APPROVED ☐ DENIED
Reso No. ______________ File No. ______________
Ord No. ______________

Agenda Item No.: 21
Date: December 11, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Christopher W. McKinney, Director of Utilities

SUBJECT: Report on Drinking Water Public Health Goals

RECOMMENDATION:

The Utilities Department requests that the Council receive and file the Drinking Water Public Health Goals Report and that they accept public comment on the report.

FISCAL ANALYSIS:

None

BACKGROUND:

California law requires that the City of Escondido have on file a report comparing the City's drinking water quality with Public Health Goals (PHGs) and Maximum Contaminant Level Goals (MCLGs), whichever is applicable for a given water constituent. The California Environmental Protection Agency's Office of Environmental Health Hazard Assessment (OEHHA) adopted the PHGs and the US Environmental Protection Agency (USEPA) has adopted MCLGs. PHGs and MCLGs are not enforceable standards but are intended to give water agencies goals for which to strive as detection and treatment technologies advance.

PREVIOUS ACTION:

A Public Hearing was held in July 21, 2010 accepting the Utility's PHG report covering the years 2007 through 2009.

Respectfully submitted,

Christopher W. McKinney
Christopher W. McKinney
Director of Utilities

CITY OF ESCONDIDO

REPORT ON THE CITY'S WATER QUALITY RELATIVE TO PUBLIC HEALTH GOALS

2010– 2012

As required by California Health and Safety Code Section 116470(b)

Background

The California Health and Safety Code requires that water utilities with 10,000 or more service connections prepare a report every three years if any water quality measurements detect concentrations of certain constituents that exceed any Public Health Goal, or PHG. The law also requires that if a PHG for a particular constituent has not been established, the water suppliers are to use the Maximum Contaminant Level Goals, or MCLG, adopted by the United States Environmental Protection Agency (USEPA). Only constituents addressed by California primary drinking water standards, which are distinct from PHGs and MCLGs, and for which either a PHG or an MCLG has been set are to be included in the triennial report.

If a constituent was detected in the Escondido water supply in the years 2010 through 2012 at a level exceeding an applicable PHG or MCLG, this report provides information for our customers. Included is the numerical public health risk associated with the Maximum Contaminant Level (MCL, or the enforceable drinking water standard) and the PHG or MCLG, where available. The category or type of risk to health that could be associated with each constituent is also included if such risks have been established.

Goals vs. Standards

Public water supplies are strictly regulated for a host of substances. The enforceable standards are those set by the USEPA and the California Department of Public Health (Cal DPH) in their primary drinking water standards. These standards are called Maximum Contaminant Levels (MCL) and are enforced by the California Department of Public Health. Tests for these contaminants are run at a required frequency using standard methods. Public drinking water systems must ensure compliance with these standards at all times.

In addition to standards, there are two sets of goals that apply to certain substances that are sometimes found in drinking water supplies. The goals can be either state or federal goals. The goals are not enforceable, but they provide guidance concerning contaminant concentrations that water system operators should strive to meet, especially as treatment technologies advance.

Public Health Goals (PHGs) are set by the California Office of Environmental Health Hazard Assessment (OEHHA) which is part of the California Environmental Protection Agency (Cal-EPA). PHG's are not enforceable and are not required to be met by any public water system. They are set as goals based on public health risk considerations and include a wide "margin of safety".

Maximum Contaminant Level Goals (MCLGs) are similar to PHGs, though set by the federal government. One significant difference between MCLGs and PHGs is the method for setting concentration goals for carcinogens at the Federal level. The MCLGs for carcinogens are set at zero because the USEPA assumes there is no absolutely safe level of exposure to them. Conversely, PHGs are set at a concentration considered to pose no significant risk of cancer. This is usually denoted as a one-in-a-million cancer risk for a lifetime of exposure to a given concentration of the carcinogen. Determinations of health risk at these low levels are frequently theoretical and have not been quantified or proven through scientific or medical study.

Best Available Treatment Technology

Both the USEPA and the Cal DPH adopt what are known as Best Available Technologies. These technologies take into account factors such as analytical detection capability, available treatment technology, and costs. These are the best known methods for reducing contaminant levels to the MCL. However, since many PHGs and all MCLGs are set much lower than the MCL, it is not always possible to determine which, if any, treatment will further reduce contaminant concentrations to the low levels set in the PHG or MCLG. Unfortunately, the analytical tests to determine these very low levels are not always available or they do not provide reliable and repeatable test results. In some cases, treatment processes that reduce one contaminant to a very low level may have adverse effects on other aspects of water quality.

Water Quality Data Considered

Water quality data collected from the City of Escondido water system in 2010, 2011 and 2012 for purposes of determining compliance with drinking water standards was considered in this report. This data was summarized in the annual Consumer Confidence Reports for the same years and was either mailed to our customers (2010, 2011) or posted to the City's website (2012) with postcard notification of the Report's availability. As stated in the CCR each year, no constituent was detected at concentrations above the MCL, thus Escondido's drinking water met all federal and state standards. However, the constituents discussed below were detected in Escondido's drinking water at concentrations above the PHG or above the MCLG, whichever is applicable.

Coliform Bacteria

The MCL (drinking water standard) for total coliform is 5% of monthly samples and the MCLG (Federal goal) is 0% for monthly samples. The percentage of positive coliform bacteria samples from the distribution system was below the MCL at all times, but at times was over the MCLG.

Each month 140 to 190 samples are collected from the distribution system for analysis of coliform bacteria levels. Occasionally, a sample was found to be positive for coliform bacteria, but repeat samples were negative in all cases. Additional follow-up testing – both upstream and downstream of the original positive test – did not detect coliform bacteria. In any given month, a maximum of 2.0%, or 3 samples, were positive. Over the three-year period, 15 samples out of 5,641 (0.27%), were positive for total coliform. Follow-up samples were negative in all cases.

Monitoring for total coliform bacteria minimizes the possibility of pathogens, or organisms that may cause waterborne disease, in the drinking water. Because coliforms are only a surrogate indicator of the potential presence of pathogens in general, it is not possible to state a specific numerical health risk. While USEPA normally sets MCLGs "at a level where no known or anticipated adverse effects on persons would occur," they acknowledge that they cannot do so with total coliform bacteria.

Coliform bacteria are found everywhere in nature and are not generally considered harmful. They are used as an indicator because of the ease in monitoring and analysis. If a positive sample is found, it indicates a potential problem that needs to be investigated. It is not at all unusual for a system to have an occasional positive total coliform sample. Follow-up sampling indicates the presence or absence of further risk. As stated previously, all follow-up sampling has been negative.

The City adds chlorine as a disinfectant during the treatment process, and also chloramines prior to distribution, to assure that the water is free of pathogens. The residual levels of the disinfectant are carefully controlled to provide the best health protection without undesirable taste, odor, or byproducts. This careful balance of treatment processes is essential to supplying Escondido's customers with safe drinking water.

Other equally important measures that have been implemented include: an effective cross-connection control program; maintenance of a disinfectant residual throughout the system; an effective monitoring and surveillance program; and positive pressure in the distribution system.

Copper and Lead

There is no MCL (drinking water standard) for copper or for lead. Instead, the requirement is that 90% of the samples taken from household taps and tested for copper cannot exceed an Action Level or Notification Level of 1.3 mg/L for copper and 0.015 mg/l for lead. The PHG (State goal) for copper is 0.30 mg/L; for lead the PHG is 0.0002 mg/l.

The Federal and State Lead and Copper Rules require sampling once every three years for both lead and copper from household taps. The samples are taken by designated customers from kitchen or lavatory faucets. The sample is taken after the water sits in the plumbing overnight, without running the water to rinse or flush out contaminants. Customers agreeing to participate by collecting samples are rewarded with a $25 credit to their water bill. Sampling in the distribution has repeatedly failed to detect either lead or copper; therefore, if a sample has a concentration of lead and/or copper greater than the Action Level or Notification Level, the customer is notified of the source of lead and/or copper in the private plumbing system.

Copper sampling in 2012 indicates that the 90th percentile concentration of copper in samples taken from Escondido household taps was 0.31 mg/L, which is less than the Action Level of 1.3 mg/L but exceeds the PHG of 0.30 mg/L. Approximately 11% of the 66 samples collected in 2012 for copper exceeded the PHG of 0.30 mg/L.

The category of health risk for overexposure to copper is gastrointestinal irritation. Numerical health risk data on copper has not yet been provided by California EPA's Office of Environmental Health Hazard Assessment.

Lead sampling in 2012 indicates that the 90th percentile concentration of lead in samples taken from household taps was less than the Action Level of 0.015 mg/L. In fact, the 90th percentile concentration of lead was less than the detection limit of the test method used (0.005 mg/L). However, the detection limit of the method used exceeds the PHG level of 0.0002 mg/L, so it is not known if the 90th percentile concentration of lead is below the PHG. Further expense for testing with lower detection limits is not merited because the PHG is not an enforceable standard; however, staff must report that the 90th percentile concentration of lead, although less than the Action Level and less than 0.005 mg/L, may be greater than 0.0002 mg/L.

The category of health risk for overexposure to lead is damage to kidneys and the nervous system. Numerical health risk data on lead has not yet been provided by California EPA's Office of Environmental Health Hazard Assessment.

The Escondido water system is in full compliance with the Federal and State Copper and Lead Rule. The concentration of copper and lead falls well below Action Levels or Notification Levels in more than 90% of samples. Therefore, the Escondido water system is deemed by the California Department of Health Services to have "optimized corrosion control" for the system, and it would not be financially or operationally prudent to initiate additional corrosion control treatment. The cost to reduce the copper concentration below the detection limit is not known because the majority of copper and lead contamination comes from piping in individual residences.

Chlorite

Chlorite is a disinfection byproduct produced in the treatment of drinking water with chlorine dioxide. Chlorine dioxide has been used to control tastes and odors associated with algae and decaying vegetation in the raw water supply, as well as to lower the concentration of disinfectant-by-products such as total trihalomethanes (TTHMs) and haloacetic acid (five) (HAA5) in drinking water. Chlorine dioxide was applied seasonally at the Escondido Water Treatment Plant when Lake Wohlford water was used as part of the raw water supply. The current chlorite MCL (drinking water standard) is 1.0 mg/L and the PHG (State goal) is 0.05 mg/L.

The chlorite levels measured at the entry point to Escondido distribution system when chlorine dioxide was being used during 2010 to 2012 ranged from 0.37 mg/l to 0.75 mg/l.

Several studies reveal that oral exposure to chlorite can result in hematological, endocrine, reproductive, and gastrointestinal effects, as well as changes in neurobehavioral development at levels higher than the MCL (drinking water standard).

Sampling results show the Escondido water system meets the MCL (drinking water standard) for Chlorite, but exceeds the PHG (State goal).

RECOMMENDATIONS FOR FURTHER ACTION:

The City of Escondido drinking water system meets all State of California and USEPA drinking water standards set to protect public health, but concentrations of some constituents do exceed public health goals. To lower the concentration of these constituents, additional costly treatment processes would be required. The benefits of these reductions have not been quantified by the State or Federal governments. Additionally, PHGs (State goals) and MCLGs (Federal goals) are significantly below the health-based MCL (drinking water standard) that have been established to provide "safe drinking water." The effectiveness of additional treatment processes to provide significant reductions in constituent levels at these already low values is uncertain. The health protection benefits of further reductions are not clear and may not be quantifiable. Therefore, no action is proposed.

Summary of Findings:

Total coliform, copper, lead, and chlorite constituents were detected in our City's water system at concentrations above the PHGs (State goals) or MCLGs (Federal goals). These goals have been set to identify contaminant concentrations that water agencies should aim to achieve, but these goals are not enforceable. At all times, the Escondido water system served safe drinking water with contaminant concentrations well below recognized and enforceable MCLs (drinking water standards). The drinking water quality of the Escondido water system meets all drinking water standards to protect public health.

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For City Clerk's Use:
☐ APPROVED ☐ DENIED
Reso No. ______ File No. ______
Ord No. ______

Agenda Item No.: 22
Date: 12/11/2013

TO: Honorable Mayor and Members of the City Council

FROM: Helen Davies, Environmental Programs Manager

SUBJECT: "Mission Pools" Area Drainage Restoration Project

RECOMMENDATION:

The Utilities Department has requested that Council adopt Resolution No. 2013-164, authorizing the Mayor and City Clerk to execute a consulting agreement with AECOM in the amount of $159,309 for engineering services to provide initial (30%) design plans for the "Mission Pools" Area Drainage Restoration Project.

FISCAL ANALYSIS:

The total budget for the project including the optional tasks is $159,309. A County of San Diego Vector Control Grant will be used to fund $110,000 of the project, supplemented with a $49,500 budget adjustment from Stormwater Fund number 5131-558-440. The grant match ($10,000) will be made through contributions in staff time.

PREVIOUS ACTION:
None. This is the first engineering study to address this issue.

BACKGROUND:
The "Mission Pools" storm water conveyance channel has suffered from delayed maintenance. Grading variances and sediment deposits within the channel have created drainage problems. Standing water in the channel provides habitat for breeding mosquitos. To reduce these drainage and vector concerns, the City plans to redesign the channel (within existing constraints) in a manner that improves drainage and reduces mosquito breeding habitat. Structural changes and improvements to the channel will be evaluated during this design phase.

This resolution covers initial design work. Resolutions regarding design completion and project construction, including channel maintenance will be presented to council at a later date, as funds allow.

Respectfully submitted,
Helen M. Davies
Helen Davies,
Environmental Programs Manager

ESCONDIDO
City of Choice

CITY OF ESCONDIDO

BUDGET ADJUSTMENT REQUEST

Date of Request: 12/11/13

Department: Utilities Administration

Division: Environmental Programs

Project/Budget Manager: Helen Davis (Name) 6315 (Extension)

Council Date (if applicable): 12/11/13
(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
Mission Pools	557-678301	49,500	
Professional Services	5131-558-440		49,500

Explanation of Request:

Grant funding in CIP needs to be supplemented with funds for additional engineering work.

APPROVALS

Christopher W. McKinney — 12-04-2013
Department Head — Date

City Manager — Date

Jodi Coco — 12/4/13
Finance — Date

City Clerk — Date

Distribution (after approval): Original: Finance

FM\105 (Rev.11/06)

RESOLUTION NO. 2013-164

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 FOR DESIGN PROFESSIONALS WITH AECOM FOR THE MISSION POOLS AREA DRAINAGE RESTORATION PROJECT

WHEREAS, the City of Escondido desires to design the "Mission Pools" area drainage restoration project (the "Project"); and

WHEREAS, the City of Escondido received and reviewed proposals from two consulting firms and AECOM was selected for the Project; and

WHEREAS, AECOM has the personnel and expertise to design the Project; and

WHEREAS, City of Escondido staff have completed negotiations with AECOM for said engineering services and the Environmental Programs Manager 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 $159,309.

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 Clerk are authorized to execute, on behalf of the City, an Agreement with AECOM. A copy of the Agreement is attached as Exhibit "A" and is incorporated by this reference.

ESCONDIDO
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CITY OF ESCONDIDO
CONSULTING AGREEMENT FOR DESIGN PROFESSIONALS

(ONLY for licensed architects, landscape architects, professional engineers, and professional land surveyors who are performing design services for the City)

This Agreement is made this 11th day of December, 2013.

Between: CITY OF ESCONDIDO
a Municipal Corporation
201 N. Broadway
Escondido, California 92025
Attn: Ms. Helen Davies
760-839-6915
("CITY")

And: AECOM
1420 Kettner Boulevard
Suite 500
San Diego, CA 92101
Attn: Mr. Mark Williams
619-760-6847
("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 design services for the restoration of the Mission Pools Restoration Project. The design will be up to 30 percent completion and will include site assessment and biological studies needed for permitting; 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 $159,309. 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. 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

Date:____________________

____
(Contractor 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.

Mission Pools — Proposed Method to Accomplish the Scope of Work

The Mission Pools storm water conveyance tributary has long been a public health and flooding issue. The substantial sediment deposition and standing water has created a significant maintenance access issue to the culvert under South Spruce Street. Maintenance at this section of the project is greatly impeded by a lack of ingress/egress for crews and equipment—not to mention the right-of-way (R/W) restrictions of the North San Diego County Transit Development Board, now officially known as the North County Transit District (NCTD). Returning the natural portion of the channel to a newly established "original" line and grade requires skilled coordination, planning, environmental assessment and mitigation, engineering insight, and implementation. Ur proposed team has the right experience to successfully accomplish this important project for the City.

To complete the project Site Assessment (and update any biological data, if needed) and prepare an Engineering Plan for restoring proper drainage, there are several aspects that AECOM can leverage, which include our:

- long-standing familiarity of the project site and engineering issues;
- extensive portfolio of successful engineering and environmental permitting.
- insight to the direction, intent, and needs of this contract,
- understanding of the previous environmental data collection;
- experience with the City and other public agencies, and
- regulatory permitting expertise and ability to streamline the approach for environmental permitting ; and
- ongoing relations with resource agency staff to advocate favorable permit authorizations;

AECOM's approach to the project is described below relative to the structure of the Scope of Work described in the RFP. Deliverables are listed within each task identified below, along with the anticipated involvement and level of support from City staff and assumptions in accomplishing each subtask.

In accordance with our ISO 9001 certified QA/QC program, all of our draft submittals will undergo internal quality review such that they meet internal AECOM standards as well as City standards and expectations.

4.1 Project Management (Task 1)

As with past projects AECOM has implemented for the City, all work will comply with federal and state laws, City requirements, and industry standards as defined in the project contract. As detailed in our approach, the City can rely on AECOM to effectively manage all aspects of the project.

4.1.1 Project Team

Management functions of key project staff are described below.

PROJECT MANAGER

Mark Williams will serve as Project Manager. He is intimately familiar with the history of Mission Pool's vector/flood control issues. Mark will be the City's direct point of contact, will maintain regular communications with Chris Lawrance, and will be responsible for coordinating with City and in-house staff. He will be the lead for interfacing with the regulating agencies, overseeing budget management and invoicing, and supervising quality control of all activities and deliverables in accordance with AECOM's QA/QC program. Mark will ensure the efficient project execution with the support of the Engineering and Environmental team specialists.

PRINCIPAL-IN-CHARGE

Ray Hrenko will serve as the PIC to ensure that the Project Manager (Mark Williams) is provided with dedicated resources to fulfill this contract, and will meet with Mark on a monthly basis to review project status, progress, City satisfaction, and budget control.

ENGINEERING DESIGN/LEAD ENGINEER

Gerard Dalziel, PE, will oversee the engineering design team. With his extensive experience in preparing numerous PS&E deliverables for public facilities, he will routinely update Mark on design progress and budget/schedule status. One of his principal responsibilities will be to ensure that the conceptual design (pre-30% submittal) meets City expectations. To accomplish this, he will work closely with Mark, the design team, and City staff in developing a suitable and affordable engineering approach on the first submittal. This will establish a firm foundation for developing further engineering details and avoid rework. Gerard will oversee the QA/QC of all software modeling, engineering designs, support calculations, specifications, and cost estimates, while ensuring the City's design perceptions are integrated.

4.1.2 Management Objective

For efficient and effective project execution with high-quality results, Mark will:

- Fulfill the project's technical/professional and contractual requirements
- Respond quickly to the City's needs
- Maintain clear lines of communication both internally and externally
- Handle problems and resolve issues
- Establish a succinct project filing system
- Chair meetings
- Develop a quality management program tailored to the project
- Manage and report schedule progress and budget status regularly

Mark will lead the coordination, planning, and design efforts. He will attend project meetings as directed by City staff, prepare agendas, submit monthly progress reports, coordinate site visits, interface with subconsultants, and manage in-house staff.

PROJECT WORK PLAN

As standard AECOM practice, Mark will prepare a Project Work Plan (PWP) as a tailored quality management program. It will define how the work will be accomplished to meet the City's goals and objectives, expectations, and maintain schedule and budget.

AECOM's PWP uses a consistent process to plan and track project costs for this project that includes:

- Defining the work items, task budgets, and schedule sequence for performing the work.
- Monitoring work progress relative to the project PWP.
- Evaluating any variance in the work progress and establishing appropriate corrective action before the project schedule or budget are impacted.

4.1.3 Meetings

For formal meetings, Mark and the project team will prepare and provide meeting notices, agenda, and minutes. Draft versions will be provided to the City for review and approval, and final versions will be distributed to all attendees as an advance review of discussion topics.

Five (5) meetings are proposed, which are delineated in the cost estimate (Attachment A).

To guide and inform the Environmental and Engineering Design teams, and keep abreast of the City's expectations for construction implementation, the following on-site meetings are proposed to address specific field issues and keep the project team informed:

1. **AECOM/City Kickoff Meeting and Windshield Survey.** This initial meeting will serve to acquire project-related as-built drawings/information from the City, discuss the project schedule, coordination needs, expectations, deliverables, and lines of communication. Following the meeting on City Hall premises, a brief windshield survey will be conducted to review the project area and discuss challenges/constraints to guide project approach and engineering solutions.
2. **Post-Environmental/Engineering Survey Debrief.** Following the environmental survey of the project baseline conditions and the engineering survey of the drainage and surrounding area, AECOM proposes to meet at the site with City staff to discuss findings. This will provide a clear vision to the approach to developing the Engineering Plan as well as the 30% conceptual designs.
3. **Engineering Coordination** (pre-30% submittal). Approximately halfway through the development of the Engineering Plan, we propose an onsite meeting to discuss the civil/topographic survey results, review conceptual ideas that have been developed to date as they relate to field conditions, and gain concurrence on the early direction of the 30% design concepts.

See Task 3 discussion (Section 4.3) for further details on the civil/topographic survey.

As part of the meeting scope, AECOM feels that it would be beneficial to the City to conduct a brief resource agency field tour. This would be conducted once the biological site reconnaissance is completed and the City is sufficiently debriefed and prepared on environmental conditions.

For the field tour, the US Army Corp of Engineers (USACE) and the Regional Water Quality Control Board (RWQCB) will be invited for a site tour to observe site conditions, review the Site Assessment results (i.e., Phase 1 RGP forms, updated as necessary), and discuss viewpoints and strategies/constraints for environmental permitting. As the primary agencies responsible for water quality protection, their input from this meeting would provide early concurrence on design features intended to avoid and minimize adverse effects on water quality and jurisdictional waters, and the proposed methods for dredging and storage of dredged materials.

Gaining agency consensus on project direction related to water quality protection can provide a more streamlined formal permitting phase with all of the relevant resource agencies, and avoid design rework under the "Phase Two" contract.

Deliverables:

- Meeting agendas and action items
- Post-survey meeting minutes
- Resource agency meeting minutes

Anticipated City Involvement:

- Review meeting agendas and follow up on designated action items
- Attendance at all field and teleconference meetings

Assumptions:

- Meetings will be conducted on City Hall premises and/or on the project footprint
- The kickoff meeting and windshield survey will take approximately 2 -3 hours

4.1.4 Printed and Electronic Materials

AECOM will reproduce and distribute all project-related documents, including overnight mailing. Electronic files of all submittals, reports, graphics, and schedules will be submitted on compact disc (CD) media at the same time as printed versions. Source files (e.g., Microsoft Word, Excel, geographic information system (GIS), AutoCAD, etc.) will be included on deliverable CDs along with comprehensive PDF files that include all graphics and design attributes. CDs will be neatly organized in various folders for easy sorting and access.

4.1.5 Coordination, Progress, and Billing

Mark and his team will coordinate with the City regularly to keep Mr. Lawrance and City staff aware of progress and accomplishments. He will also provide monthly progress reports to Mr. Lawrance that describe progress of the previous month, planned activities for next month, coordination issues, deliverable tracking, and budget and schedule updates. As part of the progress report package, an invoice will be included that displays the total authorized budget by task, the amount previously expended, amount expended the current period, and amount remaining.

Routinely, and as part of preparing status reports, Mark will request debriefs from the Engineering Design team and Environmental team. He will also be instrumental in project planning and coordination, and will review the preparation (and draft/final production) of all project deliverables.

Deliverables:

- Monthly progress report and correlating invoice

Anticipated City Involvement:

- Review AECOM progress reports and invoices.
- Assist as needed with expectations and project coordination for the next month.

Assumptions:

- Standard reporting format for past City project status reports and invoices will be used.

4.2 Site Assessment and Biological Studies (Task 2)

Under the RGP for Channel Maintenance Activities Phase 1 work for the City, AECOM developed data management strategies that greatly facilitated the collection, organization and tracking of baseline data, enhanced collaboration between the City and the resource agencies, and established the groundwork for defensibly managing and accounting for long-term impacts and equitable mitigation. These strategies included:

- development of a field report containing the comprehensive results;
- creation of a database that houses the Phase 1 survey data and is structured to facilitate automated tools to simplify and expedite data reporting;
- development of standard templates for reporting Operation & Maintenance (O&M) impacts, which were constructed in anticipation of resource agency notifications that may be required as a condition of this project; and
- establishment of a standardized, "tiered" approach to impact/mitigation accounting.

AECOM proposes to utilize this information to streamline the Site Assessment and Biological Studies phase of this project.

Further, we understand the depth and scope of the baseline data collected, we have discussed this information with the USACE, RWQCB, and California Department of Fish and Wildlife, and we know it is sufficient for pursuing agency permits. Because the wetland delineation for this site was conducted in 2010 in accordance with regulations that remain current today (e.g., USACEs' 1987 Wetland Delineation Manual and the 2008 Supplement for the Arid West Region), a re-delineation of the site would not be needed unless conditions at the site have changed. Therefore, AECOM proposes to conduct a brief site reconnaissance to verify that conditions at the site remain essentially unchanged.

4.2.1 Site Reconnaissance

As part of this site reconnaissance, an AECOM biologist will walk along the storm water channel and compare the boundary of jurisdictional waters mapped in 2010 with the current boundary as indicated by either wetland vegetation or an ordinary high water mark along the bank. At the same time the biologist will also generally assess the type and condition of the adjacent uplands compared to the 2010 vegetation mapping, and determine whether any habitats (formerly unsuitable for sensitive species) have become suitable. The biologist will also identify which biological resources within the project area should be avoided to the maximum extent feasible during project design. It is expected that this site reconnaissance can be conducted within a day. Site photographs will be collected to document present-day conditions.

4.2.2 Update Site Assessment Form

After completing the site reconnaissance, an updated Site Assessment Form (consistent with the format prepared in 2010) will be prepared that will include updates to reflect the site reconnaissance date, and incorporate statements to either confirm that the previously reported findings remain unchanged, or address any changes that were observed.

Information collected under this task will be provided to the City for inclusion in their CEQA documentation prepared under separate cover.

Deliverables:

- An updated Site Assessment Form to reference the site reconnaissance and site maps showing environmental changes (if observed). Documentation will include three (3) hardcopies and electronic files on CD.

Anticipated City Involvement:

- The City will coordinate with AECOM via telephone the day of the reconnaissance to discuss the habitat status found and/or discuss any needed follow-up data collection.
- The City will coordinate any NCTD needs for site access or other needs to accomplish this task.
- The City will review updated baseline information and forms, if applicable.

Assumptions:

- Site environmental conditions remain unchanged from initial assessment conditions documented in RGP Phase I
- Additional wetland delineation sample points to formally evaluate hydrology, soils, and the cover of hydrophytic plants will not be needed. Additional wetland sample points would only be evaluated if a recent site alteration is evident. The City will be notified of the level of effort needed before commencing the collection of additional field survey information.
- The environmental site reconnaissance will take one day to complete
- The City will develop CEQA documentation for permitting needs.

4.3 Design Services (Task 3)

To develop a viable and practical design that resolves current drainage issues and minimizes future maintenance needs of the Mission Pools storm water conveyance system, AECOM proposes the following subtasks, which are discussed in further detail below:

1. Initial Baseline Services
2. Engineering Plan
3. 30% Project Plans, Specifications, and Estimates

4.3.1 Initial Baseline Services

Site reconnaissance, surveying, utility coordination, and utility base map preparation will be addressed under this subtask.

SITE RECONNAISSANCE

As mentioned above (Meetings, Section 2.1.3), the planning effort will begin with a windshield survey site reconnaissance of the project reach with City staff as part of the kickoff meeting. During this initial design reconnaissance, the project understanding and goals will be reviewed with the City in relation to the site conditions. This joint on-site review will provide additional clarity and consensus with the project team regarding the proposed methods to accomplish the project goals.

A week has been scheduled to complete a thorough reconnaissance of the project area. An engineer will walk the entire reach to document present-day conditions, develop initial concepts for restoration and engineering improvements, and collect photographs. An email will be prepared that summarizes the conditions found, early engineering concept ideas, and site constraints. These findings will be relative to engineering documentation provided by the City.

SURVEYING

Subsequent to the reconnaissance, project discovery for engineering design development will be initiated with the following principal activities:

Detailed Ground Surveys

Detailed ground surveys of critical channel facilities (existing drainage structures) or other adjacent improvements that will factor into the access and dredging activities.

These ground surveys will supplement aerial topography to locate all surrounding infrastructure (e.g., buildings, railroad tracks, driveways, light poles, curb/gutter, etc.) and other infrastructure items needed to assess design constraints.

Civil/Topographic Survey

Aguirre & Associates will be used to cost-effectively identify, accurately locate, and determine elevations of infrastructure and area characteristics via aerial survey.

An aerial reconnaissance survey will be conducted to efficiently and accurately capture horizontal locations and vertical elevations of the entire project footprint. This information will be the first and most critical building block of the project design because it forms the basis of design. In a single flight, the aerial mapping can locate all minor infrastructure such as light poles, manholes, etc. that would require significant time for survey crews to locate and survey.

Aerial surveys will include the following steps:

- Set and survey supplemental and aerial controls. This involves the placement of targets to be used by the aerial flight as elevation and horizontal controls for the aerial topography.
- Run levels through supplemental control. The level runs insure that the aerial control is tied into existing City benchmarks so that the aerial will be comparable to other surveys and as-built features in the area.
- Perform reconnaissance to establish property lines. This involves the field location survey and identification of existing property corners that

will assist in developing an accurate R/W map for the project.

- Establish R/W lines & drainage easements and review title reports. The existing property corners will be combined with the title reports to establish precise property line locations.
- Conduct a topographic survey. Critical locations such as channel inverts and drainage structures will be precisely surveyed.
- Perform aerial mapping.
- Prepare, submit, and process property line information into a formalized Record of Survey that will be recorded with the County.

Research of As-Build Conditions

Available as-built drawings will be superimposed on the aerial and survey topography to create a comprehensive image of the existing site conditions within the project area. As-built conditions of both public and private facilities with particular emphasis placed on NCTD facilities adjacent to the channel that may be affected by the cleanout operations will be evaluated.

Deliverables:

- Two (2) hardcopies of a 20-scale topographic map of the project site, including point files and electronic files in AutoCAD format of the survey information

Anticipated City Involvement:

- City involvement will be contingent on who performs the civil/topographic surveying.
  - o Approximately 4 hours would be involved for coordinating the aerial surveying flight (ground truth marker placement, confirmation of footprint, etc.).
  - o Should the City desire to conduct this work with municipal staff, an effort approximately 2-3 weeks for multiple staff may be necessary.

Assumptions:

- Should the City employ municipal staff for site surveying, this information will be readily available relative to the project schedule and the preparation/submittal of deliverables.

UTILITY REVIEW AND BASE MAP

AECOM has already conducted a field examination of the area and found indication that water, sewer, electrical, or other utilities are present in the various streets of the project footprint. This reconnaissance will be supplemented with a review of available record drawings supplied by the City.

The results of this review will be plotted horizontally (only storm drains will include vertical datum) to delineate all existing known water, sewer, storm drain, gas, electric and cable television facilities in the project footprint. Special attention will be paid to NCTD facilities adjacent to the channel.

Particular attention will be paid to the following locations during utility record reviews:

- NCTD R/W where it borders on the channel alignment
- South Spruce Street between West 2nd Avenue and West Grand Avenue
- West Grand Avenue where it crosses the channel.
- West Valley Parkway where it crosses the channel.

This records review and assembly of a utility base map file may be supplemented by the aerial surveying proposed above.

NCTD COORDINATION

Per the RFP, the City will coordinate with the NCTD to determine appropriate encroachment permitting for project implementation (i.e., access, construction, potential laydown/staging areas). This information will be integrated into the Engineering Plan.

At the writing of this proposal, NCTD's real estate department would require two types of encroachment agreements:

- All encroachments require that the contractor or other entity that enter NCTD real estate obtain a Right of Entry Permit.
- Where improvements or facilities are located on NCTD real estate, a License must be obtained from NCTD and all conditions of the License must be satisfied before applying for a Right of Entry Permit.

Deliverables:

- Reconnaissance memorandum.
- Draft and Final electronic utility base map file will be transmitted via email or online delivery system.

Anticipated City Involvement:

- Review of available record drawings in City possession.
- The City will coordinate any NCTD needs for site access or other needs to accomplish this task. This information will be provided to AECOM for inclusion into the Engineering Plan.
- The City will be notified via telephone during site surveys to provide a status update and/or to seek direction on follow-up actions that may be necessary.
- The City will provide maps and/or other supporting information that delineates the various easement dimensions to construct, maintain, operate, replace, remove, and renew sanitary sewers, storm drains, and utilities on the properties granted to the railroad.

Assumptions:

- The City will provide as-built information for the City-owned storm drain, water, and sewer facilities in the event that AECOM GIS data not reflect current conditions.
- The City will provide as-builts for NCTD, SDG&E, and other private utilities (including communications lines) within the project footprint.
- AECOM will not be responsible for the accuracy of any utility drawings, locations, or reference materials.
- The engineering survey will take approximately one week to complete

4.3.2 Engineering Plan

Based on the outcome of the initial baseline services described above, AECOM will develop an Engineering Plan that addresses the approach, implementation, and restoration design for the project's storm water conveyance tributary with minimal environmental consequence. Following the draft submittal and receipt of City comments, a comment response matrix will be developed, submitted to the City for review, and a draft Engineering Plan meeting scheduled.

All applicable regulations will be outlined and methods to comply with each described, mapped, or otherwise supported with pertinent information. Specific safety needs for removing sediment from the South Spruce Street underground culvert will also be included.

The Engineering Plan will include the following:

- Access to properties, channels, and culverts within NCTD real estate

- Sediment dredging methods for clearing the tributary conveyance channel (soft bottom and concrete-lined).
- Soil Analysis Plan (SAP) that addresses sediment handling, storage, and disposal methods for contaminated and uncontaminated spoils. Early results of City-sponsored sediment sampling will be integrated and considered in developing the SAP.
- Necessary equipment anticipated to implement the project.

These are each described further below.

ACCESS LAYOUT PLAN

Contingent on the City's coordination with NCTD and AECOM's review of City-supplied information, a preliminary access layout plan will be developed, submitted to the City for initial review, and then incorporated into the Engineering Plan. A major goal of this plan will be to minimize encroachment on NCTD property, while identifying all potential mobilization laydown areas, sediment staging areas, and other parcels available for project use.

NCTD Property Access

With an understanding of the R/W boundaries and the necessary NCTD encroachment clearances, access to, (and use of) NCTD property for construction access, temporary equipment laydown/staging, and/or sediment management will be determined. Based on earlier NCTD coordination conducted by the City, equipment access and haul routes to and from the dredge locations will be identified. Rough order-of-magnitude sediment volume estimates will be prepared to approximate storage and management needs.

NCTD R/W impacts will be highlighted and an access map will be developed to assist with NCTD discussions and other affected property owners. Per the RFP, coordination (and subsequent negotiations) with NCTD will be handled by the City, and are not included in the scope of services.

City Property Access

AECOM will review available City-supplied R/W documents, including city-owned easements and site conditions, to determine likely points of access and the construction impact on surrounding roadways.

Once approved by the City, the City will submit the plan to NCTD for their review and comment. Their comments and requirements will be incorporated into Engineering Report. This map will be produced in parallel to the development of the 30% concept drawings.

SEDIMENT DREDGING APPROACH

Following initial kickoff proceedings, AECOM will develop various approaches to dredging the project area, their associated constraints and advantages, and their order-of-magnitude cost to give the City some options to consider. A cost-benefit matrix will be developed that allows the City to view all practical solutions at a glance and weigh approach options easily.

Regardless of the approach to remove the sediment, construction access under South Spruce Street will be a confined-space entry requiring strict safety protocols. The requirements of a Health and Safety Plan will be outlined relative to OSHA standards and integrated into the Engineering Plan. The confined space work protocols are anticipated to include:

- Daily safety briefings and or training.
- Maintaining positive air circulation for combustion and exhaust air (machinery) and hourly air volume turn-over to maintain a breathable environment in the confined space. Filtration masks will likely be required regardless of the level of positive circulation.

- Continuous two-way radio communication.
- Extraction equipment for potentially injured or incapacitated personnel.
- Location and phone numbers of nearest ambulance and medical facilities.
- Additional items as dictated by the construction means and methods used.

Although the identification and evaluation of these factors will be integrated into the proposed construction methodology for OSHA compliance, it will be the ultimate responsibility of the construction contractor to understand, develop a suitable Health and Safety Plan, and appropriately implement safety measures during Phase Two.

Upon City concurrence, the preferred dredging approach will be integrated into the Engineering Plan.

SOIL ANALYSIS PLAN

To properly manage removed sediment, a SAP will be prepared that will contain protocols on sediment sampling to sufficiently document sediment quality.

Pre-construction sediment sampling will be discussed with the City prior to developing the SAP such that it can be accommodated if desired. If selected, various areas of deposition would be sampled separately, thoroughly homogenized in the field, and composited into a single sample for analysis to provide an early insight to the potential reuse of the material, as well as helping identify potential flocculants that may benefit the project by reducing turbidity (relative to grain size).

Specific methodologies for sampling (e.g., personal protective equipment, sampling points, sampling tools/containers, handling/shipment needs, and chain-of-custody requirements) will be presented in a systematic step-by-step process. The SAP will prescribe the use of stainless-steel instruments or core sampling equipment where appropriate, along with applicable decontamination procedures between sampling locations. Health and safety guidance for sediment sampling will also be provided.

The SAP will specify the field data documentation needs, including empirical observations of sediment quality (odor, color, and general geotechnical characteristics). A sediment monitoring form developed for the project will be included in the SAP.

Handling and appropriate disposal of sediment spoils will be addressed, including critical management of stockpiles (liquid barrier, perimeter protection, etc.). Details of these requirements will be included in the SAP, along with the identification of temporary staging/drying/storage areas (at least 100 feet from actively flowing surface water).

Sediment Quality Assessment

A table will be included in the SAP that outlines the required reporting limits, analytical holding times, required preservation, and container sizes and types for sediment sampling and analysis to determine its environmental quality. The SAP will include a section on proper stockpile characterization (minimum number of discrete samples required, random sampling relative to a three-dimensional grid, etc.). National Oceanic and Atmospheric Administration Screening Quick Reference Tables [SQUIRT] for Inorganics in Sediment will also be listed to determine whether spoils can be recycled for reuse or if additional investigation is needed relative to the sediment quality objectives.

If not suitable for reuse, chemical characterization of dredged sediments will be necessary to determine (and satisfy) land disposal requirements (LDRs). The SAP field form will be tailored to help field crew document evidence of oil and grease, antifreeze, solvents, fuel, hydrogen sulfide, and any other noxious substance that assist in determining if hazardous waste disposal analyses are required. Laboratory analysis for California Code of Regulations Title 22 (22 CCR) criteria will also be included.

The SAP will include guidance on determining sediment quality and reuse through grain size testing.

For toxicity, the Toxicity Characteristic Leaching Procedure (TCLP or EPA Method 1311) determines the mobility of both organic and inorganic constituents present. California also requires an additional set of leaching procedures, and a bioassay (22 CCR and 26 CCR) known as the Total Threshold Limit Concentration (TTLC) and Soluble Threshold Limit Concentration (STLC). These tests determine the potential pollutant mobility (i.e., solubility) into groundwater. The requirements for TTLC analysis and the subsequent STLC (or Waste Extraction Test, WET) testing (if TTLC limits are not exceeded) for determining hazardous nature will be outlined. The acute aquatic 96-hour LC50 fish bioassay procedure for hazardous waste determination will also be included.

Sediment Disposal

Should dredge spoil sediments not be suitable for reuse, options for land disposal (i.e., available landfills) will be identified and appropriate contract information provided in the SAP. Dredging contractors will be responsible for the removal, testing, and recycling or disposal of accumulated wastes.

Deliverables:

- A draft and final Engineering Plan (including the Access Layout Plan and SAP) will be provided on CD (with electronic source files and comprehensive PDF reports). The SAP will be an appendix to this plan.
- Following City review, the revised draft Engineering Plan will be provided in tracked changes to document revisions.

Anticipated City Involvement

- The City will supply all relevant access and R/W documentation and information.
- The City will complete document reviews in a timely manner that will not impact project schedule.
- Consolidated comments will be provided to AECOM for each of the two review cycles.

Assumptions:

- Three (3) hardcopies of the draft and final Engineering Plan will be provided.

4.3.3 Project Plans, Specifications, and Estimates

Our proposed approach to developing the 30% draft PS&E submittal for the Mission Pools restoration design is outlined by the subtasks below.

PLANNING AND CONCEPTUAL DESIGN

Using the information developed in the preceding tasks, the project will move into a planning and conceptual design phase. The various strategies for implementation of the project goals will be evaluated using a team-based interdisciplinary approach where the various disciplines work interactively to develop the optimal project solutions in concert with City concurrence.

Key elements involved in the preparing conceptual plans and design will include those described below.

Hydraulic Evaluation

The hydraulics of the existing channel and proposed geometry will be modeled in the USACE HEC-RAS hydraulic modeling program. This program analyzes the existing channel capacity by routing that anticipated 100-year flood flows through the current channel geometry including the underground boxes, roadway and pedestrian crossings, and the open channel reaches. The

100-year flood flow will be taken from the City's current Drainage Master Plan (Masson & Associates 1995).

Sediment Quantification

The existing condition hydraulic analysis will highlight the areas of deficiency within the study reach and serve to guide the location and volume of sediment removed from the channel. The proposed dredged channel geometry will also be modeled in HEC-RAS to insure that the proposed sediment removal will accomplish the city goals for increase in the channel flood conveyance capacity. The proposed dredging and any channel grading improvements will be reflected on the project conceptual plan and the 30% drawings (see below).

4.3.3 Draft PS&E Packages

The results of the hydraulic evaluation and the sediment qualification efforts above will be integrated into the development of draft PS&E submittals.

For the 30% design, plans will be submitted to the City for comment, a meeting will be held to discuss the comments, and plans will be updated based on the City concurrence.

An in-house quality control review of the construction plans and specifications will be completed prior to the 30% submittal. Plans, reports, calculations, specifications, & estimates will be reviewed per the AECOM certified QMS process. Cost estimates will be based on the engineer's judgment and historic cost data.

30% CONCEPTUAL DESIGN

The primary vehicle to convey the proposed project concept will be the 30% plans, the access graphic (described above), and the biological constraints (if any) that are identified under Task 2.2.2. These plans will be submitted to the City at a 30% concept design meeting where the major results and conclusions of the planning and concept phase are discussed and initial City questions answered. Also submitted would be the Engineering Memorandum, the 30% PS&E submittal (including Engineer's Estimate), and the hydrologic analysis.

The 30% plan phase is where all the major elements of the proposed solution are developed and shown on the drawings. For this reason, it is critical that the City provide a through and comprehensive review of the 30% plans to insure that the proposed solution meet the City's goals, expectations and budget for the project.

On receipt of the City 30% plan set comments, AECOM will review the comments and schedule a 30% draft design meeting to develop consensuses as to final disposition of all comments and the project's fundamental design.

The 30% conceptual plans will include the following:

- Title sheet
- Typical section sheet
- Existing ground contours and topography including existing sediment contours in the channel (contingent on surveying methods [i.e., City conducted or aerial survey option])
- R/W boundaries from City records
- Proposed invert alignment (horizontal and vertical)
- Proposed ground contours
- Based on the final channel geometry, channel plan and profile sheets will be prepared at a scale of 1"=20', which will include:
  - Horizontal alignment for proposed channel system
  - Plots of existing utilities and existing and proposed ground surfaces along proposed horizontal alignment

Construction Memorandum

In parallel with the 30% design drawings and access layout, a constructability review memorandum and schedule will be prepared and will include:

- Channel dredging methodology including likely types of equipment to be used.
- Underground facility excavation. Larger facilities may require underground operations whereas smaller facilities may be cleaned by flushing or other hydraulic methods.
- Potential sediment staging areas.
- Regional Water Quality Control Board requirements to prevent discharge of sediment downstream (i.e., best management practices [BMPs]).
- Construction schedule.

Additional Design Enhancements

We have identified additional items that may benefit channel hydraulics and reduce maintenance needs. The following design benefits are offered for the City to consider and would be included in the 30% conceptual design:

- Addition of surface access ports, manholes, or hatches on South Spruce Street to gain easier access to the underlying culvert beneath the street.
- Addition of wing wall transitions at existing flat headwalls to increase channel hydraulic efficiency.
- Addition of a pier nose, between the two RCPs on the upstream side of the West Valley Parkway culvert to reduce headloss at the culvert inlet.

Hydraulic Calculations

Using the surveys, a new "original" line and grade of the channel bottom will be established for the earth lined portions of the channel. It will be assumed that the channel inverts have a constant slope between the various concrete channels and roadway crossings. Based on this assumption preliminary channel geometrics will be developed.

These optional design enhancements that improve channel hydraulics will be included in a USACE HEC-RAS model analysis and their impact to improved flow determined. If found to be beneficial to the City's satisfaction, the proposed upgrades can be included in later plans, specifications, and estimates prepared by others. These hydraulic results for the proposed final channel geometry will be proposed and modeled for confirmation of design concept.

Deliverables:

- Draft conceptual 30% plans, specifications, and estimates in electronic PDF version.
- Constructability memorandum and construction schedule.
- Proposed design enhancement upgrades with associated cost.

Anticipated City Involvement:

- The City will perform a complete and comprehensive review of (and provide comments to) all submitted plans, additional design enhancements, and supporting documentation included in the 30% conceptual design submittal.
- Communication of NCTD coordination requirements, access restrictions, and boundary limits.

Assumptions:

- AECOM will not be responsible for any fees related to NCTD licensing or permits, and any other plan checks, inspections, grading permits, or other construction implementation needs necessary.
- Consolidated City comments will be provided to AECOM for the 30% review.

- Channel inverts have a constant slope between the various concrete channels and roadway crossings.
- Additional design enhancements will be consolidated with the response to 30% review comments.
- It is anticipated that after the 30% plans set comments have been addressed there will be no changes to the basic cross sections and horizontal and vertical alignment of the proposed channel.

4.4 Optional Data/Information

This task within the request for proposals does not have a specific scope of work, but is designed to allow the consultant to propose creative ideas or project tasks that the consultant deems necessary or important to the success of the project.

AECOM has completed a site walk and preliminary assessment of the engineering issues surrounding the storm water conveyance constraints for the Mission Pools project. This coupled with our understanding of the local ecology and permitting issues already conducted over the past several years, gives AECOM a vision of possible solutions (short and long-term) that will help the City effectively manage and maintain the project conveyance.

In addition to the key services identified by the City in the RFP, the following optional services are offered for consideration.

WEIR/CHECK DAMS

Implementing upstream protection against sediment transport back into the project area is highly recommended, particularly under South Spruce Street. Options for this type of protection would likely involve the incorporation of a sediment retention device (e.g., weir or check dam) into the channel between the headwall at South Spruce Street and the headwall at West 3rd Street.

Following discussion and concurrence from the City, any proposed upstream sediment retention scheme would be included in the HEC-RAS model evaluation to insure that there is no adverse impact on the channel's conveyance capacity. Using the HEC-RAS model, the device could be optimized to retain the maximum amount of sediment while maintaining 100-year flood capacity in the channel. If sediment retention appears viable, an annual sediment removal maintenance event would be recommended relative to existing public R/W. Unrestricted maintenance access to the channel will be important to the selection of the proposed sediment maintenance location to avoid problematic encroachment into NCTD R/W.

Deliverables:

- Conceptual and draft designs of the weir or check dam sediment capture structure will be included in the various PS&E submittals.

Anticipated City Involvement (approximately 4 hours):

- Concurrence on choice of control structure and its location relative to maintenance access.

Assumptions:

- Sediment retention functionality would be within the limits of normal maintenance (i.e., semiannual sediment removal [pre- and post-wet season]).

PEDESTRIAN BRIDGE

The current pedestrian crossing north of West Valley Parkway consists of a reinforced-concrete box that appears to induce two angle points into the creek centerline flow. These angle points create energy loss in the creek and induce sediment deposition. Replacing the box with a clear-span prefabricated bridge would eliminate this energy loss and improve the sediment transport ability through this reach of the creek. This optional scope items would include hydraulic model runs (with and without the bridge improvement), a bridge evaluation to select the most cost-effective bridge type, and construction estimates for the removal of the reinforced-concrete box and installation of the bridge.

Deliverables:

- Bridge replacement recommendation memorandum, including hydraulic model runs and cost estimate.

Anticipated City Involvement (approximately 4 hours):

- Concurrence on bridge type selection and design aspects.

Assumptions:

- Bridge type will be selected based on 50-year lifespan.

AECOM

Estimated Costs for "Mission Pools" Area Drainage Restoration

ESCONDIDO
City of Choice

Resolution No. 2013-164
EXHIBIT A
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CITY OF ESCONDIDO "MISSION POOLS" AREA DRAINAGE RESTORATION	Mark Williams Project Manager	Gerard Dalziel Lead Engineer	Dick Rol Restoration Specialist	Stephanie Lohstroh Environmental Scientist	Keri Gannon Senior Engineer	Glenn Yamanaka Design Engineer	Barbara Bartholomew Utilities	Lanika Cervantes Biology/Permitting Specialist	Peter Augello Sr. GIS Specialist	Technical Editor	Word Processor	QA/QC	Business Admin/Operations	Total Hours per Task	Total $ per Task
	$182	$212	$160	$111	$137	$93	$130	$79	$109	$105	$95	$128	$74		
TASK 1 - PROJECT MANAGEMENT															
AECOM + City of Escondido Internal Meetings (10)														0	$ -
City office / Field Meetings (assumes 5 meetings)														0	$ -
1 - Kickoff meeting/windshield survey	4	4	4	4										16	$ 2,661
2 - Post-Enviornmental/Engineering Survey Debrief	3	3		4	4									14	$ 2,174
Resource Agency Field Tour	2			3				4						9	$ 1,015
3 - Draft Engineering Plan meeting	3	3												6	$ 1,184
4 - Engineering Coordination	3	3												6	$ 1,184
5 - 30% Conceptual Design meeting	4	4		4	4									16	$ 2,569
Teleconference Meetings (assumes 1 telecons)	1.5	1.5	1.5	1.5										6	$ 998
Project Progress, Coordination and Billing	10	6		28				4					4	52	$ 6,810
SUBTOTAL HOURS	31	25	6	45	8	0	0	8	0	0	0	0	4	125	
SUBTOTAL LABOR COST	$5,564	$5,202	$880	$4,923	$1,095	$0	$0	$636	$0	$0	$0	$0	$296	$18,597	
Other Direct Costs:														$586	
TOTAL FOR TASK 1 - PROJECT MANAGEMENT:														$19,182	

TASK 2 - SITE ASSESSMENT AND BIOLOGICAL STUDIES	Mark Williams Project Manager	Gerard Dalziel Lead Engineer	Dick Rol Restoration Specialist	Stephanie Lohstroh Environmental Scientist	Keri Gannon Senior Engineer	Glenn Yamanaka Design Engineer	Barbara Bartholomew Utilities	Lanika Cervantes Biology/Permitting Specialist	Peter Augello Sr. GIS Specialist	Technical Editor	Word Processor	QA/QC	Business Admin/Operations	Total Hours per Task	Total $ per Task
Site Reconnaissance and Data Verification	1													1	$ 182
1-day Field Reconnaissance (incl. prep.)								10						10	$ 795
Update Site Assessment Form				1				6	2		1			10	$ 901
Coordinate with Desgin Engineers				1	1	2		6	3			1		14	$ 1,366
SUBTOTAL HOURS	1	0	0	2	1	2	0	22	5	0	1	1	0	35	
SUBTOTAL LABOR COST	$182	$0	$0	$221	$137	$185	$0	$1,749	$546	$0	$95	$128	$0	$3,244	
Other Direct Costs:														$385	
TOTAL FOR TASK 2 - SITE ASSESSMENT AND BIOLOGICAL STUDIES:														$3,629	

Costs are proposed as estimates based on a mixture of staff. Actual billings will be based on time and materials, and may be different.

Resolution No. 2015-164
EXHIBIT A
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AECOM

Estimated Costs for "Mission Pools" Area Drainage Restoration

ESCONDIDO City of Choice

CITY OF ESCONDIDO "MISSION POOLS" AREA DRAINAGE RESTORATION	Mark Williams Project Manager	Gerard Dalziel Lead Engineer	Dick Rol Restoration Specialist	Stephanie Lohstroh Environmental Scientist	Keri Gannon Senior Engineer	Glenn Yamanaka Design Engineer	Barbara Bartholomae Utilities	Lanika Cervantes Biology/Permitting Specialist	Peter Augello Sr. GIS Specialist	Technical Editor	Word Processor	QA/QC	Business Admin/Operations	Total Hours per Task	Total $ per Task
	$182	$212	$160	$111	$137	$93	$130	$79	$109	$105	$95	$128	$74		
TASK 3 - PROJECT DESIGN															
Initial Baseline Services														0	$ -
Site Reconnaissance and Utility Review		3		2	8	16								29	$ 3,436
Ground Surveying		1			2	6								9	$ 1,042
Civil/Topographic Surveying		1			2	6								9	$ 1,042
Research As-built Conditions					2	4								6	$ 645
Utility Review Base Map	2				4	8	24					2		40	$ 5,042
NCTD Coordination (primarily City role)							4							4	$ 522
Engineering Plan														0	$ -
Access Layout Plan	2	2	1		4	24					2			35	$ 3,911
Sediment Dredging Approach	4			6							2			12	$ 1,584
Soil Analysis Plan (SAP)	8			12						3	4			27	$ 3,483
Draft Engineering Plan	4	4	2	10	8	24			3	4	8	2		69	$ 8,091
Response to comments matrix	1	1			2	8								12	$ 1,410
Final Engineering Plan	2	2	1	6	6	16			1	2	2	1		39	$ 4,556
Plans, Specifications, and Estimates (PS&E)														0	$ -
Hydraulic Evaluation (HEC RAS)		2			4	54								60	$ 5,977
Sediment Quantification	2	4			2									8	$ 1,488
30% Conceptual Design														0	$ -
30% Conceptual Design PS&E	10	4	6		24	100						2		146	$ 16,444
Construction Memorandum/Schedule	1	2			4	8								15	$ 1,896
Draft 30% Conceptual Design PS&E	4	4			16	40						2		66	$ 7,733
Response to comments matrix		2	2		2	8					1			15	$ 1,855
SUBTOTAL HOURS	40	32	12	36	90	322	28	0	4	9	19	9	0	601	
SUBTOTAL LABOR COST	$7,297	$6,794	$1,919	$3,983	$12,322	$29,844	$3,653	$0	$437	$949	$1,805	$1,154	$0	$70,158	

Other Direct Costs: $45,463

TOTAL FOR TASK 3 - PROJECT DESIGN: $115,621

TOTAL WITHOUT OPTIONAL TASKS $138,432

OPTIONAL DATA/INFORMATION	Mark Williams Project Manager	Gerard Dalziel Lead Engineer	Dick Rol Restoration Specialist	Stephanie Lohstroh Environmental Scientist	Keri Gannon Senior Engineer	Glenn Yamanaka Design Engineer	Barbara Bartholomae Utilities	Lanika Cervantes Biology/Permitting Specialist	Peter Augello Sr. GIS Specialist	Technical Editor	Word Processor	QA/QC	Business Admin/Operations	Total Hours per Task	Total $ per Task
Weir / Check Dam Design		8			8	40						4		60	$ 7,014
Pedestrian Bridge Design	4	8		2	24	80						4		122	$ 13,863
SUBTOTAL HOURS	4	16	0	2	32	120	0	0	0	0	0	8	0	182	
SUBTOTAL LABOR COST	$730	$3,397	$0	$221	$4,381	$11,122	$0	$0	$0	$0	$0	$1,026	$0	$20,877	

Other Direct Costs: $0

TOTAL FOR OPTIONAL DATA/INFORMATION: $20,877

Costs are proposed as estimates based on a mixture of staff. Actual billings will be based on time and materials, and may be different.

ESCONDIDO
City of Choice

CITY COUNCIL

For City Clerk's Use:
☐ APPROVED ☐ DENIED
Reso No. ______________ File No. ______________
Ord No. ______________

Agenda Item No.: 23
Date: December 11, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Edward N. Domingue, Public Works Director/City Engineer
Debra Lundy, Real Property Manager

SUBJECT: Real Property Inventory Update to Council

RECOMMENDATION:

It is requested that Council receive the Real Property Inventory Update.

FISCAL ANALYSIS:

N/A

PREVIOUS ACTION:

N/A

BACKGROUND:

One of the objectives of the City's Real Property Section is to maximize the values of the City's real property assets through strategic, purposeful asset management practices. Part of that process involves regular review of the inventory and adaptation of the property classifications to meet the City's current broader planning and development goals, as established by Council. Having recently completed a regular comprehensive review of the City's real property inventory and having expanded the reporting capabilities of its database, Staff will be presenting an overview of the City's real property portfolio to Council and will solicit input on the current property classifications.

Respectfully submitted,

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

Debra Lundy
Real Property Manager

Agenda Item No.: 24
Date: December 11, 2013

FUTURE CITY COUNCIL AGENDA ITEMS
December 5, 2013

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

DECEMBER 18, 2013
NO MEETING (Christmas Break)

DECEMBER 25, 2013
NO MEETING (Christmas Break)

December 4, 2013

ECONOMIC DEVELOPMENT

- The California Tourism Board is promoting "California Restaurant Month" in January with 34 cities statewide participating. Escondido will be participating in it for the first time by launching "Dine Out Escondido!" Our Visit Escondido office is spearheading "Dine Out Escondido!" and has had an overwhelming first-time response of 22 restaurant taking part in it. Locals and visitors can enjoy the diverse culinary flavors of Escondido during the month of January by taking advantage of this opportunity to visit their favorite restaurants and experience new ones. Each restaurant is providing a special offer to celebrate "Dine Out Escondido!" For a the complete list of participating restaurants, please go to www.VisitEscondido.com
- On Thursday, December 5 from 10:00 a.m. to 2:00 p.m. Peter Grimm Hat Company (based in San Marcos) will be doing various photo shoots around the City including: Lake Dixon, Daley Ranch House, Grape Day Park and Downtown.
- This weekend December 7th and 8th Ryan Park will be hosting the Commissioners Cup Soccer Tournament. They will be using 6 fields with 52 teams and 87 games played. Games will run from 8:00a.m. to 5:00 p.m. each day. The tournament will bring in families for both boys and girls division's from under 10 to under 19. We can expect around 2,000 to 2,500 players and spectators in Ryan Park. Most of the teams are from the greater San Diego area.
- The start date for Escondido Event's Saturday Market on Kalmia Street has been pushed back. They expect to have the market up and running on the first Saturday of February.

SPECIAL EVENTS

Our Lady of Guadalupe Procession (Prosecion Guadalupana)
Saturday, December 7, 2013, 9:00 a.m. to 11:30 a.m.
Parishioners of Resurrection Catholic Church and St. Mary's Catholic Church will gather in Grape Day Park and then process to St. Mary's Church. They will be closing the streets along the route and expect a crowd of potentially 2,000 people in the procession. This is the first event of this kind in the city.

Annual Holiday Tree Lighting & Winter Wonderland
Saturday, December 7, 2013
3-8 p.m. California Center for the Arts, Escondido
This annual event has become a Center favorite and a holiday tradition for families in North County and beyond. Kick off the Holiday with the lighting of the tree, art activities, costumed entertainers, special visit with the man from up North, and a playground filled with real snow! For more information visit www.artcenter.org

Escondido Jaycees 63rd Annual Christmas Parade
Saturday, December 14, 2013
9:30 a.m. Broadway (Between Escondido High and Grape Day Park)
This beloved Escondido tradition attracts tens of thousands of spectators each year from everywhere in San Diego County. This year's theme is "Christmas across the Galaxy."

TOUR OF LAKE WOHLFORD

The US Congress is beginning its process to name projects for funding via the 2013 Water Resources Development Act (WRDA). The Utilities Department has arranged through our lobbyist, Packard Government Affairs, for staff from Senator Boxer's Office to visit the Wohlford Dam. This visit is scheduled for early December. WRDA funding could further reduce the City's cost for the Wohlford Dam replacement project. WRDA funding is administered by the Army Corps of Engineers (ACOE). Our primary source of funding so far is funding through the California Department of Water Resources (DWR). While Utilities staff members are hopeful of receiving WRDA funding, there could be challenges to accepting WRDA funding. Given the strict timeline for completion set by the DWR funds, we will need to insure that ACOE disbursement and approval procedures will not delay the project beyond the point allowed by the DWR funding.

UPDATE ON THE MISSION POOLS DRAINAGE CHANNEL

The project relates to an unnamed tributary to Escondido Creek which has suffered from delayed maintenance. The tributary, which surfaces at the 700 block of West 3rd Avenue, is composed of three open channels connected by two culverts before it connects to Escondido Creek. The upstream section of the project area is located by the "Mission Pools" property, hence the name of the project.

Grading variances and sediment deposits within the tributary have created drainage problems to the point that segments of tributary remain chronically wet. Maintenance of a culvert with a 90 degree bend, with no access points from the right-of way has also provided challenges.

This tributary is considered a "water of the US," therefore permits are required from resource agencies to remove plants, deploy equipment and machinery into the channel, and to ensure that any potential discharges of sediment are prevented. Mitigation is required to offset the impact of removing areas considered habitat in the channel. This has already been addressed through a project in Kit Carson Park.

This project could not be included in the Regional General Permit application for channel maintenance as the acreage impacted exceeded the threshold allowed in the permit for a single site. Sections of the tributary are located on land owned by the North County Transit District (NCTD). The City has an easement for utilities maintenance, but there may be other constraints on how the work can be done due to property ownership and utilities locations.

The City of Escondido has been awarded a vector control grant for the project, as standing water in the channel can provide habitat for mosquitoes to breed. The project will include: baseline biological studies for CEQA and permit applications; research of utilities, as-builts and easements to determine engineering opportunities and constraints; hydraulic analysis of the channel; 30 percent completion of an engineering design for the maintenance and improvement of the channel; presentation of options to improve the channel to prevent future drainage problems.

Based on the outcome of this project further work can be completed as funds allow. This would include the preparation of permit applications for maintenance; selection of options for the improvement of the channel and 100 percent design and construction. The City will apply for a vector control grant to support future work.

This is the first time that an engineering study has been conducted of the Mission Pool drainage channel.

COMMUNITY DEVELOPMENT UPDATES

Planning:

Planning Commissioner Darol Caster has recently moved to a new residence outside the General Plan boundary and will no longer be able to serve on the commission.

Public Art:

The contract outlining repairs for the *Queen Califia Magical Circle* sculpture garden has been submitted by the Niki Charitable Art Foundation. Work is expected to commence within the next 30 days.

Building:

The Monthly Building Activity report for November is attached.

CAPITAL IMPROVEMENT PROJECTS

2013 - 2014 Pavement Repair and Rehabilitation Program:

The Notice to Proceed was issued for December 9th and the contractor will have 80 working days to complete the project. Staff is marking out limits of work for concrete removal. The city tree crew is set to remove 8 street trees that have caused damage to the public and private improvements.

Grape Street Public Improvement Project:

The contractor is onsite potholing utility conflicts and preparing for additional water service replacements. 22 new services have completed to date and the contractor is scheduled to perform 5 more service taps on December 5th.

Escondido Creek Trail Lighting:
The contractor has 12 bike path light poles remaining to be installed along the north side of the channel between Juniper Street and Broadway. He will be working on 3 service points and pull box installation this week.

Traffic Signal Construction:
The City was notified that it had been selected to receive over $600,000 in federal funds to build two signals on the City's adopted traffic signal priority list. The Highway Safety Improvement Program funds will be used to construct a signal at El Norte Parkway and Fig Street and at East Valley Parkway and Date Street. The federal funds will pay for 90% of the construction costs of these high priority signals. The city survey crew will begin to gather field information for the design of the signal at Fig Street and El Norte Parkway.

Private Development

Contempo Townhomes-Tract 921:
The offsite water main connection will begin on December 4th along Pine Street. The remaining onsite water main connections will be completed on December 4th.

Stone Brewery Traffic Signal:
The electric meter pedestal has been set for the new traffic signal. The service request for setting the SDG&E electric meter was made last week. All new traffic signal poles have been set in place. The signal is set to be activated on December 17th.

Lincoln Avenue & Escondido Boulevard Gas Main Testing Station:
The SDG&E contractor is on site doing field installation work this week.

Cox Communication- Auto Parkway between Andreasen Drive and Citracado Parkway:
A preconstruction meeting was held on November 26th to discuss the project limits of work. The first day of construction is December 3rd 2013. The project consists of installing 4,000 feet of conduit along Auto Parkway. This permit should be complete in 50 working days.

PUBLIC SAFETY

Police:

- The Police Department's 2014-2020 Strategic Business Plan has been completed and will be presented to the City Council after the first of the year.
- Retired Officer Roger Konczal passed away last week. His memorial service will be held on December 12, 2013 at 11:00 a.m. at Fort Rosecrans National Cemetery.
- The Children's Christmas Party will be December 3 at Tavern Bowl from 3:00 p.m. to 5:00 p.m. Santa will be showing up in the Tactical Operations Unit Armored Vehicle.
- Grape Day Task Force:

The Police Department continues its enforcement details several times a day in the park and surrounding areas. Since the start of the increased focus, the police department has conducted 1160 extra patrols in the park, 188 field interviews, 94 citations and 97 arrests. The Bike Team Officers, Adan Martinez and Russ Whitaker, continue to focus their efforts in the downtown area including Grape Day Park, Maple Plaza and Signature Pavilion, along with our two Community Policing Officers Bill Havens and Lew Shaver. There were no significant arrests reported. There were no special events noted since the last update. There were no significant crimes reported during this week by CCAE or City Hall. The Boys and Girls Club and the SD Children's Museum did not report any problems this week.

- The homeless shelter opened up December 1, 2013. The Task Force is already in communication with Sobering Services (NCIC) at 550 W. Washington Avenue in order to help facilitate proactive use of the facilities/programs available to the homeless in our community and minimize impact at Grape Day Park and surrounding areas.

CITY OF ESCONDIDO MONTHLY ACTIVITY REPORT NOVEMBER 2013

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	2	2	$ 587,836		8	5	8	5	1,722,102	$ 876,142
Townhouse					45		8		$ 5,026,545	
Duplex					1		1		$ 109,854	
Triplex										
Four Units										
Five or more Units						36		3		$ 2,547,914
Condominiums										
Mobilehome Parks										
TOTAL RESIDENTIAL	2	2	$ 587,836		54	41	17	8	$ 6,858,501	$ 3,424,056
COMMERCIAL										
Amusement & Recreation								1		$ 107,935
Churches/Religious Buildings										
Industrial Buildings				$ 200,000	1	1	1	3	$ 30,625	$ 5,266,866
Parking Garages (Public)					1		1		$ 11,200	
Service Stations & Repair Garages								1		$ 264,612
Hospitals & Other Institutions										
Office, Bank & Professional Buildings	1	1	1,353,370		2		2		1,366,092	
Schools				$ 98,340	1	2	1	2	$ 33,338	$ 98,340
Stores & Other Mercantile Buildings				$ 14,532	3	1	3	1	$ 4,792,123	$ 14,532
Hotels, Motels										
TOTAL COMMERCIAL				$ 312,872	8	4	8	8	$ 6,233,378	$ 5,752,285
MISCELLANEOUS										
Residential Alterations & Additions		30	$ 321,778	$ 162,357			329	315	$ 2,695,639	$ 2,632,897
Commercial Alterations & Additions		15	$ 692,827	$ 696,402			201	211	$ 15,931,802	$ 17,445,168
Mobilehome Awnings, etc				$ -			10	37		$ -
Structures other than Buildings		13	$ 80,474	$ 34,851			158	176	$ 1,216,702	$ 2,880,949
Demolition, Residential		1		$ -			4	5		$ -
Demolition, Other		1		$ -			3	10		$ -
Detached Carports, Garages							1	5	$ 20,700	$ 55,748
Mobilehome Setups		2					27	35		$ -
TOTAL MISCELLANEOUS		62	$ 1,095,079	$ 893,610			733	794	$ 19,864,843	$ 23,015,361
GRAND TOTALS	3	65	$ 3,036,285	$ 1,206,482	62	45	758	810	$ 32,956,722	$ 32,191,702