

# Regular Meeting Agenda

## Visalia City Council



Mayor: Bob Link  
Vice Mayor: Amy Shuklian  
Council Member: Warren Gubler  
Council Member: Mike Lane  
Council Member: Steve Nelsen

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Monday, March 7, 2011

City Hall Council Chambers, 707 W. Acequia, Visalia CA 93291

Closed Session 6:00 p.m.

Regular Session 7:00 p.m.

### 6:00 p.m. **CLOSED SESSION**

1. Conference with Legal Counsel – Existing Litigation (G.C. 54956.9)  
Name of Case: Citizens for Responsible Planning v. City of Visalia - TCSC 10-240450
2. Conference with Legal Counsel – Existing Litigation (G.C. 54956.9)  
Name of Case: Kevin Long and Teamsters Joint Council 7 v. City of Visalia -TCSC 10-240546
3. Conference with Legal Counsel – Existing Litigation. (Subdivision (a) of G.C. §54956.9)  
Name of Case: Visalia Police Officers’ Association vs. City of Visalia; City Council, City of Visalia TCSC #10-239882
4. *Item removed at the request of staff*

### 7:00 p.m. **CALL TO ORDER REGULAR SESSION**

#### **PLEDGE OF ALLEGIANCE**

**INVOCATION** – Pastor Joshua Bulger, West Coast Believers Center

#### **SPECIAL PRESENTATIONS/RECOGNITION**

**PUBLIC COMMENTS** - *This is the time for citizens to comment on subject matters that are not on the agenda that are within the jurisdiction of the Visalia City Council.*

*This is also the time for citizens to comment on items listed on the Consent Calendar or to request an item from the Consent Calendar be pulled for discussion purposes. Comments related to Regular or Public Hearing Items that are listed on this agenda will be heard at the time that item is discussed or at the time the Public Hearing is opened for comment.*

*In fairness to all who wish to speak tonight, each speaker from the public will be allowed three minutes (timing lights mounted on the lectern will notify you with a flashing red light when your time has expired). Please begin your comments by stating and spelling your name and providing your street name and city.*

5. **CONSENT CALENDAR** - *Consent Calendar items are considered routine and will be enacted in one motion. There will be no separate discussion of these matters unless a request is made and then the item will be removed from the Consent Calendar to be discussed and voted upon by a separate motion.*

a) Authorization to read ordinances by title only.



b) Adopt Resolution of Intention to Amend the Contract between the City Council of the City of Visalia and the Board of Administration of the California Public Employees' Retirement System (CalPERS) and introduction of Ordinance authorizing the contract amendment for miscellaneous personnel. **Resolution 2011-06 required and 1<sup>st</sup> reading of Ordinance 2011-02 required**

c) Authorize Steve Salomon and Eric Frost to represent the City of Visalia as Authorizing Agents for the California Emergency Management Agency (Cal EMA). **Resolution 2011- 07 required.**

d) Authorize award of Comprehensive Energy Audit contract to BASE Energy, Inc., to be funded by the City's EECGB grant.

e) Approve appointment of City Council representatives to the Special City Selection Committee of the San Joaquin Valley Air Pollution Control District.

f) Accept report of February 2011 groundwater recharge.

g) Authorize Notice of Completion for the Houston Avenue Widening Project from Santa Fe to Ben Maddox in the amount of \$2,293,839.43.

h) Approve request by the United States Department of the Interior for a permit for monitoring seismic activity at Valley Oaks Golf Course.

i) Accept the Cash and Investment Report for the second quarter ending December 31, 2010.

j) Adopt the 2011 Bikeway Plan Update and accompanying Initial Study/Negative Declaration 2011-12. **Resolutions 2011-08 and 2011-09 required.**

k) Authorize award of two RFPs associated with equipment pre-selection for the Water Conservation Plant upgrade project: RFP No. 10-11-20, Sludge Disintegration System to Siemens Water Technologies Corp in the amount of \$1,184,700, and RFP No. 10-11-32, Ultraviolet Disinfection System, to Ozonia in the amount of \$1,399,560.

l) Authorize purchase of Rain Master Clocks from John Deere Green Tech Division as a sole source purchase in the amount of \$114,865.77.

m) Acknowledge and support the transfer of property located at 200 NW Third Avenue to the Samaritan Center of Tulare County formerly known as Visalia Ecumenical Charities.

n) Authorize the Mayor and city staff to take appropriate action to support legislation and regulations that would provide local government agencies with more retirement system flexibility in an effort to be more fiscally prudent.

- o) Award a contract for the purchase of nine (9) new Harley Davidson marked police motorcycles to Visalia Harley Davidson in the amount of \$158,101.92.

**REGULAR ITEMS AND PUBLIC HEARINGS** - *Comments related to Regular Items and Public Hearing Items are limited to three minutes per speaker, for a maximum of 30 minutes per item, unless otherwise extended by the Mayor.*

- 6. **PUBLIC HEARING** - 2008/09 Action Plan Substantial Amendment to authorize the change in use and dispose of property located at 210 NW 2<sup>nd</sup> Avenue funded with U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Neighborhood Stabilization Program (NSP) funds.
- 7. Update on State Budget and Redevelopment
  - a) Authorize the execution of three General Fund Advance Agreements for the purchase of three land purchase: Edison, Van Ness and Railroad.
  - b) Approve 1<sup>st</sup> Amendments to the loan agreements for Central and East Visalia Project Areas.
  - c) Authorize the City Manager to contract with the law firm of Best, Best & Krieger to advise on future activities related to the City's Redevelopment Agency at a cost not to exceed \$25,000.

*Convene as Visalia Redevelopment Agency Board:*

- 8. Redevelopment Agency Board Proposed Actions:
  - a) Authorize the RDA Executive Director to prepay Redevelopment Bank loans.
  - b) Authorize the RDA Executive Director to execute the 1<sup>st</sup> Amendment to the loan agreements for Central and East Visalia project areas.
  - c) Authorize the execution of three General Fund Advance Agreements for the three land purchases: Edison, Van Ness and Railroad.
  - d) Authorize the RDA Executive Director to prepay the East Visalia Project Area General Fund Advance Agreements for the Edison, Van Ness and Railroad properties.
  - e) Authorize the deposit of \$670,000 of Central Redevelopment Agency funds to the Property Owner Association Fund as its obligation toward the Property Owners Association (POA) Assessments for the association's ten-year life.

*Adjourn as Visalia Redevelopment Agency Board and remain seated as Visalia City Council.*

**ITEMS OF INTEREST**

**CLOSED SESSION REPORT (if any)**

**Upcoming Council Meetings**

- Monday, March 21, 2011, 4:00 Work Session, 7:00 p.m. Regular Session - City Hall Council Chambers 707 W. Acequia
- Monday, April 4, 2011, 4:00 Work Session, 7:00 p.m. Regular Session - City Hall Council Chambers 707 W. Acequia
- Monday, April 18, 2011, 4:00 Work Session, 7:00 p.m. Regular Session - City Hall Council Chambers 707 W. Acequia

*Note: Meeting dates/times are subject to change, check posted agenda for correct details.*

*In compliance with the American Disabilities Act, if you need special assistance to participate in meetings call (559) 713-4512 48-hours in advance of the meeting. For Hearing-Impaired - Call (559) 713-4900 (TDD) 48-hours in advance of the scheduled meeting time to request signing services.*

*Any written materials relating to an item on this agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the Office of the City Clerk, 425 E. Oak Street, Visalia, CA 93291, during normal business hours.*

*The City's newsletter, Inside City Hall, is published after all regular City Council meetings. To self-subscribe, go to [http://www.ci.visalia.ca.us/about/inside\\_city\\_hall\\_newsletter.asp](http://www.ci.visalia.ca.us/about/inside_city_hall_newsletter.asp). For more information, contact Community Relations Manager Nancy Loliva at [nloliva@ci.visalia.ca.us](mailto:nloliva@ci.visalia.ca.us).*

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** March 7, 2011

**Agenda Item Number (Assigned by City Clerk):** 5b

**Agenda Item Wording:** Adoption of Resolution No. 2011-06, Intention to Amend the Contract between the City Council of the City of Visalia and the Board of Administration of the California Public Employees' Retirement System (CalPERS), **and** Introduction of Ordinance 2011-02 authorizing the contract amendment for miscellaneous personnel

**Deadline for Action:** N/A

**Submitting Department:** Administrative Services

**Contact Name and Phone Number:** Eric Frost x4474,  
Charlotte Dunn x4335

**Department Recommendation:**

Staff recommends that the City Council adopt Resolution 2011-06 Intention to Amend the Contract between the City of Visalia and California Public Employers' Retirement System for miscellaneous personnel, and;

Approve the Introduction of Ordinance 2011-02 to amend the contract between the City of Visalia and the Board of Administration of CalPERS miscellaneous contract as of May 21, 2011 as follows:

- Section 20475 – Different Level of Benefits
- Section 21353 - 2% @ 60 Full formula

**Summary/background:**

The City approved Memorandum of Understandings with miscellaneous employees groups and adopted the same benefits for non represented personnel in 2010 to amend the contract between the City of Visalia and CalPERS. With these actions, the City will implement a new retirement tier for all miscellaneous employees hired after the contract amendment to be effective May 21, 2011.

Before an approved MOU change may occur in a PERS contract, PERS law requires that a governing body express its intent to amend the contract and adopt an ordinance.

**For action by:**

City Council  
 Redev. Agency Bd.  
 Cap. Impr. Corp.  
 VPFA

**For placement on which agenda:**

Work Session  
 Closed Session

**Regular Session:**

Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.): \_\_\_\_\_

**Review:**

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

**Finance** \_\_\_\_\_  
**City Atty** \_\_\_\_\_  
(Initials & date required or N/A)

**City Mgr** \_\_\_\_\_  
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

It is the City's intent to amend the contract between the City of Visalia and CalPERS to add a third tier for newly higher retirement benefits for miscellaneous employees. In doing so, current miscellaneous employees hired before May 20, 2008 would remain under the 3% @ 60 retirement plan (3% per year of service at age 60), employees hired between May 20, 2008 and May 20, 2011 would remain under the 2.5% @ 55 retirement plan (2.5% per year of service at age 55). Retirement benefits under both of these plans are based upon the highest 36 months earnings.

All miscellaneous employees hired after the effective date of the contract amendment and entering membership for the first time in the miscellaneous classification would be covered in the new tier of 2% @ 60 (2% per year of service at age 60). Benefits will continue to be based on the highest 36 months earnings.

By implementing the new retirement formula for all new miscellaneous employees, it is expected to reduce the City cost over time. Current miscellaneous employees are required to pay the 7% employee cost. Newly hired employees will contribute 7% of pay towards their miscellaneous retirement program.

**Prior Council/Board Actions:**

- Approval of Memorandum of Understanding for all miscellaneous groups in 2010
- Adoption of benefits for non-represented employees in 2010

**Committee/Commission Review and Actions:**

**Alternatives:**

**Attachments:**

**Recommended Motion (and Alternative Motions if expected):**

Adopt Resolution No. 2011-06 Intention to Amend the Contract between the City of Visalia and the Board of Administration of the California Public Employee's Retirement System to amend the contract and Introduction of Ordinance No. 2011-02 to amend the miscellaneous contract with CalPERS as follows:

1. Section 20475 - Different Level of Benefits
2. Section 21353 – 2% @ 60 Full Formula

***Environmental Assessment Status***

**CEQA Review:**

**NEPA Review:**

**Tracking Information:** *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to:

**RESOLUTION NO. 2011-06**  
**RESOLUTION OF INTENTION**  
**TO APPROVE AN AMENDMENT TO CONTRACT**  
**BETWEEN THE**  
**BOARD OF ADMINISTRATION**  
**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**  
**AND**  
**CITY COUNCIL**  
**CITY OF VISALIA**

**WHEREAS,** the Public Employees' Retirement Law permits the participation of public agencies and their employees in the Public Employees' Retirement System by the execution of a contract, and sets forth the procedure by which said public agencies may elect to subject themselves and their employees to amendments to said Law; and

**WHEREAS,** one of the steps in the procedures to amend this contract is the adoption by the governing body of the public agency of a resolution giving notice of its intention to approve an amendment to said contract, which resolution shall contain a summary of the change proposed in said contract; and

**WHEREAS,** the following is a statement of the proposed change:

To provide Section 20475 (Different Level of Benefits) and Section 21353 (2% @ 60 Full formula) applicable to local miscellaneous members entering membership for the first time in the miscellaneous classification after the effective date of this amendment to contract.

**NOW, THEREFORE, BE IT RESOLVED** that the governing body of the above agency does hereby give notice of intention to approve an amendment to the contract between said public agency and the Board of Administration of the Public Employees' Retirement System, a copy of said amendment being attached hereto, as an "Exhibit" and by this reference made a part thereof.

**PASSED AND ADOPTED:**



**ORDINANCE NO. 2011-02**

**AN ORDINANCE OF THE CITY COUNCIL OF THE  
CITY OF VISALIA AUTHORIZING AN AMENDMENT  
TO THE CONTRACT BETWEEN THE CITY COUNCIL OF THE CITY OF  
VISALIA**

**AND**

**BOARD OF ADMINISTRATION  
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM.**

**THE CITY COUNCIL OF THE  
CITY OF VISALIA DOES ORDAIN AS FOLLOWS:**

**SECTION 1.** That an amendment to the contract between the City Council of the City of Visalia and the Board of Administration, California Public Employees' Retirement System is hereby authorized, a copy of said amendment being attached hereto, marked Exhibit, and by such reference made a part hereof as though herein set out in full.

**SECTION 2.** The City Manager of the City of Visalia is hereby authorized, empowered, and directed to execute said amendment for and on behalf of said Agency.

**SECTION 3.** This Ordinance shall take effect thirty (30) days after the date of its adoption, and prior to the expiration of ten (10) days from the passage thereof shall be published at least one (1) time in the Visalia Times Delta, a newspaper of general circulation, published and circulated in the City of Visalia and thenceforth and thereafter the same shall be in full force and effect.

## City of Visalia Agenda Item Transmittal

**Meeting Date:** March 7, 2011

**Agenda Item Number (Assigned by City Clerk):** 5c

**Agenda Item Wording:** Approve **Resolution 2011- 07** authorizing Steve Salomon and Eric Frost to represent the City of Visalia as Authorized Agents for the California Emergency Management Agency (Cal EMA). (**Resolution 2011- 07 required**)

**Deadline for Action:** March 7, 2011

**Submitting Department:** Administrative Services

**Contact Name and Phone Number:** Eric Frost, x4474  
Kari Blofsky X4298

**Department Recommendation:** Approve **Resolution 2011-07** authorizing Steve Salomon and Eric Frost to represent the City of Visalia as Authorized Agents for Cal EMA. (**Resolution 2011- 07 required**)

**Summary/background:** Visalia received approximately 3.5" of rain during the rain storm in December. The rain caused the City's storm drains to reach capacity and to exceed capacity in certain areas. As a result, the City opened it Emergency Operation Center to respond to the localized flooding events. On December 20<sup>th</sup> City Council ratified the declaration of a natural disaster by the City Manager who serves as the Director of Civil Defense and Disaster. Governor Schwarzenegger declared a State Emergency on December 21<sup>st</sup>, 2010 for six counties' and later added five more counties. On January 26<sup>th</sup>, 2011 Acting Secretary Mike Dayton of Cal EMA announced that President Barack Obama declared that a major disaster exists in 10 California counties, including Tulare County.

As a requirement to receive Cal EMA grants, the City must designate its authorized representatives. Staff recommends that the City Council designates Steve Salomon and Eric Frost as the City of Visalia's designated authorized agents for Cal EMA

**Prior Council/Board Actions:** Ratification of a declaration of a local emergency issued by the Director of Civil Defense and Disasters December 20<sup>th</sup>, 2010 Resolution 2010-88.

**Committee/Commission Review and Actions:**

**Alternatives:**

**For action by:**

City Council  
 Redev. Agency Bd.  
 Cap. Impr. Corp.  
 VPFA

**For placement on which agenda:**

Work Session  
 Closed Session

**Regular Session:**

Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.): \_\_\_\_\_

**Review:**

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

**Finance** \_\_\_\_\_  
**City Atty** \_\_\_\_\_  
(Initials & date required or N/A)

**City Mgr** \_\_\_\_\_  
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

**Attachments:** #1 **Resolution 2011-07** authorizing Steve Salomon and Eric Frost to represent the City of Visalia as Authorized Agents for the California Emergency Management Agency (Cal EMA). #2 OES Form 130.

**Recommended Motion (and Alternative Motions if expected):** I move to approve **Resolution 2011-07** authorizing Steve Salomon and Eric frost to represent the City of Visalia as Authorized Agents for Cal EMA.

Copies of this report have been provided to:

**RESOLUTION NO. 2011-06**

**A RESOLUTION DELEGATING AUTHORITY TO STEVE SALOMON, CITY  
MANAGER AND ERIC FROST, ADMINISTRATIVE SERVICES DIRECTOR TO ACT  
ON BEHALF OF THE CITY OF VISALIA AS THE DESIGNATED APPLICANT  
AGENTS**

**WHEREAS**, in the course of performing day to day City business, authorization is required to complete certain aspect of OES/FEMA projects: and

**WHEREAS**, the State California Emergency Management Agency does require authorization by resolution of the City Council, in a timely manner; and

**WHEREAS**, the State California Emergency Management Agency will accept authorization from the applicant's designated agent if said agent has been given authority through a resolution of the City Council.

**NOW THEREFORE, BE IT RESOLVED** by the CITY OF VISALIA as follows:

Except as to actions that must be approved by the CITY OF VISALIA, Steve Salomon and Eric Frost are hereby appointed to provide to California Emergency Management Agency for all matters pertaining to such state disaster assistance the assurances and agreements as required.

**PASSED AND ADOPTED** by the City of Visalia this 22<sup>nd</sup> day of February, 2011, by the following vote:

**AYES:**

**ABSENT:**

**NOES:**

**ATTEST:**

\_\_\_\_\_ Clerk/Secretary to the Board

## City of Visalia Agenda Item Transmittal

**Meeting Date:** March 7, 2011

**Agenda Item Number (Assigned by City Clerk):** 5d

**Agenda Item Wording:** Award Comprehensive Energy Audit contract to BASE Energy, Inc., (RFP #10-11-38) to be funded by the City's EECBG grant.

**Deadline for Action:** May 16, 2011

**Submitting Department:** Administration Department, Natural Resource Conservation Division

**Contact Name and Phone Number:**

Kim Loeb, Natural Resource Conservation Manager, 713-4530  
Leslie Caviglia, Deputy City Manager, 713-4317

**Department Recommendation:**

Staff recommends that the City Council award RFP #10-11-38 to BASE Energy, Inc., and authorize the City Manager to enter into a professional services agreement with BASE Energy of San Francisco to conduct a Comprehensive Energy Audit of City facilities funded by the City's EECBG grant.

**Summary:**

The City received an Energy Efficiency and Conservation Block Grant (EECBG), which consists of \$1.15 million of ARRA stimulus funds. In September 2010, the City Council authorized staff to issue a Request for Proposal (RFP) for professional services to conduct a Comprehensive Energy Audit of selected City facilities using a portion of the City's EECBG funds.

Four proposals were received in response to the RFP. No proposals were received from local firms. A selection committee reviewed and rated the proposals based on the evaluation criteria contained in the RFP and short-listed two proposers. The selection committee conducted an oral interview of the two short-listed firms and contacted their references. Based on all of the rating criteria, the selection committee recommends that BASE Energy be awarded the contract.

The scope of work will consist of a comprehensive energy audit of selected City facilities to identify energy efficiency measures (EEMs) which, if implemented, will reduce the City's energy use and costs. The scope includes preparation of technical specifications for the EEMs selected by the City for implementation, and training of City maintenance staff. BASE Energy's not-to-exceed fee is \$128,180 for these services. No City General Fund dollars or other City discretionary funds will be used.

**For action by:**

City Council  
 Redev. Agency Bd.  
 Cap. Impr. Corp.  
 VPFA

**For placement on which agenda:**

Work Session  
 Closed Session

**Regular Session:**

Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.): \_\_\_\_\_

**Review:**

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

**Finance** \_\_\_\_\_  
**City Atty** \_\_\_\_\_  
(Initials & date required or N/A)

**City Mgr** \_\_\_\_\_  
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

**Background:**

Staff recognized the need for a comprehensive energy audit of City facilities to identify energy efficiency and alternative energy measures to reduce the City's energy use and costs. At its September 7, 2010, meeting, the City Council authorized staff to issue an RFP for professional services to conduct a comprehensive energy audit of City facilities.

Staff formed a committee with members from each City department to identify which facilities should be included in the audit, document existing energy uses at those facilities, identify and document other energy efficiency programs, and prepare the RFP.

RFP #10-11-38 was issued on December 7, 2010. Sixty energy consulting and energy service companies were notified of the RFP; the was posted to the on-line Bid Net system; and it was published in the Visalia Times-Delta on December 7 and 13, 2010. A proposer conference and facilities tour was conducted on December 17, 2010.

Four proposals were received by the close date of December 30, 2010. Proposals were submitted by American Energy Audit of Las Vegas, Nevada; BASE Energy, Inc., of San Francisco, California; EDesignC, Inc., of San Francisco, California; and PacificWest Energy Solutions of Northridge, California.

These four proposals were evaluated by the selection committee against criteria included in the RFP. BASE Energy and PacificWest Energy Solutions were short-listed and interviewed by the selection committee. Based on the technical scores, the selection committee selected BASE Energy, Inc., as the recommended firm to conduct the comprehensive energy audit.

BASE Energy's not-to-exceed fee to conduct these services is \$128,180. This project will be funded through the City's EECBG grant. No City General Fund dollars or other City discretionary funds will be used.

The scope of work will include the following tasks:

- Collect General Facility Information and Site Visit
- Inventory Existing Systems and Equipment
- Identify Potential Energy Efficiency Measures
- Perform Analysis
- Energy Audit Preparation
- Draft Energy Audit and Comments
- Final Energy Audit
- Prepare of Specifications and Bid Documents for Selected EEMs
- Evaluate Bids
- Train City Maintenance Staff

The audit will include an engineering and economic evaluation of appropriate energy efficiency and alternative energy measures such as:

- Lighting fixtures
- Lighting controls
- Building automation and controls
- Air handling systems
- Plant/equipment modifications
- Motor replacement and variable frequency drives

- Heating, cooling and ventilation (HVAC) replacement and upgrades
- Alternative energy including photovoltaic systems and fuel cells

Return on investment and funding mechanisms to implement cost-effective measures will be evaluated. Recommended energy efficiency and alternative energy measures will be brought to the City Council following completion of the comprehensive energy audit.

**Prior Council/Board Actions:**

September 7, 2010 – Authorization to issue RFP for Comprehensive Energy Audit

**Committee/Commission Review and Actions:**

**Alternatives:**

**Attachments:**

**Recommended Motion (and Alternative Motions if expected):**

I move to award RFP #10-11-38 to BASE Energy, Inc., and authorize the City Manager to enter into a professional services agreement with BASE Energy to conduct a Comprehensive Energy Audit of City facilities.

***Environmental Assessment Status***

**CEQA Review:**

**NEPA Review:**

**Tracking Information:** *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to:

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** March 7, 2011

**Agenda Item Number (Assigned by City Clerk):** 5e

**Agenda Item Wording:** Approval of appointment of City Council representatives to the Special City Selection Committee of the San Joaquin Valley Air Pollution Control District.

**Deadline for Action:** N/A

**Submitting Department:** Administration

**Contact Name and Phone Number:**

Mayor Bob Link  
Donjia Huffmon, Chief Deputy City Clerk, 713-4512

**Department Recommendation**

It is recommended that the Visalia City Council appoint Mayor Bob Link to the San Joaquin Valley Air Pollution Control District's Special City Selection Committee and Vice-Mayor Amy Shuklian to serve as alternate.

**Department Discussion**

SB 1548 created Section 40600.5 of the Health and Safety Code, effective on January 1, 2009, that establishes a valley-wide Special City Selection Committee which is charged with making appointments of city representatives to the San Joaquin Valley Air Pollution Control District's Governing Board. The Special City Selection Committee consists of one member of the council of each city located within the District.

The District Governing Board consists of 15 members with five of those members being elected city council representatives. Currently, Council Member Mike Lane serves on the Governing Board as one of the five city council representatives. At this time, the Governing Board has one City seat vacancy and as a result of this vacancy, it may be necessary to convene the Valley-wide Special City Selection Committee later this year to approve an appointment to the Governing Board.

Cities are to forward their appointments to the SJVAPCD no later than March 15, 2011.

**Prior Council/Board Actions:** On January 5, 2009, the Visalia City Council appointed Mayor Jesus Gamboa as the member and Council Member Greg Collins as the alternate to this committee.

**Committee/Commission Review and Actions:** N/A

**Alternatives:**

**For action by:**

City Council  
 Redev. Agency Bd.  
 Cap. Impr. Corp.  
 VPFA

**For placement on which agenda:**

Work Session  
 Closed Session

**Regular Session:**

Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.): \_\_\_\_\_

**Review:**

**Dept. Head**

**Finance**

**City Atty**

**City Mgr**



**Attachments:** None

**Recommended Motion (and Alternative Motions if expected):**

I move to approve the appointment of Mayor Bob Link to the Special City Selection Committee of the San Joaquin Valley Air Pollution Control District and Vice-Mayor Amy Shuklian to serve as alternate.

***Environmental Assessment Status***

**CEQA Review:**

**NEPA Review:**

**Tracking Information:** *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** March 7, 2011

**Agenda Item Number (Assigned by City Clerk):** 5f

**Agenda Item Wording:** Accept report on February 2011 groundwater recharge activities

**Deadline for Action:**

**Submitting Department:** Administration/Natural Resource Conservation, Public Works

**Contact Name and Phone Number:**

Kim Loeb, Natural Resource Conservation Manager, 713-4530  
Andrew Benelli, Public Works Director, 713-4340

**Department Recommendation:**

Accept this report on February 2011 groundwater recharge efforts.

**Summary/background:**

The City is getting a good start on groundwater recharge this year. Beginning in early February, the City received 1,085 acre feet (AF) of Central Valley Project (CVP) Friant Division Class 2 Uncontrolled Season water for groundwater recharge. This water is from Millerton Lake on the San Joaquin River and is delivered via the Friant-Kern Canal. Uncontrolled Season water is made available by the U.S. Bureau of Reclamation when water must be removed from the lake to make way for stormwater and snowmelt. Imported Friant water is especially beneficial to Visalia because it is water that would not otherwise be delivered to the Kaweah Basin.

The City entered into a Transfer/Exchange of Banked Water Supply agreement with California Water Service Company (Cal Water), the City of Bakersfield, Hills Valley Irrigation District, and Arvin-Edison Water Storage District on October 1, 2008. The purpose of the agreement is for Cal Water to provide up to 10,000 AF of its banked groundwater in Bakersfield for purchase by the City of Visalia for recharge to benefit the City and Cal Water's Visalia District. The water is transferred through a number of agencies; Hills Valley ID is the agency from which the City purchases the water. The price of the water is not to exceed \$55 per acre foot.

The first 635 AF this season were provided by Hills Valley Irrigation District at no cost to the City as a prepayment pursuant to the transfer/exchange agreement. In return, Hills Valley ID can withdraw water from the Kern Groundwater Bank at a later date.

In coordination with Kaweah Delta Water Conservation District (KDWCD), the City initially delivered this water for recharge to Packwood Creek and the basin at Cameron Avenue and

**For action by:**

City Council  
 Redev. Agency Bd.  
 VPFA

**For placement on which agenda:**

Work Session  
 Closed Session

**Regular Session:**

Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.): \_\_\_\_\_

**Review:**

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

**Finance** \_\_\_\_\_  
**City Atty** \_\_\_\_\_  
(Initials & date required or N/A)

**City Mgr** \_\_\_\_\_  
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

Woodland Street known as Police Station Basin, Creekside Basin at McAuliff and Murray via Mill Creek, and to Oakes Basin northeast of the City near Highway 198 and Road 158. However, flows into Creekside Basin were discontinued on Wednesday, February 16, to reserve room for stormwater due to predicted storms. This is the first recharge water delivered to the Police Station Basin. Construction of the turnout from Packwood Creek and the control structure was completed in the latter part of 2010.

The Visalia Water Management Committee agreed on February 17 to purchase another 450 AF of Friant water offered to the City by Hills Valley ID at a cost of \$25/AF as another Cal Water exchange prepayment. The Visalia Water Management Committee voted to purchase this water at a not-to-exceed cost of \$11,200. This committee is comprised of a KDWCD Board Member and a City of Visalia Council Member. Presently, Council Member Nelson serves on this committee. The Committee is charged with administering funds paid by the City as part of the Tulare Irrigation District canal lining settlement. This water was delivered approximately 60/40 to the Shannon Ranch Basin at Demaree Road and Shannon Parkway and to Modoc Basin north of Riggan Avenue, west of Demaree Road, between February 18 and 25. The City purchased and received 1,624 AF of water from the Cal Water transfer/exchange in 2010. With the 1,085 AF delivered in February 2011, the balance remaining of the original 10,000 AF is 7,291 AF.

Provided we continue to receive at least typical seasonal precipitation, there should be good opportunities to purchase and recharge groundwater through the spring. Staff will continue working with KDWCD, Tulare Irrigation District, and others to respond to these opportunities to recharge groundwater as part of the City's ongoing efforts to address groundwater overdraft.



Creekside Basin  
McAuliff & Murray  
February 10, 2011



Police Station Basin  
Cameron Ave & Woodland  
February 14, 2011



Oakes Basin  
Near Highway 198 & Rd 158  
February 20, 2011



Shannon Ranch Basin  
Demaree & Shannon Parkway  
February 28, 2011



Modoc Basin  
Riggin Rd northwest of Demaree  
February 28, 2011

**Prior Council/Board Actions:**

**Committee/Commission Review and Actions:**

**Alternatives:**

**Attachments:**

**Recommended Motion (and Alternative Motions if expected):**

I move to accept this report as presented by staff.

Copies of this report have been provided to:

# City of Visalia Agenda Item Transmittal

**Meeting Date:** March 7, 2011

**Agenda Item Number (Assigned by City Clerk):** 5g

**Agenda Item Wording:** Request authorization to file a Notice of Completion for the Houston Avenue Widening Project from Santa Fe Street to Ben Maddox Way in the amount of \$2,293,839.43 (Project No. 3011-9026).

**Deadline for Action:** None

**Submitting Department:** Community Development Department/  
Engineering Division

**Contact Name and Phone Number:**

Michael Carr, Sr. Transportation Planner, 713-4595  
Adam Ennis, Assist. Director of Engineering, 713-4323  
Chris Young, Community Development Director, 713-4392

**Department Recommendation:** Staff recommends that the City Council authorize filing a Notice of Completion for the Houston Avenue Widening Project from Santa Fe to Ben Maddox. All work has been completed by the contractor (Jim Crawford Construction Company, Inc.) with the final contract amount of \$2,293,839.43.

**Summary:** The Houston Avenue Widening Project improvements included street improvements (pavement, curb & gutter, sidewalk, and street lights) for the widening of Houston Avenue to a 4-lane major collector street from Santa Fe to Ben Maddox Way. Also included were the construction of the roundabout at Santa Fe and Houston, signal modifications at Burke Street and Ben Maddox Way, a storm drain line extension south to Douglas Avenue, and the reconstruction of the existing pond at the south end of the former Soroptimist Park. The project also included badly needed improvements to the existing waste water system.

It is typical in older portions of the City where existing facilities must be modified that many unknown conditions and situations can occur during a construction project. During this project there were four main areas where out of the ordinary change orders occurred; 1) Providing an all weather travel surface for motorists during construction (9% change order), 2) replacing or repairing portions of the existing sewer system (4% change order), 3) utility conflicts due to old utility installations (1.3% change order) and 4) unforeseen conditions (4.4% change order). The remaining "typical" change orders were approximately 6.4%.

Change orders were processed as the project progressed to keep the project moving as quickly as possible. Therefore some of the individual conditions requiring a change order were actually processed as a series of several change orders as unforeseen conditions and situations were discovered. In addition, the City directed the contractor to complete the road construction in two major sections to lessen the impact on the public that regularly uses Houston Avenue, and to facilitate in maintaining an all-weather surface for vehicles to drive on. Some of the issues and site conditions requiring change orders in the first section (from Santa Fe to Burke St.) reoccurred in the second section (from Burke to Ben Maddox). Several of the change orders

**For action by:**

City Council  
 Redev. Agency Bd.  
 Cap. Impr. Corp.  
 VPFA

**For placement on which agenda:**

Work Session  
 Closed Session

**Regular Session:**

Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.): 1Min.

**Review:**

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

**Finance** \_\_\_\_\_  
**City Atty** \_\_\_\_\_  
(Initials & date required or N/A)

**City Mgr** \_\_\_\_\_  
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

were also separated between general contractor and subcontractor work for the same issue, again to keep the contractor and subcontractors moving on the project. Due to these situations a total of sixty-four change orders were processed with a cost increase totaling \$460,826.43. This represents a twenty-five percent increase over the originally awarded contract total of \$1,833,013.00.

**Background:** On August 3, 2009, Council awarded the Houston Avenue Widening Project to Jim Crawford Construction Company, Inc. of Clovis for the contract price of 1,833,013.00. The City budget for this project was \$3,320,000.00 including the total cost of this contract, City of Visalia project management, inspections, surveying and testing.

All project change orders were reviewed and approved by the Change Order Committee. A summary of the change orders grouped into major categories is listed below.

**All-weather travel surface (additional \$165,070.00, representing 35.8% of the change orders)**

This change order was necessary to keep motorists on a driving surface other than dirt. Due to the existing roadway configuration and the proposed scope of work, the traffic path through the construction site had to be shifted several times and would have occurred through non-paved areas. Based on the weather forecasts and time of year, city staff was concerned about the surface that motorists would be traveling on. Therefore the contractor was directed to provide asphalt grindings in areas where traffic would be diverted to unpaved areas. The week after placement of the grindings the site was inundated with rain. With the grindings placed, traffic through the construction area was uninterrupted.

**Sewer system repairs and upgrades (additional \$74,268.32, representing 16.1% of the change orders)**

The sewer main manholes in the roadway along Houston Avenue were built so long ago that they were actually formed with bricks and mortar. Construction excavation adjacent to the existing manholes revealed that almost all were leaking below ground and in need of repair. The City instructed the contractor to remove the old brick manholes and replace them with modern concrete manholes built to current standards. A total of ten manholes were replaced as well as many sections of clay sewer pipe that was discovered to be cracked. The costs for this work will be paid out of the Wastewater Account that is used for sewer maintenance and repair.

**Standby and delays for storm drain redesigns (additional \$23,720.24, representing 5.1% of the change orders)**

There are several older utility systems located in this portion of town where the facilities are not as well documented as in newly developed areas. The proposed storm drain line on Douglas Avenue had to be redesigned when it was discovered that a Cal Water main was in conflict due to not being at the location shown on the plans. There were several days of standby time while Cal Water relocated their line and the City re-designed for an alternate alignment due to sandy soil conditions. On Houston Avenue, the plan showed the approximate location of an underground phone line on the south side of the street. When it was exposed on the site, it turned out to be a fiber-optic main line that was in a concrete encasement about two feet wide. The storm drain was originally designed to go adjacent to the phone line, so the contractor had to wait for it to be redesigned in a new location near the center of the street.

**Adding to the scope of work (additional \$88,247.27, representing 19.1% of the change orders)**

These change orders consisted of things such as additional square footage of pavement in the intersection of Houston and Ben Maddox, having the contractor install cobbles in the median in Ben Maddox, removing and replacing additional sidewalk, curb, gutter, and drive approaches that were in poor condition, removing the pavement at the Valero station all the way back to the right-of-way line in order to flatten out the grade change, and increasing the striping, signing and red curb for safety reasons.



**Unforeseen site conditions (additional \$79,848.88, representing 17.4% of the change orders)**

Through the course of this project, the contractor came across several unforeseeable conditions. Among them were soils beneath Houston Avenue and parts of Ben Maddox that were unsuitable for compacting. The soil needed to be excavated, hauled off and replaced by extra base rock after a geotextile fabric was laid in place to stabilize the subgrade. There were several instances where utilities were not at the expected elevation, so the storm drain connections had to be modified by either deflecting the pipe or placing the pipe with shallow clearances requiring encasement in concrete. There were sandy soils on Douglas Avenue and in the Soroptimist Park area that created extra work for the subcontractor installing the storm drain connection. Those sandy soil conditions also forced the main storm drain line to be installed at a shallower depth and further away from a sanitary sewer main on Douglas than originally designed.

**Errors and omissions (additional \$34,425.28, representing 7.5% of the change orders)**

There were two places that the plan called for connecting a storm drain lateral to an existing drain pipe, but when the subcontractor got to the point of actually making the connection, the pipe sizes didn't match what was shown on the plans, so sections of pipe had to be replaced to match what was already in place. There were five sewer cleanouts that were not shown on the plans that needed to be relocated behind the property lines. At the property on the northwest corner of NE 2<sup>nd</sup> and Santa Fe Street, the property sits down lower than the sidewalk to be installed, so a retaining wall needed to be constructed to support the sidewalk. Finally, eight handicapped ramps needed to be redesigned extending the landing area in order to eliminate a trip hazard.

**Adjustment of quantities at line item unit prices (credit of \$4,754.09, representing -1.0% of the change orders)**

Actual quantities for curb-and-gutter, base rock, asphalt and the oil index ended up higher than the Engineer's Estimate for the project, but the quantity of earthwork required in the ponding basin south of Douglas Avenue went down due to some material having already been removed by the City Public Works Department. The City was able to realize additional savings on the median work on Ben Maddox by not removing the asphalt to install the median curb, and instead using a glue-down concrete curb. The net adjustment to quantities resulted in a small cost savings on the project.

**Prior Council/Board Actions:** Award of contract on August 3, 2009.

**Committee/Commission Review and Actions:** None

**Alternatives:** None

**Attachments:** Location Map, Ownership Disclosure Form

**Recommended Motion (and Alternative Motions if expected):**

I move to authorize staff to file a Notice of Completion for the Houston Avenue Widening Project from Santa Fe to Ben Maddox in the amount of \$2,293,839.43.

**Tracking Information:** *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*  
*Notice of Completion to be filed with County Records Office through City Engineer's office.*

Copies of this report have been provided to:

# City of Visalia Agenda Item Transmittal

**Meeting Date:** March 7, 2011

**Agenda Item Number (Assigned by City Clerk):** 5h

**Agenda Item Wording:** Request by the United States Department of the Interior for a permit for monitoring seismic activity at Valley Oaks Golf Course.

**Deadline for Action:**

**Submitting Department:** Parks and Recreation

**Contact Name and Phone Number:**

Jeannie Greenwood, Recreation Manager  
(559) 713-4042

**Department Recommendation:**

City staff recommends that the City Council approve the U.S. Geological Survey's request for use of an area at Valley Oaks Golf Course for the purpose of measuring and reporting seismic data.

**Summary/background:**

The U.S. Geological Survey (USGS) is the Nation's largest water, earth and biological science and civilian mapping agency that collects, monitors, analyzes, and provides scientific understanding about natural resource conditions, issues, and problems. Their diversity of scientific expertise enables them to carry out large-scale, multi-disciplinary investigations and provide impartial scientific information to resource managers, planners, and other customers.

A representative from USGS met with City staff and tested several locations throughout the City. Ultimately, Valley Oaks Golf Course was deemed the best location by USGS for their study. USGS is requesting a permit from the City of Visalia to place, operate and maintain scientific instruments on City property that will allow them to collect and transmit real time seismic activity in our area to the Southern California Seismic Network in Pasadena. The City will not receive any compensation for the use of the land and may cancel the agreement and have related equipment removed if space is needed for City use.

The equipment requires an area approximately 15'x15'. An 8' hole will be created to place equipment in. The hole is then covered with gravel and a protective ring of garden blocks/bricks is placed around the area (see attached photo). The USGS will utilize solar panels to operate the equipment.

**For action by:**

City Council  
 Redev. Agency Bd.  
 VPFA

**For placement on which agenda:**

Work Session  
 Closed Session

**Regular Session:**

Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.): \_\_\_\_\_

**Review:**

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

**Finance** \_\_\_\_\_  
**City Atty** \_\_\_\_\_  
(Initials & date required or N/A)

**City Mgr** \_\_\_\_\_  
(Initials Required)

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City staff has discussed this with CourseCo, Inc., the operator of Valley Oaks Golf Course. Staff has worked with course staff to identify a location that will not have a negative impact on golf course operations.

**Prior Council/Board Actions:**

**Committee/Commission Review and Actions:**

**Alternatives:**

**Attachments:**

**Recommended Motion (and Alternative Motions if expected):**

City Council approves the U.S. Geological Survey's request for use of an area at Valley Oaks Golf Course for the purpose of measuring and reporting seismic data and authorizes the City Manager to enter into an agreement with the United States of America Department of the Interior for said use.

***Environmental Assessment Status***

**CEQA Review:**

**NEPA Review:**

**Tracking Information:** *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to:

## Permit for Earthquake Studies

with  
**The United States of America**  
**Department of the Interior**

Steve Salomon, City Manager, representative of fee owners of certain property, hereinafter referred to as Permitter, hereby grants to **U.S. Department of the Interior, Geological Survey**, hereinafter referred to as Permittee, permission to operate and maintain scientific instruments, on property represented by the Permitter in Tulare County, near the town of Visalia, California. The locations of these instruments are indicated on the attached map.

This permit is given without consideration and with the following conditions and understandings:

1. This permit is for a period beginning on the date this permit is completed and continuing until revoked.
2. Permittee accepts the premises and access across the property in an "as is" condition.
3. Permittee, or Permittee's agent, shall have the right of reasonable access to enter upon the foregoing property for access to the instrument sites; (1) to transport onto said premises such equipment, tools, supplies, and materials as it may require in conjunction with its activities; (2) and to work with or upon, construct, use, inspect, maintain, adjust, repair, replace, protect, move and remove any and all said equipment, tools, supplies, and materials. Permitter shall make final decision if areas and access roads are accessible. Permitter is not responsible to maintain access roads specifically for Permittee's use. Permittee's access is limited to uses specifically identified in this agreement; no other uses (i.e.: recreational) are authorized or will be tolerated.
4. All equipment placed by Permittee on the permitted premises shall be and remain the property of Permittee. Permittee shall have the right to remove any or all of its equipment, instrumentation and other property at any time in accordance with access provisions #3, 5, and 6.
5. In digging, drilling, equipping, operating and maintaining its excavations, enclosures and equipment and in all other operations on the premises, Permittee shall use reasonable care and diligence and shall perform all work in a proper and workmanlike manner and so as to interfere as little as possible with agricultural, grazing or other uses to which the land may be put, and to avoid damage to the land, property, or personnel of Permitter and his tenants. No open holes shall be left unprotected.
6. Permittee agrees to attempt telephone contact with Permitter prior to entering the property. Leaving a voice-mail will be adequate evidence of an attempt to make telephone contact with Permitter.
7. Permittee agrees to exercise due caution to prevent fires on the premises or on adjoining lands.
8. To the extent practicable, Permittee shall confine its travel to established roads in order to avoid interference with agricultural operations, environmentally sensitive areas and to avoid gulying.
9. All gates used by Permittee shall be kept closed and locked, except when necessarily left opened by the Permitter. Access shall be by permission of the Permitter and at this time no access keys or combinations are being given by Permittee.
10. Permittee agrees to obtain, at its expense and own effort, any and all Permits, Licenses or other necessary authorities required for installation, operation or maintenance of its equipment.

11. Permittee agrees to conform to reasonable requirements as may be set forth by Permitter or Permitter's Tenants or agent during the time of this permit.
12. Permittee will pay for all materials placed upon, joined or affixed to said premises by or at the instance of Permittee and will pay in full all persons who perform labor upon said premises at the instance of Permittee, and will not suffer or permit liens of any kind or nature to be levied against said premises or property for any work done or materials furnished thereon at the instance or request of Permittee.
13. Permitter will not be held responsible for loss of or damage to equipment installed on the property by Permittee.
14. Each party agrees to comply with all local, state and federal laws and lawful regulations, which are applicable to their respective operations hereunder.
15. The Government agrees to cooperate in the submission by Permitter or third parties of claims against the Government pursuant to the Federal Tort Claims Act for personal injury or property damage resulting from the negligent act or omission of any employee of the Government acting in the course of his employment (28 U.S.C. sec 2671, et sec.) The U.S. Geological Survey shall be liable, to the extent allowed by the Federal Tort Claims Act, for claims for personal injuries or property damage resulting from the negligent or wrongful act or omission of any employee of the United States while acting within the scope of his employment, arising out of this agreement.
16. Permittee understands and agrees that the property and premises will be utilized as a maintenance facility for a golf course, and is not open to the public. Permittee fully assumes all risks associated with entry into such an area, including but not limited to, damage or injury including death from equipment being used. Permitter assumes no responsibility for any conditions existing or occurring on the property or premises and makes no representations or warranties whatsoever as to the safety of any roads, trails, or buildings. Permittee hereby agrees that the access through the property and use of the premises is at Permittee's own risk. Permitter or Permitter's agents, contractors, or employees shall not be responsible for warning of any hazards, known or unknown, associated with the property or premises.
17. Either party can terminate this agreement upon a 30 day written notice if: a. the terms of this agreement are not adhered to and cannot be reasonably resolved within a reasonable time period not exceeding 90 days, b. upon cessation of Permitter's lease of subject property. In addition, Permittee shall have the right to terminate this agreement without cause on 180 days prior written notice to Permitter.
18. If the Permitter's use of the property or portions of the property changes or if the Permittee's operation and or equipment interfere with the Permitter's operation or use of the property, the Permitter shall have the right to require the Permittee to change their operation and / or equipment to avoid interferences.
19. Any notice or demand required or permitted to be given or made hereunder shall be sufficiently made or given by certified mail, postage prepaid, and addressed:

in the case of Permitter to:

City of Visalia  
425 E. Oak

Visalia, CA 93291  
Attn: City Clerk

in the case of Permittee to:

U. S. Geological Survey  
525 So. Wilson Ave.  
Pasadena, California 91106

Any such notice or demand shall be deemed to have been given or made one day after deposited in the United States Post Office. Permitter and Permittee may designate any other address for this purpose by giving written notice to the other party.

20. Upon the expiration or termination of this Permit, including any renewals or extensions thereto, Permittee shall promptly remove any and all of its equipment, leaving the site neat and clean, and shall restore the premises as nearly as practicable to the condition at the start of this permit.

21. No revision to this Permit shall be valid unless made in writing and signed by Permitter and Permittee or their authorized agent.

PERMITTER:

Signed this \_\_\_\_\_ day of March, 2011

By \_\_\_\_\_  
Steve Salomon, *City Manager*

APPROVED AS TO FORM:

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

\_\_\_\_\_  
Risk Manager

PERMITTEE:

Signed this \_\_\_\_\_ day of March, 2011

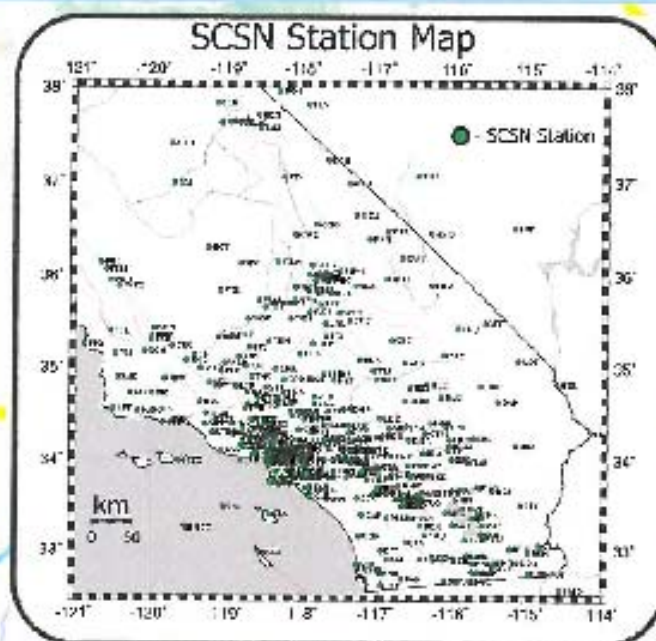
By \_\_\_\_\_  
Douglas Given, *for U.S. Geological Survey*

# Southern California Seismic Network

**The Problem:** Southern California has the highest level of earthquake risk in the United States. Of all the expected earthquake losses in the Nation, half are expected to occur in southern California. Sitting astride the Pacific-North America plate boundary at the Big Bend of the San Andreas Fault, southern California has more than 300 faults capable of producing earthquakes of magnitude 6 or larger. Affecting more than 20 million inhabitants, these faults present the greatest urban risk in the United States.

**The Strategy:** The United States Geological Survey (USGS) is a federal government agency that has been tasked by congress and the president to understand and mitigate earthquake hazards in the U.S. An important part of this effort is monitoring earthquake activity using networks of about 300 seismometers and 100 high precision GPS receivers. This network is run cooperatively with Caltech and exchanges real-time data with partner institutions like the California Geological Survey (CGS), the California Office of Emergency Services, and UC Berkeley as part of the California Integrated Seismic Network (CISN). CISN is the California region of the Advanced National Seismic System (ANSS). SCSN produces high-quality data for a variety of earthquake data products that have become key to emergency response, engineering applications, public education and preparedness and seismological research.

The Southern California Seismic Network can detect most earthquakes in southern California down to magnitude 2.8.



**Partners:** USGS depends on the partnership of many organizations and individuals who provide sites and telemetry to improve the safety of all citizens. Some of these partners include:

- U.S. Air Force, Navy & Marines
- National Park Service
- US Forest Service
- Los Angeles Department of Water and Power
- California Department of Water Resources
- Metropolitan Water District
- Southern California Gas Company
- Southern California Edison
- Pacific Gas and Electric
- CalEnergy
- Coachella Valley Water District
- California State University Bakersfield
- UC Santa Barbara, Riverside, & San Diego
- Private and business land owners
- Conservancies

**More Info:**

**USGS Earthquake Hazards Program**  
<http://earthquake.usgs.gov/>

**USGS Earthquake Hazards Program Office**

Caltech Seismological Laboratory  
 525 So. Wilson Avenue  
 Pasadena, CA 91106

Office: (626) 583-7823



CGS



USGS



OES



Caltech



UC Berkeley





# City of Visalia Agenda Item Transmittal

**Meeting Date:** March 7, 2011

**Agenda Item Number (Assigned by City Clerk):** 5i

**Agenda Item Wording:** Accept the City of Visalia Cash and Investment Report for the second quarter ending December 31, 2010.

**Deadline for Action:** None

**Submitting Department:** Administration - Finance

**Contact Name and Phone Number:** Eric Frost 713-4474,  
Liz Ybarra 713-4598

**Department Recommendation:** Staff recommends that Council take the following actions:

1. Accept the City of Visalia Cash and Investment Report for the quarter ending December 31, 2010.

### Introduction

In the course of the City's business, significant cash assets are accumulated before they are spent on a variety of governmental operations. The quarterly investment report is an opportunity for staff to be held accountable for the investment and management of these funds. Because concentration between issuer and type of investment is critical in maintaining safety, liquidity and yield in the portfolio, staff revised the investment report to highlight these factors. The Cash and Investment Summary provides a summary by type of investment and the Detail Report provides a line item description for each investment.

### City Investment Policy

The City's investments are diversified by the various maturities, call structures, and credit types which are allowed by the City's Investment Policy and California Government Code Section 53600 et seq. It is the policy of the City to invest public funds in a manner which will provide the greatest security with the maximum investment return while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds. One way the City meets this objective is by investing in the Local Agency Investment Fund (LAIF). LAIF funds are highly liquid to meet the City's daily cash flow requirements while maintaining a high degree of safety and a higher rate of return over other suitable liquid investments.

The City continues to be conservative and prudent with the investment objectives, which in order of priority are safety, liquidity, and yield, while maintaining compliance with federal, state,

#### **For action by:**

City Council  
 Redev. Agency Bd.  
 Cap. Impr. Corp.  
 VPFA

#### **For placement on which agenda:**

Work Session  
 Closed Session

#### **Regular Session:**

Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.): 5

#### **Review:**

**Dept. Head** \_\_\_\_\_  
**(Initials & date required)**

**Finance** \_\_\_\_\_  
**City Atty** \_\_\_\_\_  
**(Initials & date required or N/A)**

**City Mgr** \_\_\_\_\_  
**(Initials Required)**

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

and local laws and regulations. These investments will enable the City to meet expenditure requirements for the next six months, as required by state law.

### **Economic Outlook**

Information from the Federal Open Market Committee (FOMC) released on December 14, 2010 confirms that economic recovery is continuing, but at a rate that is bringing down unemployment slowly. December's national unemployment rate was 9.4%. As of January, the rate is down to 9%. Although encouraging, 9% is a high unemployment rate. Household spending is still growing slowly with low Income growth, lower housing wealth and a tight credit market. Even though the FOMC's intention is to keep interest rates down, there has been an opposite effect and inflation fears are now on the horizon. Mortgage rates are at their highest since the housing crash of October 2008. A 30 year fixed mortgage in December was approximately 5.0% and as of February, it was up to 5.25%. Treasuries between 10 to 30 years were yielding from 3.3 % to 4.34% as of December and now in February, the rates are between 3.7% to 4.75%. Staff will continue to monitor these events as they will ultimately affect how the City manages the portfolio.

### **Portfolio Performance**

The December 31, 2010 investment report managed balance was \$112.36 million. A decrease in the portfolio balance occurred due to the \$6.0 million payoff of the WWTP bond in anticipation of new financing.

The earnings rate for FY10/11 (Oct 10 – Dec 10) was 1.01%. Key benchmarks and performance statistics for the City's portfolio are shown in Table 1, Managed Portfolio Performance Statistics.

**Table 1: Managed Portfolio Performance Statistics (dollars in millions)**

Quarter Ending	Portfolio Balance	City Monthly Portfolio Rate	LAIF Balance	LAIF Rate	2 YR Treasury	Weighted Average Maturity (WAM)
September 2010	\$122.75	0.86%	\$52.8	0.52%	0.42%	0.27 years
December 2010	\$112.36	1.01%	\$28.8	0.47%	0.61%	0.39 years
<b>Fiscal Year 2010/2011</b>	<b>\$116.25</b>	<b>.92%</b>		<b>.49%</b>	<b>.49%</b>	

### ***LAIF***

The Local Agency Investment Fund (LAIF) is a an investment option for California's local governments and special districts. LAIF is a part of a pooled investment account that is overseen by the State Treasurer, Director of Finance, and State Controller. The City invests a portion of the portfolio in LAIF because it is a liquid investment with a competitive yield.

### **Future Management**

The City manages the portfolio partly by considering the weighted average maturity (WAM) based upon management's expectations for rising, neutral or declining interest rates. Usually, the longer an investment's maturity, the higher the interest rate will be. However, the longer the maturity, the more at risk the portfolio is to market gains or losses due interest rate changes.

As a result, the City has a target WAM based upon expected interest rate environments as shown on Table II, Target Weighted Average Maturity (WAM) Based on Interest Rate

Expectations.

Table II  
Target Weighted Average Maturity (WAM)  
Based Upon Interest Rate Expectations

Forecasted Interest Rate Environment	Target WAM (Years)
Rising	0.50
Neutral	1.50
Declining	2.50

As previously discussed, rates have fallen but are on the rise. Rates are increasing and the City is in a good position to take advantage of the increases. When rates are rising, the stated goal for the portfolio WAM is 0.50 years. At the end of December 2010 the portfolio WAM was 0.39 years or 144 days. Never the less, staff is beginning to find value in short term investments. The table below shows the most recent investment activity. Notice the staff purchased \$5 million in a two year GE Capital Note.

	Type	Yield	Amount	Purchase Date	Maturity Date
<b><u>Maturities/Sales</u></b>					
Citizens Business Bank	CDARS	0.70%	\$5M	6/5/2010	11/4/2010
Citizens Business Bank	CDARS	1.10%	\$5M	1/21/2010	1/20/2011
<b><u>Purchases</u></b>					
Citizens Business Bank	CD	0.80%	\$5M	11/5/2010	11/5/2011
CA Revenue Anticipation	Muni Bond	1.75%	\$5M	11/23/2010	6/28/2011
CA Revenue Anticipation	Muni Bond	1.53%	\$5M	12/22/2010	6/28/2011
GE Capital	Corp Bond	1.60%	\$5M	12/22/2010	1/8/2013

**Investment Plan For The Next Quarter**

Staff will continue to review investment options that are available within the City's policy. Since there are significant signs that interest rates are increasing, Staff will continue to evaluate 1 to 2 year maturities to take advantage of these rates. Longer term investments are yielding higher, but because of the current interest rate environment, the risk of principal loss due to rising interest rates makes longer term purchases not worth the potential interest rate pick up.

It is very tempting to extend out the maturity to gain from the extra yield, but that strategy can be very costly. Staff believes general interest rates will rise 2% within the next year. The table below illustrates possible earnings if in year 2 of the investment rates go up.

<b>\$1.0M Investment - Potential Earnings</b>					
	<b>Scenario 1</b>		<b>Scenario 2</b>		<b>Scenario 3</b>
	<b>5 Year Treasury</b>		<b>5 Year Treasury</b>		<b>5 Year Treasury</b>
<b>Year</b>	<b>2.16%</b>		<b>3.5%</b>		<b>5.0%</b>
<b>1</b>	21,600		5,000		5,000
<b>2</b>	21,600		35,000		50,000
<b>3</b>	21,600		35,000		50,000
<b>4</b>	21,600		35,000		50,000
<b>5</b>	21,600		35,000		50,000
<b>Earnings</b>	<b>\$ 108,000.00</b>		<b>\$ 145,000.00</b>		<b>\$ 205,000.00</b>
<b>Potential earnings with rate increase</b>					

*Scenario 1 – Current earnings for 5 year Treasury*

*Scenario 2 – Potential earnings if 5 year Treasury goes up to 3.5%; assumes year 1 is in LAIF @ .50%*

*Scenario 3 – Potential earnings if 5 year Treasury goes up to 5.0%; assumes year 1 is in LAIF @ .50%*

Notice that if in year two interest rate increase by 1.4%, the City would loose \$37,000 per million, almost a third of the potential interest earnings. If rates rise 3%, then the loss is almost \$100,000 per million. As a result, staff will be looking to cautiously extend maturities.

**Attachments:**

Attachment #1, City of Visalia Cash and Investment Summary

Attachment #2, City of Visalia Investment Details

**Recommended Motion (and Alternative Motions if expected):** Move to accept the City of Visalia Cash and Investment Report for the first quarter ending December 31, 2010

***Environmental Assessment Status***

**CEQA Review:**

**NEPA Review:**

**Tracking Information:** *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

**City of Visalia**  
**Investment Report - Quarter Ended December 31, 2010**  
**Cash and Investment Summary**

	<u>Par Value</u>	<u>Original Cost</u>	<u>Market Value</u>	<u>Weighted % of Portfolio</u>	<u>Weighted Average YTM</u>	<u>Average Days to Maturity</u>
<b>Security Investments</b>						
Federal Agency	\$ 5,000,000	\$ 5,152,460	\$ 5,360,190	4.77%	4.61%	541
Medium-Term Corporate Bonds	\$ 10,000,000	\$ 10,413,200	\$ 10,357,250	9.22%	1.55%	602
Municipal Bonds	\$ 10,000,000	\$ 10,074,200	\$ 10,074,600	8.97%	1.64%	179
CDARS	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	13.35%	0.91%	165
Certificates of Deposits	\$ 10,240,000	\$ 10,240,000	\$ 10,243,713	9.12%	0.83%	258
<b>Total Security Investments</b>	<b>\$ 50,240,000</b>	<b>\$ 50,879,860</b>	<b>\$ 51,035,753</b>	<b>45.42%</b>		
<b>Cash Investments</b>						
Local Agency Investment Fund (LAIF)	\$ 28,801,221	\$ 28,801,221	\$ 28,801,221	25.63%	0.47%	1
Sweep Account (Citizens Business Bank)	\$ 12,441,957	\$ 12,441,957	\$ 12,441,957	11.07%	0.60%	1
Rabo Bank (Money Market)	\$ 20,086,462	\$ 20,086,462	\$ 20,086,462	17.88%	0.67%	1
<b>Total Cash Investments</b>	<b>\$ 61,329,640</b>	<b>\$ 61,329,640</b>	<b>\$ 61,329,640</b>	<b>54.58%</b>		
<b>Total Investments</b>	<b>\$ 111,569,640</b>	<b>\$ 112,209,500</b>	<b>\$ 112,365,393</b>	<b>100.00%</b>	<b>1.01%</b>	<b>144</b>
<b><u>OTHER CASH</u></b>						
<b>Cash with Fiscal Agents</b>						
US Bank (RDA East Visalia /COP)	\$ 2,521,923	\$ 2,521,923	\$ 2,521,923			
Union Bank (WWTP)	\$ 100,123	\$ 100,128	\$ 100,128			
Citizens Business BK (RDA Mooney District)	\$ 6,071,532	\$ 6,071,532	\$ 6,071,532			
Accel (Workers Comp Excess Liability Dep)	\$ 922,180	\$ 922,180	\$ 922,180			
EIA (Health Prefunding)	\$ 1,055,869	\$ 1,055,869	\$ 1,055,869			
Delta Dental (Dental Prefunding)	\$ 60,700	\$ 60,700	\$ 60,700			
Keenan & Assoc (Workers Comp Prefunding)	\$ 632,363	\$ 632,363	\$ 632,363			
VSP (Vision Pre Funding)	\$ 11,210	\$ 11,210	\$ 11,210			
<b>Total Cash with Fiscal Agents</b>	<b>\$ 11,375,900</b>	<b>\$ 11,375,905</b>	<b>\$ 11,375,905</b>			
<b>Cash in Banks</b>						
Citizens Business Bank - AP/Payroll	\$ 117,663	\$ 117,663	\$ 117,663			
Bank of America - Convention Center	\$ 29,715	\$ 29,715	\$ 29,715			
Bank of America - Golf	\$ 85,157	\$ 85,157	\$ 85,157			
Petty Cash	\$ 44,269	\$ 44,269	\$ 44,269			
<b>Total Cash in Banks</b>	<b>\$ 276,805</b>	<b>\$ 276,805</b>	<b>\$ 276,805</b>			
<b>Total Cash and Investments</b>	<b>\$ 123,222,345</b>	<b>\$ 123,862,210</b>	<b>\$ 124,018,103</b>			

**City of Visalia**  
**Investment Report - Quarter Ended December 31, 2010**  
**Investment Details**

	<u>Type</u>	<u>Par Value</u>	<u>Original Cost</u>	<u>Market Value</u>	<u>% of Portfolio</u>	<u>Maturity</u>	<u>Coupon</u>	<u>YTM</u>
Federal Farm Credit Banks	Agency	\$ 3,000,000	\$ 3,127,320	\$ 3,215,250	2.86%	6/21/2012	5.45%	5.03%
Federal Home Loan Banks	Agency	\$ 2,000,000	\$ 2,025,140	\$ 2,144,940	1.91%	9/14/2012	5.00%	5.00%
<b>Total Federal Agency</b>		<b>\$ 5,000,000</b>	<b>\$ 5,152,460</b>	<b>\$ 5,360,190</b>	<b>4.77%</b>			
General Electric Cap. Corp	Corporate	\$ 5,000,000	\$ 5,293,200	\$ 5,245,750	4.67%	4/10/2012	5.00%	1.50%
General Electric Cap. Corp	Corporate	\$ 5,000,000	\$ 5,120,000	\$ 5,111,500	4.55%	1/08/2013	2.80%	1.60%
<b>Total Medium-Term Corp Bonds</b>		<b>\$ 10,000,000</b>	<b>\$ 10,413,200</b>	<b>\$ 10,357,250</b>	<b>9.22%</b>			
State of CA -RAN (Revenue Anticipation)	Muni	\$ 5,000,000	\$ 5,036,750	\$ 5,037,300	4.48%	6/28/2011	3.00%	1.75%
State of CA -RAN (Revenue Anticipation)	Muni	\$ 5,000,000	\$ 5,037,450	\$ 5,037,300	4.48%	6/28/2011	3.00%	1.53%
<b>Total Municipal Bonds</b>		<b>\$ 10,000,000</b>	<b>\$ 10,074,200</b>	<b>\$ 10,074,600</b>	<b>8.97%</b>			
CDARS - Citizens Business Bank	Cert Deposit	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	4.45%	1/20/2011	N/A	1.11%
CDARS - Bank of The Sierra	Cert Deposit	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	4.45%	8/11/2011	N/A	0.83%
CDARS - Bank of The Sierra	Cert Deposit	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	4.45%	9/08/2011	N/A	0.78%
<b>Total CDARS</b>		<b>\$ 15,000,000</b>	<b>\$ 15,000,000</b>	<b>\$ 15,000,000</b>	<b>13.35%</b>			
Citizens Business Bank CD	Cert Deposit	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	4.45%	7/24/2011	N/A	0.85%
Citizens Business Bank CD	Cert Deposit	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	4.45%	11/05/2011	N/A	0.80%
Visalia Community Bank CD	Cert Deposit	\$ 240,000	\$ 240,000	\$ 243,713	0.22%	10/08/2011	N/A	0.85%
<b>Total Certificate of Deposits</b>		<b>\$ 10,240,000</b>	<b>\$ 10,240,000</b>	<b>\$ 10,243,713</b>	<b>9.12%</b>			
<b>Total Investments</b>		<b>\$ 50,240,000</b>	<b>\$ 50,879,860</b>	<b>\$ 51,035,753</b>	<b>45.42%</b>			
<b>Cash</b>								
Local Agency Investment Funds (LAIF)		28,801,221	28,801,221	28,801,221	25.63%	N/A	N/A	0.47%
Sweep Account (Citizens Business Bank)		12,441,957	12,441,957	12,441,957	11.07%	N/A	N/A	0.60%
Public Investment Money Market ( Rabo Bank)		20,086,462	20,086,462	20,086,462	17.88%	N/A	N/A	0.67%
<b>Total Cash Holdings</b>		<b>61,329,640</b>	<b>61,329,640</b>	<b>61,329,640</b>	<b>54.58%</b>			
<b>Total Portfolio Holdings</b>		<b>111,569,640</b>	<b>112,209,500</b>	<b>112,365,393</b>	<b>100.00%</b>			<b>1.01%</b>



**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** March 7, 2011

**Agenda Item Number (Assigned by City Clerk):** 5j

**Agenda Item Wording:** Recommend adoption of the 2011 Bikeway Plan Update and accompanying Initial Study / Negative Declaration No. 2011-12.

**Deadline for Action:** March 21, 2011

**Submitting Department:** Community Development

**Contact Name and Phone Number:**

Paul Shepard, Management Analyst, 713-4209  
Adam Ennis, Assistant Director of Engineering, 713-4323

**Department Recommendation:** Staff recommends that the City Council first adopt Resolution 2011-08 certifying Negative Declaration No. 2011-12, and then adopt Resolution 2011-09 approving the 2011 Bikeway Plan Update.

**Summary:** The proposed 2011 Bikeway Plan Update builds on the 2006 Bikeway Plan Update and is complementary to the Waterways and Trail Master Plan (approved March 2010). The Bikeway Update proposes 30 miles of Class I paths, 75 miles of Class II lanes and 49 miles of additional Class III routes over the next 5 years. Generally bike lanes are proposed on collector streets, however there are lanes proposed on arterial streets where necessary to provide necessary connectivity.

The proposed network will “fill in” gaps in the existing system and extend the bike network to provide more comprehensive coverage of the City and provide guidance for bikeway development on future roadway projects. For the most part, the recommendations can be accommodated without the loss of on-street parking and/or travel lanes. The impact of the improvements on vehicle circulation should be minimal while providing the opportunity for safer and more convenient bicycle travel within the city and to neighboring communities.

Quad Knopf was retained to update the plan and bring it into conformity with current standards. Quad Knopf has extensive experience in bicycle planning. Caltrans requires that bike plans be updated every five years so entities can apply for applicable grants.

**For action by:**

City Council  
 Redev. Agency Bd.  
 Cap. Impr. Corp.  
 VPFA

**For placement on which agenda:**

Work Session  
 Closed Session

**Regular Session:**

Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.): 5

**Review:**

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

**Finance**        N/A    
**City Atty**      N/A    
(Initials & date required  
or N/A)

**City Mgr** \_\_\_\_\_  
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

## Plan Recommendations

The Plan recommended features for the City's bikeways are highlighted as follows:

- Adopt a bicycle parking ordinance that requires bicycle parking with new development (see Appendix C for example)
- Encourage the inclusion of shower and locker facilities at the workplace to encourage bike commuting
- Provide both long and short term bicycle parking at the Transit Center and major transit stops
- Encourage bicycle education programs for motorists and bike riders.
- Promote bicycle riding and the bikeway system by publishing maps, continue support for Bike to Work week, and other activities.

**Background:** In 1993, the City Council adopted the City's first comprehensive bikeway plan. At the time of adoption, there were 18 miles of existing bike lanes and less than .5 miles of existing path along the St. Johns River. The plan proposed a system of bicycle paths, bike lanes, and support facilities to be developed to serve the bicycle commuter and recreational rider. The plan proposed 86 miles of bikeway facilities including 44 miles of bike paths. The plan was divided into two phases with a goal of building 16 miles of bikeways in the first 5 years. During the 18 years since the adoption of the first plan approximately 25 miles of bike paths and lanes were completed (the majority of which were bike paths). Included in the plan were recommendations for additional bike lanes/routes, bicycle support facilities, a safety and education program, and ideas to promote bicycle use. The last time the plan was updated was in 2006. The 2011 Bikeway Plan Update is intended to provide continuity and coverage for bicycle facilities within Visalia and provide the 5-year update required by some of the bicycle facility related funding.

There are three main types of bicycle "facilities" described as follows:

*Class I Shared Use Path* - Provides a right of way completely separate from the City's street system for the exclusive use of bicycles and pedestrians with cross-flow minimized. The St. John's Trail is an example of a shared use path.

*Class II Bike Lane* – provides a striped lane for one-way bike travel on each side of a street or highway. Acequia between Conyer and Santa Fe is an example. Class II lanes are predominately located on collector streets. For the most part collectors are on a grid and located every mile and they carry less traffic than arterial streets.

*Class III Bike Routes* - Traditionally, a Class III route is anything from a low volume residential street without painted bike lanes to arterials with heavy traffic volumes where widening to provide bike lanes would be infeasible. They may or may not be signed and stenciled but typically are on collector status roadways.

A fourth type of bike lane which “shares” the sidewalk is utilized much less frequently when other options are unavailable or just “don’t make sense”. The sidewalk must be at least 8 feet in width. There are about 2.5 miles of sidewalk bikeways in town.

It is estimated that there are about 25 miles of bike lanes, 12 miles of bike paths, and 3 miles of bike routes currently existing in Visalia.

Currently, residents primarily bike for fun and fitness, however bicycling is increasingly being viewed as more than just a recreation activity. The 2000 US Census shows that in Visalia, 1.2% (1,512 people) of the workforce commute by bicycle. As gas prices increase, air pollution worsens, and traffic congestion multiplies the bicycle will become a more attractive alternative transportation mode to a segment of the population. It is important that a community provide a variety of transportation options that meets the needs of a diverse population.

In addition to the transportation and recreational benefits, there are also economic, health, and social rewards for communities with bicycle systems. These communities are often viewed as well planned and progressive. The development of bicycle facilities, lanes, paths, and convenient parking, are important steps in creating a “livable” community. Recreation amenities are positive factors in attracting new business to an area and well designed and maintained bike paths increase property values when compared with similar properties that are not near bike paths.

#### Implementation Plan

The Bikeway Plan identifies 32 projects that were judged to be high priorities to be accomplished in the next 5 years. They total 42 miles with an estimated cost of \$1,442,010 (see Table 6-1). The projects were identified and prioritized using the criteria described below. Most are striping and signing projects to fill in gaps in the existing system.

The implementation of the projects described in the plan will occur incrementally in a variety of ways. The City’s ability to deliver them will be influenced by factors including the pace of development, availability of State and Federal funds and the City’s success in competing for grants. When roads are extended or existing streets modified the recommended bikeway improvements should be included in the project. When significant new development is planned the needs of bicyclists should be considered.

#### Funding

The City has been successful in applying for grants, such as the Remove II and Bicycle Transportation Account (BTA) grants, and using Measure R to fund bike paths along waterways. Other sources of funding are Gas Tax and the Waterway Impact Fee. The Waterway Impact fee is paid on a per acre basis and is used to fund the purchase of riparian setbacks along waterways and as matching funds for grant applications.

City staff will be applying for BTA grants to fund some of the high priority projects proposed in the 2011 Bikeway Plan Update. The deadline for the application is March 18, 2011. On December 17, 2007, City Council passed Resolution No. 2007-102 that authorizes staff to submit for BTA grants and authorizes the 10% match to come from the City of Visalia’s Transportation Account.

### Bicycle Support Facilities

More than just good bikeways are needed to encourage bicycling. These include parking facilities, interface with mass transit system, support facilities, a safety education program, and promotion. The plan discusses these issues in Chapter 5.

Bike parking is critical to encourage bicycle commuting. People will not cycle to shop, to work, or to school without a safe place to store their bicycle. Although, bicycle parking is available at most schools, parks, and many other trip attractors, the majority of these are outmoded and no longer considered appropriate except in guarded areas or locked compounds. An exception is in the Downtown and at some new developments where acceptable types of bike racks have been installed. Currently there is no City standard requiring bike parking.

Linking bikeways with the public transportation system is important to the success of an overall bikeway plan. Currently, bicycles can be carried on the primary transit system serving Visalia.

**Prior Council/Board Actions:** The last Update of this document - the 2006 Bike Plan Update – was approved by City Council on February 21, 2006.

**Committee/Commission Review and Actions:** At their January 4, 2011 meeting the Waterways and Trails Committee moved to recommend that the City Council adopt the proposed Bike Plan Update.

At their February 28, 2011 meeting the Planning Commission adopted Resolution 2011-09 recommending that the City Council adopt the proposed Bike Plan Update.

**Alternatives:** None.

### **Attachments:**

- Resolution 2011-08 certifying Negative Declaration No. 2011-12
- Resolution 2011-09 approving the 2011 Bikeway Plan Update.
- Initial Study / Negative Declaration
- 2011 Bikeway Plan Update (separate bound attachment)

**Recommended Motion (and Alternative Motions if expected):** Recommend adoption of Resolution 2011-\_\_\_ certifying Negative Declaration 2011-12 and adopt Resolution 2011-\_\_ approving the 2011 Bikeway Plan Update.

***Environmental Assessment Status***

**CEQA Review:** Yes - An Initial Study and Negative was prepared consistent with CEQA Guidelines and circulated for comment from January 28, 2011, to February 26, 2011.

**NEPA Review:** No

**Tracking Information:** *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to:

**RESOLUTION NO. 2011-08**

**A RESOLUTION  
OF THE VISALIA CITY COUNCIL  
ADOPTING NEGATIVE DECLARATION 2011-12**

**WHEREAS**, the City of Visalia has the Circulation Element of the General Plan, which identifies the goal of encouraging bicycle usage in Visalia for commuting and recreation purposes and sets objectives to achieve this goal; and

**WHEREAS**, the proposed Bikeway Plan Update was prepared by the City of Visalia in accordance with all applicable portions of State of California Planning and Zoning Law; specifically Article 5, Section 65300 et. seq., and Article 10.6 Section 65580, et. Seq; and,

**WHEREAS**, An Initial Study was prepared for this project, consistent with CEQA, which disclosed that the proposed project would not have a significant effect on the environment and that Negative Declaration No. 2011-12 can be adopted; and,

**WHEREAS**, commencing on January 28, 2011 -- the City provided potentially interested organizations and agencies, via mail, posting, and a January 28, 2011 *Visalia Times-Delta* legal notice -- notice of intent to adopt the proposed Negative Declaration, its availability for review, the public comment period, and the Planning Commission public hearing date; and

**WHEREAS**, the Planning Commission after, mailed, posted, and published notice did hold a public hearing on February 28, 2011; and

**WHEREAS**, the City Council reviewed and considered the Negative Declaration and comments on it; and

**NOW, THEREFORE BE IT RESOLVED** that the Visalia City Council makes the following specific findings based on the evidence presented:

1. The project is consistent with the Circulation Element of the General Plan goal of encouraging bicycle usage in Visalia for commuting and recreation purposes.
2. The project is funded from the Gas Tax, Measure R, Waterway Impact Fees and outside funding and is identified in the Capital Improvement Program.
3. A Negative Declaration was prepared for the proposed project, consistent with CEQA, as amended. Based on the whole record there is no substantive evidence that the project will have a significant environmental impact.

**NOW, BE IT FURTHER RESOLVED** that the Visalia City Council, based on the specific findings and evidence presented, considered the Negative Declaration together with comments and:

1. Adopts the Negative Declaration on the basis of the Initial Study and comments received that there is no substantial evidence that the project will have a significant impact on the environment.

The record of this proceeding is located in the City Clerk's Office located at 707 W. Acequia Ave.

**RESOLUTION NO. 2011-09**

**A RESOLUTION  
OF THE VISALIA CITY COUNCIL  
ADOPTING THE 2011 VISALIA BIKEWAY PLAN UPDATE**

**WHEREAS**, the City of Visalia has the Circulation Element of the General Plan, which identifies the goal of encouraging bicycle usage in Visalia for commuting and recreation purposes and sets objectives to achieve this goal; and

**WHEREAS**, the proposed Bikeway Plan Update was prepared by the City of Visalia in accordance with all applicable portions of State of California Planning and Zoning Law; specifically Article 5, Section 65300 et. seq., and Article 10.6 Section 65580, et. Seq; and,

**WHEREAS**, An Initial Study was prepared for this project, consistent with CEQA, which disclosed that the proposed project would not have a significant effect on the environment and that Negative Declaration No. 2011-12 can be adopted; and,

**WHEREAS**, commencing on January 28, 2011 -- the City provided potentially interested organizations and agencies, via mail, posting, and a January 28, 2011 *Visalia Times-Delta* legal notice -- notice of intent to adopt the proposed Negative Declaration, its availability for review, the public comment period, and the Planning Commission public hearing date; and

**WHEREAS**, the Planning Commission after, mailed, posted, and published notice did hold a public hearing on February 28, 2011; and

**WHEREAS**, the Planning Commission of the City of Visalia recommended approval of the 2011 Visalia Bikeway Plan Update by adoption of Planning Commission Resolution No. 2011-09 on February 28, 2011; and

**WHEREAS**, the City Council reviewed and considered the Negative Declaration and comments on it; and

**NOW, THEREFORE BE IT RESOLVED** that the Visalia City Council makes the following specific findings based on the evidence presented:

1. The project is consistent with the Circulation Element of the General Plan goal of encouraging bicycle usage in Visalia for commuting and recreation purposes.
2. The project is funded from the Gas Tax, Measure R, Waterway Impact Fees and outside funding and is identified in the Capital Improvement Program.
3. Initial Study / Negative Declaration No. 2011-12 was prepared for the proposed project, consistent with CEQA, as amended. Based on the whole record there is no substantive evidence that the project will have a significant environmental impact.



**NOW, BE IT FURTHER RESOLVED** that the City Council of the City of Visalia hereby adopts the 2011 Visalia Bikeway Plan Update based on the above findings and evidence in the record, in accordance with the terms of this resolution.

The record of this proceeding is located in the City Clerk's Office located at 707 W. Acequia Ave.

# INITIAL STUDY

---

## CITY OF VISALIA BIKEWAY PLAN UPDATE



January 2011

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Quad Knopf

**Initial Study  
City of Visalia  
Bikeway Plan Update**

**Prepared for:**

City of Visalia  
Community Development Department  
315 E. Acequia Avenue  
Visalia, California 93291  
Contact Person: Paul Shepard, Management Analyst  
Phone: (559) 713-4209  
Fax: (559) 730-7031

**Consultant:**



**Quad Knopf**

5110 West Cypress Avenue  
Visalia, California 93277  
Contact: Travis Crawford  
Phone: (559) 733-0440  
Fax: (559) 733-7821

**January 2011**

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**SECTION ONE**  
**INTRODUCTION**

## SECTION ONE – INTRODUCTION

### *CEQA Requirements*

This document is the Initial Study of the potential environmental effects of the adoption of the City of Visalia Bicycle Transportation Plan (Plan). The City of Visalia will act as the Lead Agency for this project pursuant to the *California Environmental Quality Act (CEQA)* and the *CEQA Guidelines*.

Section 15063 of the CEQA Guidelines requires the Lead Agency to prepare an Initial Study to determine whether a discretionary project will have a significant effect on the environment. The purposes of an Initial Study, as listed under Section 15063[c] of the CEQA Guidelines, include:

- (1) *Provide the Lead Agency with information to use as the basis for deciding whether to prepare an EIR [Environmental Impact Report] or a Negative Declaration;*
- (2) *Enable an applicant or Lead Agency to modify a project, mitigating adverse impacts before an EIR is prepared, thereby enabling the project to qualify for a Negative Declaration;*
- (3) *Assist in the preparation of an EIR, if one is required, by:*
  - (A) *Focusing the EIR on the effects determined to be significant;*
  - (B) *Identifying the effects determined not to be significant;*
  - (C) *Explaining the reasons for determining that potentially significant effects would not be significant; and*
  - (D) *Identifying whether a program EIR, tiering, or another appropriate process can be used for analysis of the project's environmental effects.*
- (4) *Facilitate environmental assessment early in the design of a project;*
- (5) *Provide documentation of the factual basis for the finding in a Negative Declaration that a project will not have a significant effect on the environment;*
- (6) *Eliminate unnecessary EIRs; and*
- (7) *Determine whether a previously prepared EIR could be used with the project.*

This Initial Study has been prepared in response to the requirements presented above. A significant portion of the proposed Plan relates to policy guidelines which are not site specific and therefore would not have the potential to degrade environmental quality, impact the environment either individually or cumulatively, or have any adverse environmental effects to human beings, either directly or indirectly.

Further implementation of specific projects and programs contained in the Plan may require project specific environmental documentation under CEQA at the time a future project is considered. Proposed routes and facilities are conceptual in nature, and a schedule for implementation of these

projects is not included as part of the Plan. Much of the proposal and the implementation schedule will be dependent on the availability of funding sources and there is no guarantee when or if the proposed projects will be implemented. The Initial Study examines the project impacts and identifies the appropriate type of additional documentation that is required pursuant to *CEQA* and the *CEQA Guidelines*.

### *Prior Environmental Documents*

There are no prior Initial Studies or Environmental Impact Reports for this project.

The following reports and resources are referenced in the Initial Study and are incorporated into this Initial Study by reference:

- *City of Visalia Bikeway Plan Update*, adopted February 2006;
- *City of Visalia General Plan Circulation Element Update*, adopted April 2001;
- *City of Visalia General Plan Conservation, Open Space, Recreation, and Parks Element*, adopted June 1989;
- *City of Visalia General Plan Historical Preservation Element*, adopted September 1979, reprint March 1, 2000;
- *City of Visalia General Plan Land Use Element*, adopted September 1991, revised June 1996;
- *City of Visalia General Plan Noise Element*, November 1995;
- *City of Visalia General Plan Safety Element*, adopted 1975;
- *City of Visalia General Plan Scenic Highway Element*, adopted 1976; and
- *Draft Environmental Impact Report, Land Use Element Update to the Visalia General Plan*, McClelland consultants, September, 1990.



**SECTION TWO**  
**PROJECT DESCRIPTION**

## SECTION TWO –PROJECT DESCRIPTION

### *Project Background*

The existing City of Visalia Bikeway Plan Update was adopted in February 2006. The California Bicycle Transportation Account (BTA) is an annual program that provides state funds for local agency projects that improve the safety and convenience of bicycle commuters. To be eligible for BTA funds, a local agency is required to adopt a Bicycle Transportation Plan (BTP) that complies with the Streets and Highways Code Section 891.2. The BTP must include a discussion of the 11 key elements identified in said section. Once adopted by a local agency, the BTP is current for five (5) years.

In addition, Tulare County voters approved the Measure R one-half cent sales tax in 2006. Fourteen percent (14%) of Measure R funds go towards clean-air projects, including bicycle infrastructure improvements. Over \$32.5 million has been specifically allocated for bicycle projects throughout the City of Visalia.

### *Project Description*

The proposed project is the adoption of the Visalia Bikeway Plan Update (Plan). The proposed Plan is a comprehensive update of the existing City of Visalia Bikeway Plan Update adopted in February 2006. The Plan will provide the framework for future development of the City's bicycle network and will make the City eligible for local, State, and federal funding for bicycle projects. The Plan is intended to guide and influence bikeway policies, programs, and development standards to make bicycling in the City of Visalia more safe, comfortable, convenient and enjoyable for all bicyclists. The ultimate goal of this effort is to increase the number of persons in the City of Visalia who bicycle for transportation to work, school, errands, or for recreation. The Plan has been developed to incorporate and complement the City's Waterways and Trails Master Plan, adopted in February 2010, the current City General Plan Land Use and Circulation Elements, and the 2010 Tulare County Regional Bicycle Transportation Plan; the combination of which includes goals and policies to accommodate all modes of transportation through a balanced system of streets, highways, rail systems, public transportation, and airports. Further implementation of specific projects and programs contained in the Plan may require project specific environmental documentation under CEQA at the time the project is considered. See Figure 2-1 for the Regional Location Map and Figure 2-2 for Proposed Bicycle Network.

The Plan consists of the following chapters:

- 1 – Introduction
- 2 – Existing Conditions
- 3 – Needs Assessment
- 4 – Recommended Bikeway Network
- 5 – Bikeway Support Facilities and Programs
- 6 – Implementation Plan



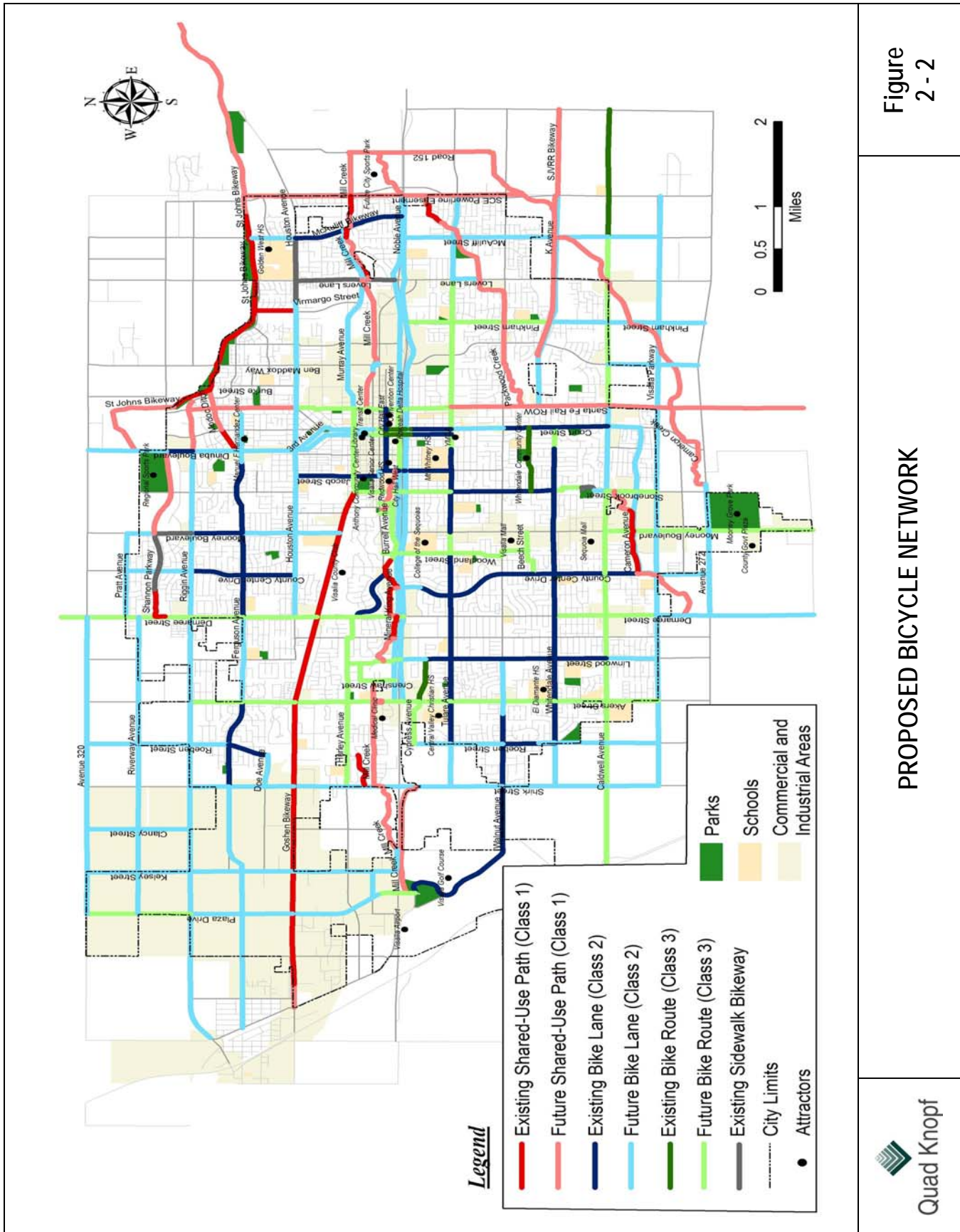


Figure 2-2

PROPOSED BICYCLE NETWORK



**SECTION THREE**  
**ENVIRONMENTAL CHECKLIST**

## SECTION THREE – ENVIRONMENTAL CHECKLIST

1. Project title: City of Visalia Bikeway Plan Update
2. Lead agency name and address: City of Visalia, Community Development Dept.  
315. E. Acequia Avenue  
Visalia, CA 93291
3. Contact person and phone number: City of Visalia  
Paul Shepard, Management Analyst  
Community Development Department  
315. E. Acequia Avenue  
Visalia, CA 93291  
Phone: (559) 713-4209  
Fax: (559) 730-7031
4. Project location: City-wide
5. Project sponsor's name and address: City of Visalia  
Paul Shepard, Management Analyst  
Community Development Department  
315. E. Acequia Avenue  
Visalia, CA 93291  
Phone: (559) 713-4209  
Fax: (559) 730-7031
6. General Plan designation: City-wide. The Bikeway Plan Update encompasses a variety of locations within the City of Visalia with various General Plan designations.
7. Zoning designation: City-wide. The Bikeway Plan Update encompasses a variety of locations within the City of Visalia with various Zoning designations.
8. Project Description: The proposed project is the adoption of the Visalia Bikeway Plan Update (Plan). The proposed Plan is a comprehensive update of the existing City of Visalia Bikeway Plan Update adopted in February 2006. The Plan will provide the framework for future development of the City's bicycle network and will make the City eligible for local, State, and federal funding for bicycle projects. The Plan is intended to guide and influence bikeway policies, programs, and development standards to make bicycling in the City of Visalia more safe, comfortable, convenient and enjoyable for all bicyclists. The ultimate goal of this effort is to increase the number of persons in the City of Visalia who bicycle for transportation to work, school, errands, or for recreation. The Plan has been developed to incorporate and complement the City's Waterways and Trails Master Plan, adopted in February 2010, the current City General Plan Land Use and Circulation Elements, and the 2010 Tulare County Regional Bicycle Transportation Plan; the combination of which includes goals and policies to accommodate all modes of transportation through a balanced system of streets, highways, rail systems, public transportation, and airports. Further implementation of specific projects and programs contained in the Plan may require project specific environmental documentation under CEQA at the time the project is considered.

9. Surrounding Land Uses and Setting: The City of Visalia is located in the northwestern portion of Tulare County near the western foothills of the Sierra Nevada Mountains. Tulare County is situated in the southeastern portion of the San Joaquin Valley, immediately south of Fresno County and north of Kern County. State Route 99, passing at the western edge of the City, and State Route 198, which bisects the City west to east, are the major access routes to Visalia. State Highway 63 (Mooney Boulevard) is a major north-south arterial joining Visalia to the City of Tulare, located approximately three miles south of Visalia.

The topography of the City dips westward from an approximate elevation of 345 feet msl (mean sea level) in the northeastern portion of town to 300 feet msl in the southwest. The City is situated over an alluvial fan created by runoff deposition from the Sierra Nevada Mountain Range rising approximately 20 miles to the east. The major water course affecting the area is the Kaweah River distribution system. Because of its location near the base of the Sierra Nevada in the midst of the Kaweah River's delta system, Visalia is traversed by a number of waterways. The natural intermittent streams which flow through the City include the St. John's River, Packwood Creek, Cameron Creek and Mill Creek.

The combination of rich alluvial soils deposited by the waters of the Sierra Nevada, favorable climate and the availability of irrigation water have made the San Joaquin Valley, including the Visalia area, one of the richest agricultural producing areas in the world. Almost all the undeveloped land within the City's planning area is used for agricultural production. Visalia's Mediterranean climate is characterized by dry summers and wet winters, and temperatures are mild year-round. Prevailing winds are from the northwest.

10. Other Agencies whose approval is required: The City of Visalia is the Lead Agency. No other approvals are required.

**Determination:** (To be completed by the Lead Agency)

On the basis of this initial evaluation:

- I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- I find that the proposed project MAY have a “potentially significant impact” or “potentially significant unless mitigated” impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, wherein applicable mitigation measures have been applied to the project, and nothing further is required.

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Signature

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Date

The above determination is supported by the following findings:

1. The Initial Study hereto evaluates the potential environmental impacts associated with adoption of the Bikeway Plan Update. A significant portion of the proposed Plan relates to policy guidelines which are not site specific and therefore would not have the potential to degrade environmental quality, impact the environment either individually or cumulatively, or have any adverse environmental effects to human beings, either directly or indirectly.
2. Further implementation of specific projects and programs contained in the Plan may require project specific environmental documentation under CEQA at the time the project is considered. Proposed routes and facilities are conceptual in nature, and a schedule for implementation of these projects is not included as part of the Plan. Much of the proposal and the implementation schedule will be dependent on the availability of funding sources and there is no guarantee when the proposed projects will be implemented.



3. The proposed project is not expected to result in any significant adverse effects in terms of the factors considered on the environmental checklist, including any such factors for which minor effects have been identified. Cumulative effects of a significant nature are also not expected. The proposed project will not result in any adverse effects which fall within the "Mandatory Findings of Significance" contained in Section 15065 of the CEQA Guidelines. The finding is therefore made that the proposed project will not have a significant adverse effect on the environment.

## *Evaluation of Environmental Impacts:*

1. A brief explanation is required for all answers except “No Impact” answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A “No Impact” answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A “No Impact” answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
2. All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
3. Once the lead agency has determined that a particular physical impact may occur, then the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. “Potentially Significant Impact” is appropriate if there is substantial evidence that an effect may be significant. If there are one or more “Potentially Significant Impact” entries when the determination is made, an EIR is required.
4. “Negative Declaration: Less Than Significant With Mitigation Incorporated” applies where the incorporation of mitigation measures has reduced an effect from “Potentially Significant Impact” to a “Less Than Significant Impact”. The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less than significant level (mitigation measures from Section XVII, “Earlier Analyses,” may be cross-referenced).
5. Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. Section 15063(c)(3)(D). In this case, a brief discussion should identify the following:
  - a. Earlier Analysis Used. Identify and state where they are available for review;
  - b. Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis; and
  - c. Mitigation Measures. For the effects that are “Less than Significant with Mitigation Measures Incorporated,” describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.
6. Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.
7. Supporting Information Sources. A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.

8. This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project's environmental effects in whatever format is selected.
9. The explanation of each issue should identify:
  - a. The significance criteria or threshold, if any, used to evaluate each question; and
  - b. The mitigation measure identified, if any, to reduce the impacts to less than significance.

Issues:

**AESTHETICS WOULD THE PROJECT:**

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Substantially degrade the existing visual character or quality of the site and its surroundings?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Create a new source of substantial light or glare which would adversely affect day or night time views in the area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

***Aesthetics Discussion***

Significant regional features viewed from Visalia include the Sierra Nevada Mountains and foothills to the north and east, open space and agricultural vistas, and a number of waterways. This environmental issue focuses on the potential impacts of the project on scenic vistas and the overall appearance of the project in the community context. Issues of light and glare, community view-sheds, and architectural compatibility with existing development of a specific site or setting are all part of the issue of “Aesthetics” as addressed within the framework of CEQA.

The proposed project is the adoption of the Bikeway Plan Update (Plan). The Plan is intended to guide and influence bikeway policies, programs, and development standards to make bicycling in the City of Visalia more safe, comfortable, convenient and enjoyable for all bicyclists. The Plan does not include any site specific designs or proposals that would enable an assessment of potential site specific visual impacts that may result from Plan implementation. Therefore, pursuant to CEQA, a case-by-case review of future projects will be needed to evaluate potential aesthetic impacts.

Relevant Goals/Policies related to aesthetic resources are outlined in the Conservation, Open Space, Recreation, and Parks Element, Land Use Element, and the Scenic Highway Element of the City’s General Plan. The General Plan governs the distribution and intensity of land uses, sets the principles for evaluating development, and provides guidance in the City’s development and growth. The Zoning Ordinance sets specific development criteria for the various zone districts, such as parking, fencing, walls, setbacks, building heights, etc. The General Plan and Zoning Ordinance are available at the City of Visalia at 315 E. Acequia Avenue and on the Internet at [www.ci.visalia.ca.us](http://www.ci.visalia.ca.us).

**CONCLUSION**

a-d) There is no impact.

Issues:

**AGRICULTURE AND FOREST RESOURCES – WOULD THE PROJECT:**

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by GC section 51104(g))?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Result in the loss of forest land or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of farmland to non-agricultural use or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

***Agriculture Discussion***

This environmental issue focuses on the impacts of a project on farmland and agricultural productivity. Environmental concerns focus on the loss of agricultural cropland as inventoried by the Farmland Mapping and Monitoring Program (FMMP) of the California Resources Agency as well as agriculturally zoned and Williamson Act Contract lands. An additional area of concern is the potential change resulting from a project that could lead to future conversion of agricultural lands to non-agricultural uses.

The proposed project is the adoption of the Bikeway Plan Update (Plan). The Plan is intended to guide and influence bikeway policies, programs, and development standards to make bicycling in the City of Visalia more safe, comfortable, convenient and enjoyable for all bicyclists. The Plan does not include any site specific designs or proposals that would enable an assessment of potential site specific agricultural impacts that may result from Plan implementation. Therefore, pursuant to CEQA, a case-by-case review of future projects will be needed to evaluate potential agricultural impacts.

Relevant Goals/Policies related to agricultural resources are outlined in the Land Use Element of the City’s General Plan. The General Plan governs the distribution and intensity of land uses, sets the principles for evaluating development, and provides guidance in the City’s development

and growth. The General Plan is available at the City of Visalia at 315 E. Acequia Avenue and on the Internet at [www.ci.visalia.ca.us](http://www.ci.visalia.ca.us).

#### CONCLUSION

a-e) There is no impact.

Issues:

**AIR QUALITY: WOULD THE PROJECT:**

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Create objectionable odors affecting a substantial number of people?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

***Air Quality Discussion***

This environmental issue focuses on the impacts of a project on air quality. Issues over project consistency with applicable air quality plans, policies and regulations, as well as increases of any pollutant for which the area has been designated as a “non-attainment” area are to be addressed. Additional concerns regarding the exposure of sensitive receptors, such as nearby residents, to high levels of air pollution or odors are to be considered.

The entire San Joaquin Valley Air Basin is designated non-attainment for state and federal ozone and particulate matter (PM<sub>2.5</sub>) standards.

The proposed project is the adoption of the Bikeway Plan Update (Plan). The Plan is intended to guide and influence bikeway policies, programs, and development standards to make bicycling in the City of Visalia more safe, comfortable, convenient and enjoyable for all bicyclists. The Plan does not include any site specific designs or proposals that would enable an assessment of potential site specific air quality impacts that may result from Plan implementation. Therefore, pursuant to CEQA, a case-by-case review of future projects will be needed to evaluate potential air quality impacts.

Adoption of the Plan is intended to promote bicycling as a viable alternative to private automobiles, which would reduce the reliance on vehicles and the number of vehicle miles traveled within the City. This in turn would tend to reduce the amount of air pollution caused by internal combustion engine emissions. To the extent such reduction is achieved, future projects

would reduce air pollution emissions. Construction emissions will be evaluated on a project by project basis.

Relevant Goals/Policies related to air quality are outlined in the Land Use Element of the City's General Plan. The General Plan governs the distribution and intensity of land uses, sets the principles for evaluating development, and provides guidance in the City's development and growth. The General Plan is available at the City of Visalia at 315 E. Acequia Avenue and on the Internet at [www.ci.visalia.ca.us](http://www.ci.visalia.ca.us).

#### CONCLUSION

a-e) There is no impact.



Issues:

**BIOLOGICAL RESOURCES – WOULD THE PROJECT:**

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

***Biological Resources Discussion***

This environmental issue focuses on the impacts of a project on biological resources such as sensitive plant or animal species or their habitat, or riparian habitat or interference with the normal movements of wildlife species in the vicinity of a project. Additional concerns focus on consistency of a project with adopted plans, policies and regulations regarding wildlife, habitat conservation planning, local wildlife preservation plans and polices or wetlands.

The proposed project is the adoption of the Bikeway Plan Update (Plan). The Plan is intended to guide and influence bikeway policies, programs, and development standards to make bicycling in the City of Visalia more safe, comfortable, convenient and enjoyable for all bicyclists. The Plan does not include any site specific designs or proposals that would enable an assessment of potential site specific biological impacts that may result from Plan implementation. Therefore, pursuant to CEQA, a case-by-case review of future projects will be needed to evaluate potential biological impacts.

Relevant Goals/Policies related to biological resources are outlined in the Conservation, Open Space, Recreation, and Parks Element of the City's General Plan. The General Plan governs the distribution and intensity of land uses, sets the principles for evaluating development, and provides guidance in the City's development and growth. The General Plan is available at the City of Visalia at 315 E. Acequia Avenue and on the Internet at [www.ci.visalia.ca.us](http://www.ci.visalia.ca.us).

#### CONCLUSION

a-f) There is no impact.

Issues:

**CULTURAL RESOURCES -- WOULD THE PROJECT:**

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Disturb any human remains, including those interred outside of formal cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

***Cultural Resources Discussion***

This environmental issue focuses on the impacts of a project on cultural resources including, but not limited to, the adverse change to a significant historical or archaeological resource. Other areas of concern include the potential for a project to adversely impact a unique paleontological resource or geologic feature or disturb any human remains.

The proposed project is the adoption of the Bikeway Plan Update (Plan). The Plan is intended to guide and influence bikeway policies, programs, and development standards to make bicycling in the City of Visalia more safe, comfortable, convenient and enjoyable for all bicyclists. The Plan does not include any site specific designs or proposals that would enable an assessment of potential site specific cultural resources impacts that may result from Plan implementation. Therefore, pursuant to CEQA, a case-by-case review of future projects will be needed to evaluate potential cultural resources impacts.

Relevant Goals/Policies related to cultural resources are outlined in the Conservation, Open Space, Recreation, and Parks Element and Historic Preservation Element of the City's General Plan. The General Plan governs the distribution and intensity of land uses, sets the principles for evaluating development, and provides guidance in the City's development and growth. The General Plan is available at the City of Visalia at 315 E. Acequia Avenue and on the Internet at [www.ci.visalia.ca.us](http://www.ci.visalia.ca.us).

**CONCLUSION**

a-d) There is no impact.

Issues:

**GEOLOGY/SOILS -- WOULD THE PROJECT:**

	Potentially Significant <u>Impact</u>	Less Than Significant With Mitigation <u>Incorporation</u>	Less Than Significant <u>Impact</u>	<u>No Impact</u>
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving?				
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ii) Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iii) Seismic-related ground failure, including liquefaction.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iv) Landslides	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building code (1994), creating substantial risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

## *Geology/Soils Discussion*

This environmental issue focuses on the impacts on natural geologic or soil conditions on a project site. Specific concerns include earthquakes and seismic related hazards, or unstable soils. This environmental issue also addresses concerns relating to soil erosion.

The proposed project is the adoption of the Bikeway Plan Update (Plan). The Plan is intended to guide and influence bikeway policies, programs, and development standards to make bicycling in the City of Visalia more safe, comfortable, convenient and enjoyable for all bicyclists. The Plan does not include any site specific designs or proposals that would enable an assessment of potential site specific geology/soils impacts that may result from Plan implementation. Therefore, pursuant to CEQA, a case-by-case review of future projects will be needed to evaluate potential geology/soils impacts.

Relevant Goals/Policies related to geology/soils resources are outlined in the Land Use Element and Seismic Safety Element of the City's General Plan. The General Plan governs the distribution and intensity of land uses, sets the principles for evaluating development, and provides guidance in the City's development and growth. The General Plan is available at the City of Visalia at 315 E. Acequia Avenue and on the Internet at [www.ci.visalia.ca.us](http://www.ci.visalia.ca.us).

### CONCLUSION

a-d) There is no impact.

Issues:

**GREENHOUSE GAS EMISSIONS - WOULD THE PROJECT:**

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

***Greenhouse Gas Emissions Discussion***

“Global warming” is the term coined to describe very widespread climate change characterized by a rise in the Earth’s ambient average temperatures with concomitant disturbances in weather patterns and resulting alteration of oceanic and terrestrial environs and biota. The predominant opinion within the scientific community is that global warming is currently occurring, and that it is being caused and/or accelerated by human activities, primarily the generation of “greenhouse gas” (GHG) emissions.

The proposed project is the adoption of the Bikeway Plan Update (Plan). The Plan is intended to guide and influence bikeway policies, programs, and development standards to make bicycling in the City of Visalia more safe, comfortable, convenient and enjoyable for all bicyclists. The Plan does not include any site specific designs or proposals that would enable an assessment of potential site specific greenhouse gas emission impacts that may result from Plan implementation. Therefore, pursuant to CEQA, a case-by-case review of future projects will be needed to evaluate potential greenhouse gas emission impacts.

Adoption of the Plan is intended to promote bicycling as a viable alternative to private automobiles, which would reduce the reliance on vehicles and the number of vehicle miles traveled within the City. This in turn would tend to reduce the amount of air pollution caused by internal combustion engine emissions. To the extent such reduction is achieved, future projects would reduce air pollution emissions.

**CONCLUSION**

a-b) There is no impact.

Issues:

**HAZARDS/HAZARDOUS MATERIALS – WOULD THE PROJECT:**

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

## *Hazards/Hazardous Materials Discussion*

This environmental issue focuses on the impacts of a project with respect to hazards. The creation of new hazardous conditions or activities that will result in people or property being exposed to existing hazards is the primary area of focus under this environmental issue. Hazards include, but are not limited to, hazardous materials, hazards associated with aircraft and airports or wildland fires. An additional concern is the consistency of a project with emergency response plans or emergency evacuation plans.

The proposed project is the adoption of the Bikeway Plan Update (Plan). The Plan is intended to guide and influence bikeway policies, programs, and development standards to make bicycling in the City of Visalia more safe, comfortable, convenient and enjoyable for all bicyclists. The Plan does not include any site specific designs or proposals that would enable an assessment of potential site specific hazardous materials impacts that may result from Plan implementation. Therefore, pursuant to CEQA, a case-by-case review of future projects will be needed to evaluate potential hazardous materials impacts.

Relevant Goals/Policies related to hazardous materials are outlined in the Land Use Element and Safety Element of the City's General Plan. The General Plan governs the distribution and intensity of land uses, sets the principles for evaluating development, and provides guidance in the City's development and growth. The General Plan is available at the City of Visalia at 315 E. Acequia Avenue and on the Internet at [www.ci.visalia.ca.us](http://www.ci.visalia.ca.us).

### CONCLUSION

a - h) There is no impact.



Issues:

**HYDROLOGY/WATER QUALITY – WOULD THE PROJECT:**

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Violate any water quality standards or waste discharge requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge, such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Otherwise substantially degrade water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Place housing within a 100-year flood hazard area as mapped on a federal flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Issues:

LAND USE/PLANNING – WOULD THE PROJECT:

	Potentially Significant <u>Impact</u>	Less Than Significant With Mitigation <u>Incorporation</u>	Less Than Significant <u>Impact</u>	<u>No Impact</u>
a) Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Conflict with any applicable habitat conservation plan or natural community conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
j) Inundation by seiche, tsunami, or mudflow?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

***Hydrology/Water Quality Discussion***

This environmental issue focuses on the impacts of a project on surface and groundwater, including compliance with water quality standards and regulation, depletion of groundwater supplies, pollution or degradation of water quality. Additional concerns include water-related hazards such as flooding, mudflows and similar hazards. This area of environmental concern also addresses potential project impacts on area drainage, including storm water runoff.

The proposed project is the adoption of the Bikeway Plan Update (Plan). The Plan is intended to guide and influence bikeway policies, programs, and development standards to make bicycling in the City of Visalia more safe, comfortable, convenient and enjoyable for all bicyclists. The Plan does not include any site specific designs or proposals that would enable an assessment of potential site specific hydrology/water quality impacts that may result from Plan implementation. Therefore, pursuant to CEQA, a case-by-case review of future projects will be needed to evaluate potential hydrology/water quality impacts.

Relevant Goals/Policies related to hydrology are outlined in the Land Use Element and Conservation, Open Space, Recreation, and Parks Element of the City’s General Plan. The General Plan governs the distribution and intensity of land uses, sets the principles for evaluating development, and provides guidance in the City’s development and growth. The General Plan is available at the City of Visalia at 315 E. Acequia Avenue and on the Internet at [www.ci.visalia.ca.us](http://www.ci.visalia.ca.us).

CONCLUSION

a-j) There is no impact.

***Land Use/Planning Discussion***

This environmental issue focuses on the impacts of a project on adopted land use, habitat conservation or natural community conservation plans. The specific focus of this area of

environmental concern is the project's potential to conflict with established plans and policies or the potential for the project to physically divide a community area.

The proposed project is the adoption of the Bikeway Plan Update (Plan). The Plan is intended to guide and influence bikeway policies, programs, and development standards to make bicycling in the City of Visalia more safe, comfortable, convenient and enjoyable for all bicyclists. The Plan does not include any site specific designs or proposals that would enable an assessment of potential site specific land use impacts that may result from Plan implementation. Therefore, pursuant to CEQA, a case-by-case review of future projects will be needed to evaluate potential land use impacts.

Relevant Goals/Policies related to land use are outlined in the Land Use Element of the City's General Plan. The General Plan governs the distribution and intensity of land uses, sets the principles for evaluating development, and provides guidance in the City's development and growth. The General Plan is available at the City of Visalia at 315 E. Acequia Avenue and on the Internet at [www.ci.visalia.ca.us](http://www.ci.visalia.ca.us).

#### CONCLUSION

a-c) There is no impact.

Issues:

**MINERAL RESOURCES – WOULD THE PROJECT:**

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

***Mineral Resources Discussion***

This environmental issue focuses on the impacts of a project on known mineral resources of commercial or otherwise documented economic value.

The proposed project is the adoption of the Bikeway Plan Update (Plan). The Plan is intended to guide and influence bikeway policies, programs, and development standards to make bicycling in the City of Visalia more safe, comfortable, convenient and enjoyable for all bicyclists. The Plan does not include any site specific designs or proposals that would enable an assessment of potential site specific mineral resources impacts that may result from Plan implementation. Therefore, pursuant to CEQA, a case-by-case review of future projects will be needed to evaluate potential mineral resources impacts.

Relevant Goals/Policies related to mineral resources are outlined in the Conservation, Open Space, Recreation, and Parks Element of the City’s General Plan. The General Plan governs the distribution and intensity of land uses, sets the principles for evaluating development, and provides guidance in the City’s development and growth. The General Plan is available at the City of Visalia at 315 E. Acequia Avenue and on the Internet at [www.ci.visalia.ca.us](http://www.ci.visalia.ca.us).

**CONCLUSION**

a-b) There is no impact.

Issues:

**NOISE – WOULD THE PROJECT RESULT IN:**

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Exposure of persons to or generation of excessive ground borne vibration or ground borne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

***Noise Discussion***

This environmental issue focuses on the impacts of a project with respect to noise or ground-borne vibration. The creation of new noise or ground-borne vibration conditions or activities that will result in people or property being exposed to existing noise or vibrations is the primary area of focus under this environmental issue.

Noise is generally defined as loud, unpleasant, unexpected or undesired sound that is typically associated with human activity and interferes with or disrupts normal activities. Federal, State, and local regulations have been developed to avoid noise impacts.

The proposed project is the adoption of the Bikeway Plan Update (Plan). The Plan is intended to guide and influence bikeway policies, programs, and development standards to make bicycling in the City of Visalia more safe, comfortable, convenient and enjoyable for all bicyclists. The Plan does not include any site specific designs or proposals that would enable an assessment of potential site specific noise impacts that may result from Plan implementation.

Therefore, pursuant to CEQA, a case-by-case review of future projects will be needed to evaluate potential noise impacts.

Relevant Goals/Policies related to noise impacts are outlined in the Noise Element of the City's General Plan. The General Plan governs the distribution and intensity of land uses, sets the principles for evaluating development, and provides guidance in the City's development and growth. The General Plan is available at the City of Visalia at 315 E. Acequia Avenue and on the Internet at [www.ci.visalia.ca.us](http://www.ci.visalia.ca.us).

#### CONCLUSION

a-f) There is no impact.

Issues:

**POPULATION AND HOUSING – WOULD THE PROJECT:**

	Potentially Significant <u>Impact</u>	Less Than Significant With Mitigation <u>Incorporation</u>	Less Than Significant <u>Impact</u>	No <u>Impact</u>
a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

***Population and Housing Discussion***

This environmental issue focuses on the impacts of a project on population and housing, including population growth or displacement of human population and housing.

The proposed project is the adoption of the Bikeway Plan Update (Plan). The Plan is intended to guide and influence bikeway policies, programs, and development standards to make bicycling in the City of Visalia more safe, comfortable, convenient and enjoyable for all bicyclists. The Plan does not include any site specific designs or proposals that would enable an assessment of potential site specific population and housing impacts that may result from Plan implementation. Therefore, pursuant to CEQA, a case-by-case review of future projects will be needed to evaluate potential population and housing impacts.

Relevant Goals/Policies related to population and housing impacts are outlined in the Housing Element of the City’s General Plan. The General Plan governs the distribution and intensity of land uses, sets the principles for evaluating development, and provides guidance in the City’s development and growth. The General Plan is available at the City of Visalia at 315 E. Acequia Avenue and on the Internet at [www.ci.visalia.ca.us](http://www.ci.visalia.ca.us).

**CONCLUSION**

a-c) There is no impact.

Issues:

**PUBLIC SERVICES – WOULD THE PROJECT:**

Potentially Significant <u>Impact</u>	Less Than Significant With Mitigation <u>Incorporation</u>	Less Than Significant <u>Impact</u>	No <u>Impact</u>
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a) Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impact, in order to maintain acceptable service ratios for any of the public services:

Fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Police protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Parks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other public facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

***Public Services Discussion***

This environmental issue focuses on the impacts of a project on public service facility needs and the potential environmental impacts of developing and/or expanding these facilities. Facility needs can be defined by the need to maintain acceptable levels of service such as response times or other such community service standard as may apply.

The City of Visalia is a full-service city providing fire, police, parks, sewer, water, and refuse disposal. The Visalia Unified School District operates 24 elementary schools, 4 middle schools, 7 high schools, and 4 alternative schools; all of which serve the major residential portions of the City’s planning area as well as the smaller portions of the surrounding unincorporated area.

The proposed project is the adoption of the Bikeway Plan Update (Plan). The Plan is intended to guide and influence bikeway policies, programs, and development standards to make bicycling in the City of Visalia more safe, comfortable, convenient and enjoyable for all bicyclists. The Plan does not include any site specific designs or proposals that would enable an assessment of potential site specific public services impacts that may result from Plan implementation. Therefore, pursuant to CEQA, a case-by-case review of future projects will be needed to evaluate potential public services impacts.

Relevant Goals/Policies related to public services are outlined in the Conservation, Open Space, Recreation, and Parks Element and the Land Use Element of the City’s General Plan. The General Plan governs the distribution and intensity of land uses, sets the principles for evaluating development, and provides guidance in the City’s development and growth. The General Plan is available at the City of Visalia at 315 E. Acequia Avenue and on the Internet at [www.ci.visalia.ca.us](http://www.ci.visalia.ca.us).



CONCLUSION

- a) There is no impact.

Issues:

**RECREATION – WOULD THE PROJECT:**

Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
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- |  |                          |                          |                          |                                     |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

***Recreation Discussion***

This environmental issue focuses on the impacts of a project on public recreation service and facility needs and the potential environmental impacts of developing and/or expanding recreation facilities. Facility needs can be defined by the need to maintain acceptable levels of community recreation service in the area and region.

The proposed project is the adoption of the Bikeway Plan Update (Plan). The Plan is intended to guide and influence bikeway policies, programs, and development standards to make bicycling in the City of Visalia more safe, comfortable, convenient and enjoyable for all bicyclists. The Plan does not include any site specific designs or proposals that would enable an assessment of potential site specific recreation impacts that may result from Plan implementation. Therefore, pursuant to CEQA, a case-by-case review of future projects will be needed to evaluate potential recreation impacts.

Relevant Goals/Policies related to recreation are outlined in Conservation, Open Space, Recreation, and Parks Element of the City's General Plan. The General Plan governs the distribution and intensity of land uses, sets the principles for evaluating development, and provides guidance in the City's development and growth. The General Plan is available at the City of Visalia at 315 E. Acequia Avenue and on the Internet at [www.ci.visalia.ca.us](http://www.ci.visalia.ca.us).

**CONCLUSION**

- a-b) There is no impact.

Issues:

**TRANSPORTATION/TRAFFIC – WOULD THE PROJECT:**

	Potentially Significant <u>Impact</u>	Less Than Significant With Mitigation <u>Incorporation</u>	Less Than Significant <u>Impact</u>	No <u>Impact</u>
a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management City for designated roads or highways?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Result in inadequate emergency access?'	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

***Transportation/Traffic Discussion***

This environmental issue focuses on the impacts of a project on transportation systems including roads and highways, public transportation systems, pedestrian circulation and access, parking, and emergency access. Impacts can be in the form of new hazardous circulation or traffic conditions, conflict with existing plans or policies, or creation of an unacceptable traffic level on a transportation system or facility.

The proposed project is the adoption of the Bikeway Plan Update (Plan). The Plan is intended to guide and influence bikeway policies, programs, and development standards to make bicycling in the City of Visalia more safe, comfortable, convenient and enjoyable for all bicyclists. The Plan does not include any site specific designs or proposals that would enable an

assessment of potential site specific transportation impacts that may result from Plan implementation. Therefore, pursuant to CEQA, a case-by-case review of future projects will be needed to evaluate potential transportation impacts.

Relevant Goals/Policies related to traffic/transportation are outlined in the Circulation Element Update of the City's General Plan. The General Plan governs the distribution and intensity of land uses, sets the principles for evaluating development, and provides guidance in the City's development and growth. The General Plan is available at the City of Visalia at 315 E. Acequia Avenue and on the Internet at [www.ci.visalia.ca.us](http://www.ci.visalia.ca.us).

#### CONCLUSION

a-g) There is no impact.

<u>Issues</u>	<u>Potentially Significant Impact</u>	<u>Less Than Significant With Mitigation Incorporation</u>	<u>Less Than Significant Impact</u>	<u>No Impact</u>
<b>UTILITIES/SERVICE SYSTEMS – WOULD THE PROJECT:</b>				
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Result in a determination by the wastewater treatment provider who serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Comply with federal, state, and local statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

### *Utilities/Service Systems Discussion*

This environmental issue focuses on the impacts of a project on public utility systems or facilities such as water, wastewater, stormwater drainage or other utility or service systems.

The City of Visalia's Waste Water Treatment Plant is responsible for the treatment plant administration and operation, as well as Storm drain maintenance in the City of Visalia. The City of Visalia is currently in the process of upgrading the waste water treatment plant facilities.

The City of Visalia provides for the collection and disposal of solid waste from residences and commercial and industrial uses within its City limits as well as some unincorporated areas outside the City limits. After collection by the City, solid waste is transported to the Visalia Disposal Site which is owned and operated by the County of Tulare.

The main provider of electrical power in the City of Visalia is Southern California Edison Company. The main provider of natural gas in the City of Visalia is Southern California Gas Company.

The proposed project is the adoption of the Bikeway Plan Update (Plan). The Plan is intended to guide and influence bikeway policies, programs, and development standards to make bicycling in the City of Visalia more safe, comfortable, convenient and enjoyable for all bicyclists. The Plan does not include any site specific designs or proposals that would enable an assessment of potential site specific utility/service system impacts that may result from Plan implementation. Therefore, pursuant to CEQA, a case-by-case review of future projects will be needed to evaluate potential utility/service system impacts.

Relevant Goals/Policies related to utilities and service systems are outlined in the Land Use Element and Housing Element of the City's General Plan. The General Plan governs the distribution and intensity of land uses, sets the principles for evaluating development, and provides guidance in the City's development and growth. The General Plan is available at the City of Visalia at 315 E. Acequia Avenue and on the Internet at [www.ci.visalia.ca.us](http://www.ci.visalia.ca.us).

#### CONCLUSION

a-g) There is no impact.

Potentially Significant <u>Impact</u>	Less Than Significant With Mitigation <u>Incorporation</u>	Less Than Significant <u>Impact</u>	No <u>Impact</u>
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**MANDATORY FINDINGS OF SIGNIFICANCE**

- |   |                          |                          |                          |                                     |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Does the project have the potential to: substantially degrade the quality of the environment; substantially reduce the habitat of a fish or wildlife species; cause a fish or wildlife population to drop below self-sustaining levels; threaten to eliminate a plant or animal community; substantially reduce the number or restrict the range of an endangered, rare or threatened species; or eliminate important examples of the major periods of California history or prehistory? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Does the project have the potential to achieve short-term environmental goals to the disadvantage of long-term environmental goals?  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Does the project have possible environmental effects that are individually limited, but cumulatively considerable. “Cumulatively considerable” means that the incremental effects of an individual project are significant when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects?  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Will the environmental effects of a project cause substantial adverse effects on human beings, either directly or indirectly?  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

The proposed project is the adoption of the Bikeway Plan Update (Plan). The Plan is intended to guide and influence bikeway policies, programs, and development standards to make bicycling in the City of Visalia more safe, comfortable, convenient and enjoyable for all bicyclists. The Plan does not include any site specific designs or proposals that would enable an assessment of potential site specific environmental impacts that may result from Plan implementation. Therefore, pursuant to CEQA, a case-by-case review of future projects will be needed to evaluate potential environmental impacts.

**CONCLUSION**

a-d) There is no impact.

## **SECTION FOUR**

### **LIST OF PREPARERS AND SOURCES CONSULTED**



## ***SECTION FOUR – LIST OF PREPARERS AND SOURCES CONSULTED***

### ***Preparers***

Lisa Wallis-Dutra, P.E., T.E., Project Manager

Travis Crawford, Senior Planner

David Duda, GIS Specialist

Courtney Lee, Project Administrator

### ***Sources Consulted***

*City of Visalia Bikeway Plan Update*, adopted February 2006

*City of Visalia General Plan Circulation Element Update*, adopted April 2001

*City of Visalia General Plan Conservation, Open Space, Recreation, and Parks Element*,  
adopted June 1989

*City of Visalia General Plan Historical Preservation Element*, adopted September 1979, reprint  
March 1, 2000

*City of Visalia General Plan Land Use Element*, adopted September 1991, revised June 1996

*City of Visalia General Plan Noise Element*, November 1995

*City of Visalia General Plan Safety Element*, adopted 1975

*City of Visalia General Plan Scenic Highway Element*, adopted 1976

*Draft Environmental Impact Report, Land Use Element Update to the Visalia General Plan*,  
McClelland consultants, September, 1990.

*Tulare County Seismic Safety Element*, adopted April, 1975

Visalia Unified School District website, accessed December 7, 2010. <http://www.vusd.org/>

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** March 7, 2011

**Agenda Item Number:** 5k

**Agenda Item Wording:**

Authorization to award two RFPs associated with equipment pre-selection for the Water Conservation Plant upgrade project. To be awarded: RFP No. 10-11-20, Sludge Disintegration System, to Siemens Water Technologies Corp in the amount of \$1,184,700 and RFP No. 10-11-32, Ultraviolet Disinfection System, to Ozonia in the amount of \$1,399,560.

**Deadline for Action:** none

**Submitting Department:** Public Works

**Contact Name and Phone Number:** Jim Ross, Public Works Manager, 713-4466

**Department Recommendation:**

Staff recommends that Council award the following RFPs associated with equipment pre-selection for the Water Conservation Plant upgrade project:

- RFP No. 10-11-20, Sludge Disintegration System, to Siemens Water Technologies Corp. of Massachusetts, in the amount of \$1,184,700.
- RFP No. 10-11-32, Ultraviolet Disinfection System, to Ozonia North America, LLC of Delaware, in the amount of \$1,399,560.

**Summary/background:**

The City of Visalia Water Conservation Plant (WCP) operates under a discharge permit issued by the State Water Resources Control Board (SWRCB) and administered by the Regional Water Quality Control Board (RWQCB, or Regional Board) in Fresno.

In September 2006, the WCP was issued its current permit, which replaced the one in effect since 1995. The new permit imposed several new restrictions on plant discharges. In order to comply with these new limitations, a major plant upgrade project is required.

After a lengthy selection process, the engineering firm of Parsons was selected to design the plant upgrades. In December 2009, Parsons recommended to Council that the upgrade project utilize Membrane Bioreactor (MBR) technology to produce a high quality effluent that will be

**For action by:**

City Council  
 Redev. Agency Bd.  
 Cap. Impr. Corp.  
 VPFA

**For placement on which agenda:**

Work Session  
 Closed Session

**Regular Session:**

Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.):\_\_1\_\_

**Review:**

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

**Finance** \_\_\_\_\_  
**City Atty** \_\_\_\_\_  
(Initials & date required or N/A)

**City Mgr** \_\_\_\_\_  
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

unrestricted in its use. Council agreed with the recommendation and work has been ongoing toward that end.

In order to streamline the design work, Council also authorized staff to “pre-select” various major components of the project through a competitive bid process. The pre-selection process is similar to the normal RFP (Request For Proposal) process in that the City Purchasing department issues an approved RFP and ensures that all proposers meet certain eligibility requirements (insurance, worker’s compensation, etc.). Once the RFP period closes, all submissions are evaluated, and the successful proposer is awarded the bid at the RFP price.

However, unlike a normal RFP, the equipment is not purchased by the City, but will be purchased by the General Contractor at the price set in the RFP. Prices are guaranteed valid through November 30, 2011. The price of the pre-selected equipment will be included in the price quote submitted by the General Contractor.

To date, Council has awarded four of seven major project components (MBR membranes, aeration blowers, aeration diffusers, and dewatering equipment). Staff is now seeking Council authorization to award two additional RFPs. The final equipment to be pre-selected (the renewable power generation system) is currently being advertised and will be presented to Council at a future meeting.

#### **1. Sludge Disintegration System (RFP No. 10-11-20)**

Solids that are removed from the incoming wastewater are pumped to anaerobic digesters for treatment. Over a period of about 20 days, the solids are broken down into simpler, more stabilized compounds. As a byproduct of this process, methane gas is created which is then used as a source of energy for the production of electricity and heating.

The major limiting factor of the “digestion process” is the difficulty in destroying the cellular structure of the solids. The typical method to overcome this limitation is to increase the temperature of the digester from mesophilic temperatures (95-100<sup>o</sup> F) to thermophilic temperatures (120-125<sup>o</sup> F). This significantly increases the efficiency of the process but at a very high energy cost.

A more recent strategy to increase digestion efficiency is to separate digestion into its two component parts and optimize each process independently. This “two-phase” digestion approach is very effective, but much more labor intensive and more prone to upset than is conventional digestion.

The third option for increasing the digestion efficiency is to pre-treat the solids prior to digestion. In this process, solids are subjected to forces that rupture the cell walls, thereby making them more readily digestible. This process requires very little energy input, requires only minimal attention from the operations and maintenance staff, and can increase methane production by 20%. It is for this option that the City solicited proposals.

Two proposals were received:

- Siemens Water Technologies (Crown)                      \$1,184,700
- Ovivo (Sonolyzer)    \$1,420,711

A 20-year life cycle cost analysis was performed for each system. This analysis showed that for all flow scenarios, the Siemens proposal was superior. The payback on the Siemens system, including maintenance, is less than nine years, at which point the City

begins to realize a net savings. In fact, because of the resulting increase in the production of methane gas, installing the Siemens equipment will eliminate \$3 million in energy cost over the next 20 years resulting in a net savings of over \$1.5 million.

Siemens is an internationally recognized leader in a variety of areas, including communications, energy, healthcare, and water technologies. The Siemens Water Technologies division is located in Waukesha, Wisconsin, and nearly all system components of the proposed system are manufactured in the U.S. Staff has no reservations about Siemens ability to provide a quality product.

It should be noted that as part of their proposal, Siemens was required to agree to a stringent performance guarantee. If their equipment fails to yield an 18% increase in methane gas production, Siemens is required to remove the equipment, at their cost, and refund 100% of the purchase price to City.

To protect against unrestrained cost increases resulting from project delays, the city required proposals to include a "cost escalation" factor. In the event the equipment is not ordered prior to November 30, 2011, the Siemen's price will increase by \$59,000 and will be valid for one additional year (through November 2012).

**2. Ultraviolet (UV) Disinfection System (RFP No. 10-11-32)**

The final treatment process prior to reuse is disinfection; any remaining pathogens are destroyed. Historically, chlorine has been used for disinfection because it is very effective and reasonably cost effective. However, the use of chlorine is not without its negatives. While it is routinely and safely added to drinking water systems in small quantities, in bulk quantities, chlorine is an extremely hazardous chemical. As such, there are legitimate health and safety concerns and potential environmental impacts whenever a significant amount of the product is used and stored. As such, the City has chosen to install an ultraviolet (UV) disinfection system in lieu of chlorine.

Proposals to supply an ultraviolet disinfection system were solicited. Three proposals were received. The purchase price and total 20 year lifecycle cost is shown below.

	<b>Purchase Cost</b>	<b>Life Cycle Cost</b>
Trojan	\$1,339,607	\$5,549,706
Ozonia	\$1,399,560	\$6,434,623
Wedeco	\$1,651,300	\$7,485,108

Trojan had the lowest cost proposal in terms of both purchase cost and overall lifecycle cost. However, Staff is recommending award to Ozonia for the reasons discussed below, and detailed more fully in the attached *Evaluation of UV Disinfection System Proposals*.

In reviewing the proposals, it appeared that the Ozonia system offered a much cleaner and well thought out design. For example, a key electrical component of the UV system is the ballasts. Trojan installs these ballasts in water tight housings less than 12 inches above the water surface where they are subject to flooding. Ozonia locates them in a dedicated waterproof cabinet outside and away from the water channel with no possibility of flooding. The ease of maintenance also tends to favor Ozonia. Ballast replacement can be done in less than five minutes compared to 1 to 2 hours for Trojan. Routine bulb replacement could be accomplished in less than two minutes for Ozonia compared to 10-15 minutes for Trojan.

Staff made site visits to three treatment plants, one using Ozonia and two using Trojan. Operators at the facility using Ozonia report trouble-free operation and maintenance. Time requirements for various tasks conform to those stated by Ozonia. Operators at the two plants utilizing the Trojan UV system both report electronic damage had occurred in the past as a result of flooding. In addition, routine tasks are very labor intensive. One noted that a particular annual maintenance task takes two workers two months to complete. While this may not be typical, it does contrast sharply with what staff has seen and heard concerning the Ozonia UV system.

It should be noted that both UV systems are very energy intensive. As such, the majority of the lifecycle cost is based on the cost of energy. If the overall cost of energy is reduced, the price difference between the two proposals diminishes. With the project's fuel cell and solar energy components, this is likely to be the case. In fact, the power production from these project components will be approximately double what the UV system will consume. There will also be a reduction of approximately \$150,000 per year in chlorine costs, making UV disinfection very affordable.

Ozonia is part of an equipment manufacturing group associated with Suez Environment. With over 62,000 employees worldwide, Suez is a leading supplier of Water Treatment technologies. Ozonia is headquartered in New Jersey and their manufacturing facility is in Ashland, Virginia. Staff has seen the product quality and has no reservations recommending Ozonia be awarded as the successful proposal.

As stated previously, the city required proposals to include a "cost escalation" factor to protect against unrestrained cost increases resulting from project delays. In the event the equipment is not ordered prior to November 30, 2011, the Ozonia equipment price will increase by \$3,000 per month until the equipment is ordered.

### **Recommendation:**

Staff recommends that Council award the following RFPs associated with equipment pre-selection for the Water Conservation Plant upgrade project:

- RFP No. 10-11-20, Sludge Disintegration System, to Siemens Water Technologies Corp. of Massachusetts, in the amount of \$1,184,700.
- RFP No. 10-11-32, Ultraviolet Disinfection System, to Ozonia North America, LLC of Delaware, in the amount of \$1,399,560.

It should be noted that these RFPs were designed to identify the equipment to be used for the project, and to pre-negotiate a price at which the General Contractor will purchase the equipment. If the project is canceled for any reason, the City will only be responsible for services rendered and actual costs incurred by the supplier, not the full contract amount.

### **Prior Council/Board Actions:**

### **Committee/Commission Review and Actions:**

### **Alternatives:**

### **Attachments:**

- Evaluation of Ultraviolet (UV) Disinfection System Proposals

**Recommended Motion (and Alternative Motions if expected):**

- Move to authorize award of RFP No. 10-11-20, Sludge Disintegration System, to Siemens Water Technologies Corp. of Massachusetts, in the amount of \$1,184,700.
- Further move to authorize award of RFP No. 10-11-32, Ultraviolet Disinfection System, to Ozonia North America, LLC of Delaware, in the amount of \$1,399,560.

***Environmental Assessment Status***

**CEQA Review: N/A**

**NEPA Review:**

**Tracking Information:** *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to:

January 26, 2011

Mr. Jim Ross  
Public Works Manager  
City of Visalia  
7579, Ave 288  
Visalia, CA 93277

Subject: Water Conservation Plant (WCP) Upgrades – Evaluation of Ultraviolet (UV) Disinfection System Proposals

Dear Mr. Ross:

The purpose of this letter is to summarize Parsons' evaluation of the proposals received for UV Disinfection of the MBR effluent and make recommendations for the selection of the most qualified and cost-effective system. In response to the Request For Proposals (RFP) issued by the City, the following three (3) UV disinfection manufacturers submitted their proposals on December 17 2010.

- ❖ Trojan
- ❖ Ozonia
- ❖ ITT Wedeco

The enclosed spread sheet model was used to evaluate the proposal packages and summarize the results.

The three proposals were thoroughly reviewed and evaluated. A life cycle cost (LCC) analysis was performed and compared with each other. The basis for life cycle cost analysis is as follows.

- Life cycle duration = 20 years
- Discount rate = 5% per year
- Unit cost of power = \$0.13/kWh
- Escalation rate for power = 4% per year

Table A summarizes the capital and life cycle costs based on average flow rate of 18 MGD for the proposals of the three UV systems. The cost numbers presented in this table are for a flow rate of 18 million gallon per day (MGD) average dry weather flow.

**Table A-Comparison Summary of Capital and Life Cycle Costs**

Manufacturer	Equipment Cost For 18 MGD	Additional Banks cost for 18 to 22 MGD expansion	Total Capital Cost	Total annual O&M Cost	Life Cycle Cost
Trojan	\$ 1,339,607	\$ 276,479	\$ 1,443,023	\$ 226,638	\$ 5,549,706
Ozonia	\$ 1,399,560	\$ 318,280	\$ 1,466,227	\$ 274,194	\$ 6,434,623
ITT- Wedeco	\$ 1,651,300	-	\$ 1,911,570*	\$ 307,590	\$ 7,485,108

\*Includes building cost of \$180,000 for the building to house the ballasts

**Analysis of Proposals**

A. System Configuration and Layout

Trojan has proposed a three channel system; each channel will include 4 banks to treat initial 18 MGD flow with space provided for one additional bank in each channel to treat future 22 MGD flows. Ozonia has proposed a 2 channel system with each channel consisting of 6 banks for 18 MGD flow with space provided for 1 additional bank in each channel for future 22 MGD expansion. ITT Wedeco proposed a three channel system with 4 banks in each channel. However, the same system will be able to treat 22 MGD average flow with no additional banks required. Details of each manufacturer are included in Table B.

B. Capital and O&M Cost

Total capital cost includes the cost of equipment, cost of concrete structures for the facility and the cost for any building required (for Wedeco) for the proper functioning of the system. Total O&M cost considered annual power cost for the system, annual chemical cost associated with lamp cleaning and annual lamps and ballasts replacement cost. As shown in Table B Wedeco UV system has the highest total capital cost due to the cost of building required to house the ballasts for the system. The building will be climate controlled to prevent damage to the ballasts at temperature above 105 Degree F. Wedeco also has the highest life cycle cost over 20 year period due to higher energy requirements by the system. The higher life cycle cost are due to higher energy consumption by the lamps, higher number of lamps and also end of lamp life factors of 0.88 and sleeve fouling factor of 0.903. For these reasons, Wedeco has been ranked lowest in this evaluation.

The annual O&M cost difference between the Trojan and Ozonia system is \$ 48,000; Trojan being lower. This is mainly due to lower energy consumption for the Trojan system. Trojan uses higher end of life factor (0.98) and higher fouling factor (0.90) compared to other manufacturers which leads to less number of lamps in the system and lower energy consumption. These factors are accepted by California Department of Public Health (CDPH) and there is no reason for Parsons to challenge these values. However it is worth pointing out that the City had concerns over high value of end of lamp life factor for Trojan which assumes that after 9000 hours the UV intensity for the lamp will only deteriorate by 2%. This point was also brought up by Wedeco in its proposal and subsequent discussions.



### C. Ballast Location and Replacement

In the Trojan system, the ballasts are located in the channels 8 inches above the lamps; these may potentially get submerged temporarily during high water emergency situations. Parsons has discussed these issues with two references (*names and contact details in Table B*) for Trojan system and it appears that those facilities have not experienced any flooding issues. Clarification was sought from Trojan on this issue; Trojan encloses the ballasts in NEMA 6P rated enclosures which are rated to perform reliably under 6 feet submergence over a 24 hour period. The City operation staff visited two separate plants that use Trojan UV system and based on the operator feedback found that ballast replacement was a labor intensive process. The ballasts are inside the channel above the UV lamps and ballast replacement would involve raising the ballast enclosure outside the channel and replacing the circuit chip. Ozonia has their ballasts located outside of the channels mitigating any flooding risks during emergency flow conditions. Their ballasts are housed in air conditioned enclosure (provided by Ozonia). This configuration makes ballast maintenance relatively easier. The ballasts can be easily replaced by pulling out the faulty electrical circuit chip and putting a new one in without the entire bank being taken out of service. This was confirmed by the operators using the Ozonia system on a recent site visit by the City operations staff

### D. Lamp Replacement

In case of Trojan the lamp-modules are located horizontally in the channel (parallel to the flow of water) and therefore changing out the failed lamps is somewhat labor intensive as module (s) need to be taken out of the channels. Ozonia system is a vertical lamp system; therefore failed lamps can be changed without moving the modules out of the channel once again making the exercise less labor intensive. This has been confirmed via phone calls to two references (*names and contact details in Table B*).

### E. Lamp Cleaning

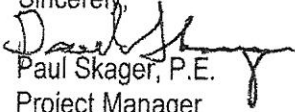
Trojan uses a unique in-place lamp cleaning system that combines mechanical and chemical cleaning. Per Trojan, this eliminates the need for recovery cleaning of fouled lamps - a major advantage claimed by Trojan compared to the Ozonia system. Further, according to Trojan, the chemical reservoir is to be replenished annually and is a simple operation which involves removing the module out of the channel and pumping the cleaning gel into the chemical reservoir located above the lamps. City operations staff on their recent site visits to Trojan UV and Ozonia installations discussed the cleaning system. According to the operators, the Trojan system chemical replenishment frequency is more than once a year (2-3 times a year) and is a labor intensive process. Ozonia system on the other hand uses a mechanical wiper and therefore needs a periodic (once every 6 months) chemical cleaning achieved by lifting the modules and placing in a chemical solution filled dip tank. The dip tank is included in Ozonia's proposal. Due to the weight of the module (400 lbs), two jib cranes, each (1000 lbs) are required and recommended by Ozonia to lift the modules in and out of the channels. The cost of these two jib cranes (not provided by Ozonia) is about \$25,000. Trojan system consists of several smaller modules (112 lbs); these modules can be removed from the channels by smaller davit cranes for lamp replacement. The cost of 4 davit cranes (not provided by Trojan) is about \$ 15000.


Based on the above, if comparison between various UV systems is made on a cost basis alone, Trojan system ranks the highest both in total capital cost (\$ 23,000 lower than Ozonia) and O&M cost, which is \$ 900,000 approx. over the life of the project which is assumed to be 20 years (total annual cost difference \$ 47,000). However, this annual cost difference is based upon a unit power cost of \$ 0.13 increasing 4% every year and discounted at the rate of 5%, which was the basis of determination of the life cycle cost. These assumptions may

not be accurate since the project includes a 2 MW cogeneration system (1 MW solar plus 1 MW fuel cells/microturbines).

When non-monetary factors including ease of operation and maintenance issues are considered, Ozonia has a definite advantage in the areas of ballast location (outside the channel) and lamp replacement (could be done one lamp at a time without removing the entire module), while the two systems require the same effort for maintenance cleaning. Trojan system has an in-place automatic chemical and mechanical cleaning system while Ozonia has an automatic in-place mechanical system. However, the Trojan cleaning system includes a chemical chamber, which may need refilling once every 3-6 months. This may be as labor intensive as chemical cleaning in the case of Ozonia system. Both Trojan and Ozonia systems are equally capable of providing reliable disinfection for the Project. However, Parsons suggests the City to consider the operation advantages offered by Ozonia system in areas of ballast and lamp replacement, witnessed by the City staff during their site visits as well as confirmed by Parsons in their telephone conversations with operating plants and therefore recommends Ozonia UV Disinfection system for the project.

Sincerely,

  
Paul Skager, P.E.  
Project Manager



Madan L. Arora, Ph.D., P.E.  
Technical Director

Enclosure:

1. Evaluation of UV Disinfection– Excel Spread Sheet Model

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** March 7, 2011

**Agenda Item Number (Assigned by City Clerk):** 5L

**Agenda Item Wording** City staff to purchase Rain Master Clocks from John Deere Green Tech Division as a sole source purchase in the amount of \$114,865.77.

**Deadline for Action:** March 7, 2011

**Submitting Department:** Parks and Recreation Department, Parks Division

**Contact Name and Phone Number:** Jeff Fultz, Parks Supervisor, 713-4426

**Recommendation:**

City staff is requesting that the Council approve this sole source purchase for the Rain Master Irrigation Controllers in the amount of \$114,865.77 from John Deere Landscape Green Tech Division, as they are the sole providers of this equipment in the State of California.

**Background**

Regarding the City park system, the City has been installing Rain Master Water management irrigation controllers in all new and existing parks for the past eight years. All controllers were purchased through John Deere Landscape as a sole source. There are currently 22 City parks out of 34 that currently have water management clocks installed. These clocks have been proven to save man hours and reduce water usage by 15-20%. The setting and monitoring of the clocks can be accomplished from the supervisors' office located in the Corporation Yard, and will shut the water off immediately in the event of a broken line or sprinkler and can be shut off if rain is in the forecast. These controllers will also alert staff when there is a problem in the field.

- During the budget process, \$203,000 was approved for the purchase and installation of 12 new Water Management Controllers over a three-year period. By year, the allocation is as follows: 2010-11 \$64,000; 2011-12 \$67,000; 2012-13 \$72,000. The funding of these 12 clocks is from the Conservation Division, which is an enterprise fund. **Council previously approved this funding on December 20, 2010.**
- Staff is purchasing these clocks to save the mark up from the contractor that will be doing the installation.

**For action by:**

City Council  
 Redev. Agency Bd.  
 Cap. Impr. Corp.  
 VPFA

**For placement on which agenda:**

Work Session  
 Closed Session

**Regular Session:**

Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.): \_\_\_\_\_

**Review:**

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

**Finance** \_\_\_\_\_  
**City Atty** \_\_\_\_\_  
(Initials & date required or N/A)

**City Mgr** \_\_\_\_\_  
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

**Prior Council/Board Actions:**

On December 20, 2010, Council approved moving the CIP funding for the installation of twelve water management controllers. Funds were advanced from FY 2011-12 and 12-13 to the current FY 2010-11 from Water Conservation Funds.

**Recommended Motion (and Alternative Motions if expected):**

City staff is requesting that the Council approve the sole source purchase of the Rain Master Irrigation Controllers.

***Environmental Assessment Status***

**CEQA Review:**

**NEPA Review:**

**Tracking Information:** *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Attachments:

## City of Visalia Agenda Item Transmittal

**Meeting Date:** March 7, 2011

**Agenda Item Number (Assigned by City Clerk):** 5m

**Agenda Item Wording:** Acknowledgement and support for the transfer of the Property located at 200 Northwest Third Avenue to the Samaritan Center of Tulare County formerly know as Visalia Ecumenical Charities.

**Deadline for Action:** March 7, 2011

**Submitting Department:** Housing and Economic Development Department

**Contact Name and Phone Number:**

Ricardo Noguera, Housing & Economic Development Director  
713-4190; Nancy Renovato, Senior Administrative Analyst 713-4462

**Department Recommendation:** That the City Council acknowledges and supports the transfer of the Property located at 200 Northwest Third Avenue to the Samaritan Center of Tulare County formerly known as Visalia Ecumenical Charities.

**Summary/background:** On January 20, 2004, the City Council adopted Ordinance 2004-04 declaring the property located at 200 North West Third Avenue surplus and declaring intent to convey at no cost to the Visalia Ecumenical Charities known today as the Samaritan Center of Tulare County. The Council approved a Disposition and Development Agreement (DDA) on or about December 2005, imposing certain conditions/requirements to be completed by the Samaritan Center prior to the conveyance.

While the intent of the DDA was for the Samaritan Center to adhere to the same design guidelines as the façades in the Community Campus, Mr. Whitlatch, President, of the Samaritan Center respectfully requested that the City modify this condition, as this type of improvements to an existing building would be extremely costly for the Center. (All other buildings in the Community Campus consisted of new construction). Due to the economic challenges that non-profits are facing, staff believes that it is more important for this organization to stay solvent and spend the majority of its funds providing direct services to low-income residents and not on expensive upgrades. The Samaritan Center did commit to making improvements to the exterior of the building; painting, landscaping, and adding a new wrought iron fence which have all been completed.

**For action by:**

City Council  
 Redev. Agency Bd.  
 Cap. Impr. Corp.  
 VPFA

**For placement on which agenda:**

Work Session  
 Closed Session

**Regular Session:**

Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.): \_\_\_\_\_

**Review:**

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

**Finance** \_\_\_\_\_  
**City Atty** \_\_\_\_\_  
(Initials & date required or N/A)

**City Mgr** \_\_\_\_\_  
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

### The Samaritan Center of Tulare County

Located at 200 Northwest Third, the Samaritan Center formerly known as the Tulare County Juvenile Probation Facility, is a non-profit organization which offers medical and other services to low-income residents of Visalia. Some of the services offered by the Center include medical, dental, obstetrician, counseling & mediation. All services rendered are provided by volunteer staff and qualified personnel. The Center also works closely with Kaweah Delta Healthcare District which is a big supporter.

Since the inception of the Samaritan Center (July 2003), numerous improvements to the building and premises have been completed. Some of the interior improvements include: installation of new equipment for a dental clinic, addition of five exam rooms complete with sinks; all new flooring and ceiling tiles. All lighting has been replaced; all eight AC units have been replaced and all AC ducts cleaned.

Additionally, significant improvements have been made to the parking lot area including the addition of sidewalks, curbing, asphalt and a lawn area. In February 2011, the Samaritan Center completed improvements to the exterior of the building, painting, landscaping improvements and the installation of a new wrought iron fence. Another future improvement under consideration is the addition of an awning that would upgrade and enhance the exterior of the building.



### Spirit & Intent of the DDA Has Been Met

The Samaritan Center deserves merit for its work in the community to provide medical and other services to low-income residents. Based on the past and recent improvements to the property, staff concludes that the spirit and intent of the DDA has been met and therefore the property should be officially conveyed to the Samaritan Center.

### **Prior Council/Board Actions:**

Approval of Land Purchase and demolition, November 5, 2001  
Approval of schematic site plan and land development model, January 6, 2003  
Approval of contract with Canby Associates for architectural and civil services, March 17, 2003  
Approval of contract with Canby Associates for landscape and electrical services, July 21, 2003  
Approval of Introduction of Ordinance for land transfer, September 15, 2003  
Approval of Second Reading of Ordinance for land transfer, October 6, 2003  
Approval to authorize City Manager to execute the contract and related documents for the transfer on behalf of the City, January 20, 2004

**Committee/Commission Review and Actions:** Planning Commission approved the tentative subdivision map and CUP 2003-29 on August 01, 2003

**Alternatives:** None recommended

**Attachments:** Grant Deed  
Notice of Completion

**Recommended Motion (and Alternative Motions if expected):**

***Environmental Assessment Status***

**CEQA Review:**

**NEPA Review:**

**Tracking Information:** *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to:

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** March 7, 2011

**Agenda Item Number (Assigned by City Clerk):** 5n

**Agenda Item Wording:** Authorize the Mayor and City Staff to take appropriate action to support legislation and regulations that would provide local government agencies with more retirement system flexibility in an effort to be more fiscally prudent.

**Deadline for Action:** None

**Submitting Department:** Administration

**Contact Name and Phone Number:** Michael Olmos, 713-4332, and Nancy Loliva, 713-4535

**Department Recommendation:** Authorize the Mayor and City Staff to take appropriate action to support legislation and regulations that would provide local government agencies with more retirement system flexibility in an effort to be more fiscally prudent. Such recommendations would include:

- \*including a defined contribution program option for participating agencies
- \*requiring final retirement payments based on three-year salary schedules
- \*requiring employers and employees to annually adjust pension contributions based on an equal sharing of the normal costs of the plan
- \*instituting reforms to the CalPERS Board to allow for better representation of employees.

**Summary/background:** Local governments throughout California are struggling to meet pension obligations, including those that are provided through the largest pension plan in the Country, CalPERS, which covers roughly half of all public employees in California including those employed by the City of Visalia.

**For action by:**

- City Council
- Redev. Agency Bd.
- Cap. Impr. Corp.
- VPFA

**For placement on which agenda:**

- Work Session
- Closed Session

**Regular Session:**

- Consent Calendar
- Regular Item
- Public Hearing

Est. Time (Min.):   1  

**Review:**

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

**Finance** \_\_\_\_\_  
**City Atty** \_\_\_\_\_  
(Initials & date required or N/A)

**City Mgr** \_\_\_\_\_  
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.



The City Council has been aggressive in adapting the locally provided retirement programs in light of the difficult budget realities the Council has been grappling with over the past few years. The Council has changed the “tiers,” or the formula by which calculations by which local pension payments are based. In March, 2008, Council approved a second tier which provides a lower retirement level for new miscellaneous employees, which was implemented in May, 2008, and a third tier will be implemented in May 2011. Council also approved a new, lower tier for public safety employees, which took effect in February, 2011. In addition, for the last two years, the Council has frozen the City’s contribution for retiree health care, and has directed staff to develop a plan to phase out City contributions.

The City of Visalia is one of the few local agencies in the state that has implemented new, lower pension tiers. But, even with these aggressive changes, the City contributions to CalPERS for miscellaneous employee pensions will increase from 15% to 23% and for public safety employees, from 27% to 38%. In addition, miscellaneous employees currently pay 8%, and public safety employees make a 9% contribution toward their retirement.

To build a sustainable pension model, City staff recommends the City Council authorize appropriate action be taken to support legislation and regulations to CalPERS to provide more flexibility to participating agencies. This action could include sending letters to the Governor and State Assembly and Senate representatives, urging them to take action to realign pension benefits and expectations and allow for more flexibility to participating agencies. As an example, including a defined contribution option for participating agencies would allow local governments to best manage the cost of the pension program based on available resources. The private sector migrated almost exclusively to this type of benefit in the 1980s. Allowing local government this option allows for self-governance and enables agencies to meet, rather than exceed budgetary obligations, by its participation in the pension program.

With City Council’s approval, City staff will send letters urging the Governor and State Assembly and Senate representatives to take appropriate action to support legislation and regulations to put the state’s pension plans on a path to sustainability. The recommendations will include: Including a defined contribution program option for participating agencies; requiring final retirement payments based on three-year salary schedules; requiring employers and employees to annually adjust pension contributions based on an equal sharing of the normal costs of the plan; and instituting reforms to the CalPERS Board to allow for better representation of employees.

**Prior Council/Board Actions:** NA

**Committee/Commission Review and Actions:** NA

**Alternatives:** NA

**Attachments:** None

Copies of this report have been provided to: NA

**Recommended Motion (and Alternative Motions if expected):** Authorize the Mayor and City Staff to take appropriate action to support legislation and regulations that would provide local government agencies with more retirement system flexibility in an effort to be more fiscally prudent.

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** March 7, 2011

**Agenda Item Number (Assigned by City Clerk):** 5o

**Agenda Item Wording:** Award a contract for the purchase of nine (9) new Harley Davidson marked Police motorcycles to Visalia Harley Davidson in the amount of \$158,101.92

**Deadline for Action:** March 7, 2011

**Submitting Department:** Police

**Contact Name and Phone Number:** Police Chief Colleen Mestas, ext 4215, or Lieutenant Ed Lynn, ext 4104, or Renee Nagel, ext 4375

**Department Recommendation:** The Police Department recommends that the City Council award a contract for the purchase of nine (9) new Harley Davidson marked Police motorcycles to Visalia Harley Davidson in the amount of \$158,101.92

**Summary/background:**

From the mid 1980's through 2002, the Visalia Police Department utilized Kawasaki 1000 Police motorcycles in the Traffic Unit to conduct traffic enforcement. Police motorcycles are less expensive than Patrol vehicles and allow the Traffic Officers better mobility to conduct traffic enforcement. At that time, the City purchased the motorcycles. As the motorcycles fleet aged, the City began to spend a lot of money on motorcycle maintenance and repairs which brought into question the option of leasing versus purchasing. In 2003, Harley Davidson offered an inexpensive 12 month lease option for \$150.00 per month per motorcycle. The benefits of the program were the zero down initial expense, the reduced service and repair costs due to having a new motorcycle covered by warranty, and the fact that the motorcycle would be replaced every calendar year. Over the years, however, the lease terms and conditions including cost and term have increased and changed, causing the lease option to be less cost effective. Table 1 – Lease Terms, shows the original

**For action by:**

City Council  
 Redev. Agency  
Bd.  
 VPFA

**For placement on which agenda:**

Work Session  
 Closed Session

**Regular Session:**

Consent  
Calendar  
 Regular Item  
 Public Hearing

Est. Time  
(Min.): \_\_\_\_\_

**Review:**

**Dept. Head**

\_\_\_\_\_  
**(Initials & date  
required)**

**Finance** \_\_\_\_\_  
**City Atty** \_\_\_\_\_  
**(Initials & date  
required or N/A)**

**City Mgr** \_\_\_\_\_  
**(Initials Required)**

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terms and how they have changed over the years.

**Table 1 – Lease Terms**

	<b>LEASING TERMS</b>			
	2003 Terms	2006 Terms	2009 Terms	Proposed Terms (3 year lease)
Amount Paid At End Of Lease	\$ 1,800.00	\$ 2,400.00	\$ 2,400.00	\$ 10,618.20
Security Deposit	\$ -	\$ -	\$ -	\$ 549.95
Transfer Equipment Fee	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
Maintenance Included	N	N	N	N
Maintenance Required (Miles)	2,500	2,500	2,500	5,000
Maximum Mileage	10,000	10,000	10,000	None
Cost Per Mile Over	\$ 0.25	\$ 0.25	\$ 0.25	None
Motorcycle Replaced	Annually	Annually	2 years	3 years
Factory Warranty	2 Years	2 Years	2 Years	2 Years
Replacement cost	\$ 16,000.00	\$ 16,000.00	\$ 16,000.00	\$ 15,562.00
Annual Miles per Bike	7,500	8,000	8,000	8,000

The past lease agreements were offered and managed by the local Visalia Harley Davidson Dealership. Due to the downturn in the economy, the local Visalia Harley Davidson Dealership will no longer be offering in-house leasing. The National Harley Davidson Corporation will be handling Future leasing programs. The lease terms offered by the National Harley Davidson Corporation are the following:

- 1 Year Lease: \$981.17 down payment and \$726.17 per month for 12 months – total lease payment \$8,714.04
- 2 Year Lease: \$657.76 down payment and \$402.76 per month for 24 months – total lease payment \$9,762.24
- 3 Year Lease: \$549.95 down payment and \$294.95 per month for 36 months – total lease payment \$10,618.20

**Cost Analysis:**

To determine if purchasing was more advantageous than leasing the police motorcycles, the Finance Department requested quotes to purchase motorcycles from three dealerships. The low quote was received from Visalia Harley Davison for \$16,366.88 per motorcycle, as shown in Table 3 – Motorcycle Quotes.

Table 3 – Motorcycle Quotes

Company	Location	Cost Per Motorcycle
Visalia Harley Davidson	Visalia	\$16,366.88
Bakersfield Harley-Davidson	Bakersfield	\$17,149.65
Mathews Harley-Davidson	Fresno	\$17,862.50

The price to purchase a Harley Davidson motorcycle was lower than staff anticipated and the resale value on a used three year Harley Davidson police motorcycle is between \$12,000 and \$16,000. The resale value on Harley Davidson's is much higher than other manufacturers, this is partly due to the FLHTP police package that can only be ordered by a Public Safety Agency. After comparing the lease terms to the prices received, it is more cost effective to purchase the nine (9) Harley Davidson Police Motorcycles in lieu of leasing them. Table 4 – Purchase vs Lease, shows the City will save \$35,489 to \$51,842 when purchasing motorcycles versus leasing one to three years.

Table 4 – Purchase vs Lease:

	Purchase Motorcycle	1 Yr Lease	2 Yr Lease	3 Year Lease
Purchase/Lease Amount	\$ 16,366.88	\$ 8,714.04	\$ 9,762.24	10,618.20
Interest Lost	\$ 491.01	\$ 87.14	\$ 97.62	\$ 106.18
Sale Price	\$ (12,000.00)	0	0	0
End Cost	\$ 4,857.89	\$ 8,801.18	\$ 9,859.86	\$ 10,618.20
Purchase vs Lease (Difference)		\$ (3,943.29)	\$ (5,001.98)	\$ (5,760.31)
Total Difference - 9 bikes		\$ (35,489.65)	\$ (45,017.78)	\$ (51,842.82)

The suggested time to keep the motorcycles in service due to projected mileage and maintenance costs is three years. After three years, the motorcycles would be sold by the City to offset a portion of the original cost. The industry standard for the longevity of Police motorcycle is three years. Beyond that, Agencies have found that maintenance costs begin to increase dramatically and safety and reliability begin to dramatically decrease which is an officer safety concern. The Harley Davidson motorcycles come with a factory two (2) year warranty and staff recommends purchasing an additional year of warranty for \$700 per motorcycle.

The Police Department currently owns the emergency equipment which is installed on each Police motorcycle. These items include a police radio, emergency lights and siren, flashlight charger, and radar mounting system. Each time a Police motorcycle is replaced, Visalia Harley Davidson removes the emergency equipment from the retiring motorcycle and installs it on the replacement motorcycle. The fee for this up-fitting is \$500.00 per motorcycle and would occur whether we purchased or leased the motorcycles.

Staff recommends to purchase nine (9) Harley Davidson motorcycles at a price of \$17,566.88 each (includes additional warranty plus up-fitting cost) for a total of \$158,101.92.

**Recommendation:**

**Prior Council/Board Actions:**

**Committee/Commission Review and Actions:**

**Alternatives:**

**Attachments:**

**Recommended Motion (and Alternative Motions if expected):** I move that the City Council award a contract for the purchase of nine (9) new Harley Davidson marked Police motorcycles to Visalia Harley Davidson in the amount of \$158,101.92

***Environmental Assessment Status***

**CEQA Review:**

**NEPA Review:**

**Tracking Information:** (*Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date*)

Copies of this report have been provided to:

## City of Visalia Agenda Item Transmittal

**Meeting Date:** March 7, 2011

**Agenda Item Number (Assigned by City Clerk):** 6

**Agenda Item Wording:** 2008/09 Action Plan Substantial Amendment to authorize the change in use and dispose of property located at 210 NW 2<sup>nd</sup> Avenue funded with U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Neighborhood Stabilization Program (NSP) funds.

**Deadline for Action:** March 7, 2011

**Submitting Department:** Housing and Economic Development

**Contact Name and Phone Number:** Ricardo Noguera, Housing & Economic Development Director (4190); Rhonda Haynes, Housing Specialist (4460)

**Department Recommendation:** Authorize the change in use of a 4-plex apartment building (to become transitional housing) and its' sale and reimburse CDBG-NSP funding under 24 CFR 570.505 regulation which requires the City to reimburse the CDBG-NSP Program, whereas the property shall no longer be subject to any CDBG-NSP requirements.

**Summary/Background:**

The City of Visalia Housing & Economic Development Department received 2008 Housing and Economic Recovery Act (HERA) funding, specifically, Community Development Block Grant, Neighborhood Stabilization Program (CDBG-NSP) funding to address the foreclosure crisis in Visalia. These funds have been utilized to acquire, rehabilitate and resell single family dwellings to income qualifying families. To date, twenty-five homes have been acquired and seventeen of those homes have been resold to income qualifying families.

As a requirement for the use of the CDBG-NSP funding, the City is required to set aside 25% of the funds to support housing for families earning less than 50% of the area median income. To assist in meeting this requirement, the City acquired a four-plex apartment building, located at 210 NW 2<sup>nd</sup> Avenue, for \$166,760. (Exhibit "B")

Included with the acquisition of the 4-plex was the intent to substantially rehabilitate the interior and exterior to meet energy, accessibility and current building code requirements. Such rehabilitation included a new roof and gutter, updated electrical panels, air conditioning units, doors, windows, kitchen and bath cabinetry, bathtub, toilets and sinks, ceiling fans, painting of both interior and exterior for all four units. Wrought iron fencing surrounding the property, accessible walkway and a new stairway to the second story unit were also completed. These improvements had a cost of \$135,472. (Exhibit "C")

**For action by:**

City Council  
 Redev. Agency Bd.  
 Cap. Impr. Corp.  
 VPFA

**For placement on which agenda:**

Work Session  
 Closed Session

**Regular Session:**

Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.):10

**Review:**

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

**Finance** \_\_\_\_\_  
**City Atty** \_\_\_\_\_  
(Initials & date required or N/A)

**City Mgr** \_\_\_\_\_  
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.



The CDBG-NSP regulations indicate that transitional housing is not an allowed use; therefore, this project was initially approved to assist with the homeless population by providing permanent affordable housing under a pilot program. The City's intent resulted in exhausted efforts, with no success, through a Request for Proposal process seeking property management services.

The City then considered selling the property. The property was appraised with recent comparable sales of similar rental properties, which reflected a declined fair market value of \$140,000.

With the results of the declined value, the City looked to non-profit providers with its' continued intent to provide long term, permanent housing for the homeless. The City met with representatives from Grace Homes, Inc. and Visalia Rescue Mission (VRM). After review of both proposals, it appeared that VRM's proposal to house formerly homeless individuals would fulfill the City's long term goal. However, with further review and discussion of their proposal and keeping within VRM's mission, it was determined that their interest would be better suited by addressing transitional housing, assisting those within their secular program, which is not available to all participants.

This brings us to the reason for City Council and public review of the proposal. In light of exhausted efforts to provide permanent housing, Staff believes that this project is a candidate for the process of replenishing CDBG-NSP funds in order to provide transitional housing and assist with addressing the needs of the homeless in Visalia. The proceeds from the sale of the property will be reused to purchase additional properties through the program. In order to eliminate the CDBG requirement, a public hearing is required, allowing citizens a 30 day review of the proposed use.

**Change in Use of Property regulation:**

Based upon the use of CDBG-NSP funding, in order to dispose of the property (210 NW 2<sup>nd</sup> Avenue) for the changed use, and reimburse the program account at fair market value. 24 CFR 570.505, subpart J- Use of Real property, states the following:

"The standards described in this section apply to real property within the recipient's control which was acquired or improved in whole or in part using CDBG funds in excess of \$25,000. These standards shall apply from the date CDBG funds are first spent for the property until five years after closeout of an entitlement recipient's participation in the entitlement CDBG program or, with respect to other recipients, until five years after the closeout of the grant from which the assistance to the property was provided.

(a) A recipient may not change the use or planned use of any such property (including the beneficiaries of such use) from that for which the acquisition or improvement was made unless the recipient provides affected citizens with reasonable notice of, and opportunity to comment on, any proposed change, and either:

(1) The new use of such property qualifies as meeting one of the national objectives in Sec. 570.208 (formerly Sec. 570.901) and is not a building for the general conduct of government; or

(2) The requirements in paragraph (b) of this section are met.

(b) If the recipient determines, after consultation with affected citizens, that it is appropriate to change the use of the property to a use which does not qualify under paragraph (a)(1) of this section, it may retain or dispose of the property for the changed use if the recipient's CDBG program is reimbursed in the amount of the current fair market value of the property, less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, and improvements to, the property.

(c) If the change of use occurs after closeout, the provisions governing income from the disposition of the real property in Sec. 570.504(b)(4) or (5), as applicable, shall apply to the use of funds reimbursed.

(d) Following the reimbursement of the CDBG program in accordance with paragraph (b) of this section, the property no longer will be subject to any CDBG requirements.”

If public comment is received and results in acceptance in the change of use, reimbursement shall commence and CDBG-NSP regulations shall no longer apply to this property. This will allow the City to sell the property to VRM for their intended purpose.

**Letter of proposal:**

Visalia Rescue Mission has submitted a letter requesting to purchase the four-plex to assist with addressing the needs of the homeless community (Exhibit “D”).

**Prior Council/Board Actions:** City Council, January 11, 2010, authorize acquisition; City Council Closed Session, October 04, 2010, conference with real property.

**Committee/Commission Review and Actions:**

**Alternatives:** None recommended.

**Attachments**

- Exhibit “A” – Vicinity map with location of property
- Exhibit “B” – Photo: Property condition before acquisition
- Exhibit “C” – Photo: Property condition after rehab
- Exhibit “D” - Visalia Rescue Mission letter

**Recommended Motion (and Alternative Motions if expected):** Approve and to authorize the change in use and sale of real property, and reimburse CDBG-NSP funding under 24 CFR 570.505 regulations.

***Environmental Assessment Status***

**CEQA Review:** N/A

**NEPA Review:** completed

**Tracking Information:** *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

**Exhibit “A” Vicinity Map with location of property**



City of Visalia  
210 NW 2nd Avenue



 CITY LIMITS  
WATERWAYS  
PARCELS



Scale: 1" = 371'

This map has been carefully prepared from official records, however the information herein is not warranted and the City of Visalia shall not be liable for any errors or omissions which may appear hereon. No part of this map shall be copied or reproduced in any form without the express written consent of the City of Visalia C.I.S. Department.

Prepared By: Community Development Department Date: 01/24/2019

**Exhibit "B" – Photo: Property condition before acquisition**

**Before:**

- Exterior- paint
- Windows
- Staircase condition
- Fence condition



**Before:**

- Roof and gutter condition
- Airconditioning unit condition

**Before:**

- Kitchen flooring
- Counterspace
- Appliance
- Paint condition



**Exhibit "C" –Photo: Property condition after rehabilitation**



**After:**

- New compliant staircase
- New energy efficient windows
- Handicapped accessible:
  - Door
  - Sidewalk and railguard

**After:**

- New roof and gutter
- New energy efficient airconditioning units
- New wrought iron fencing



**After:**

- New door
- New Paint
- New flooring
- New cabinets
  - Handicapp accessible pullout boards
- New tile countertops
- New sink
  - Handicapp accessible

**Exhibit "D" Visalia**

Rescue Mission letter

# Visalia Rescue Mission

*...Providing "Hope & Restoration Through Jesus Christ"*

January 27, 2011

Danny Little, Executive Director

Board of Directors:

Randy Vogt, Chairman  
Wayne Ingram, Vice-Chair  
Ron Ballou, Secretary  
Bruce Tyler, Treasurer  
Mike Allen  
John Anderson  
Scott Bosler  
Jeannie DeGroot  
John Koster  
Murray Minnema  
Marc Schull  
Mark Shelton  
Mark Vaniel  
Dennis Vanderham

To Whom It May Concern:

The Visalia Rescue Mission is seeking to purchase the property located at 210 NW First Avenue. This four unit complex gives the Mission the opportunity to house more low income families as they come through its nine (9) month drug recovery program. The intention will be to provide transitional housing, but may also include permanent housing.

We intend to have men, women and/or complete families occupy these units. It is also our intent to make this purchase a cash transaction with no further financial assistance from the City of Visalia. These units will provide us opportunities to serve the hurting of the Central Valley with housing that we are not currently able to offer.

In Christ,



Danny Little  
Executive Director

# City of Visalia Agenda Item Transmittal

**Meeting Date:** March 7, 2011

**Agenda Item Number (Assigned by City Clerk):** 7

**Agenda Item Wording:** Receive update on State Budget and Redevelopment

**Deadline for Action:**

**Submitting Department:** Housing and Economic Development, Administrative Services

**Contact Name and Phone Number:** Eric Frost, 713-4474  
Ricardo Noguera, 713-4190

**Department Recommendation:**

That the City Council receive this report on current developments the State budget and redevelopment

**Summary/background:**

The City of Visalia created a Redevelopment Agency beginning in the 1970s to address blighted and underdeveloped properties. Eventually, four project areas were created to address the blight and underdevelopment problems, being:

- Downtown
- East Visalia
- Central
- Mooney

Over the years, these project areas have done a number of very positive projects, including:

1. Downtown Parking Structures: RDA funds were used to partially fund construction of both garages.
2. Ben Maddox Auto Row: RDA funds were used to acquire and assemble properties.
3. Visalia Mall Parking Structure
4. Former Costco Site Assembly
5. Mooney Boulevard Rezoning Study
6. East Downtown Site Assembly, East Downtown Parks & Infrastructure Master Plan, Civic Center Master Plan
7. Mill Creek Parkway Apartments: affordable housing financing for the Tulare County Housing Authority
8. Kimball Court Senior Housing
9. Habitat for Humanity: infill single-family housing financing for very low-income buyers
10. Encina Triplex for Developmentally Disabled Adults

**For action by:**

- City Council
- Redev. Agency Bd.
- Cap. Impr. Corp.
- VPFA

**For placement on which agenda:**

- Work Session
- Closed Session

**Regular Session:**

- Consent Calendar
- Regular Item
- Public Hearing

Est. Time (Min.): \_\_\_\_\_

**Review:**

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

**Finance** \_\_\_\_\_  
**City Atty** \_\_\_\_\_  
(Initials & date required or N/A)

**City Mgr** \_\_\_\_\_  
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

11. Paradise & Court Infill and New Construction of affordable housing
12. Oak Meadows Senior Housing
13. East Kaweah 8-plex affordable housing

It is important to understand that Redevelopment occurs because the Agency borrows money, makes improvements in a project area and then receives tax increment from the increase in property taxes generated in that project area. Without debt, the Agency is not due any tax increment. As a result, an agency must incur debt in order to produce projects.

Visalia's project areas incurred debt to pay for their projects which in turn was to be repaid by tax increment revenues. As of 6/30/10, the cumulative debt for the agency was \$25.6 million.

This past January, the Governor proposed to discontinue the authority for cities to have redevelopment agencies. The proposal being considered by the legislature is to discontinue redevelopment agencies as of July 1, 2011 and turn over any assets and liabilities to a successor agency charged with discharging the debts of the redevelopment agency.

It is not clear what influence the Visalia Redevelopment Agency will have over the successor agency. Further, when the Redevelopment Agency borrowed money from local banks, the banks asked for a contingent payment agreement which would obligate the City's General Fund to pay the debt obligation in the event that the Redevelopment Agency did not have the ability to make the payment.

The concern now is if the most austere forms of the budget proposal proceed forward, the City's General Fund might be obligated to repay debt which previously was the Redevelopment Agency's debt due to the contingent repayment obligation. It may be appropriate to take actions to reduce debt and clarify repayment obligations.

**Bank Loan Debt.**

To understand the debt, however, it is important to understand the conditions upon which the debt is repaid. The following tables show the various types of debt owed by the Agency the relative concerns that the Agency and the City should have in regards to this debt. Table I, City of Visalia Redevelopment Agency – Bank Debt, shows what bank debt the Redevelopment

<b>City of Visalia Redevelopment Agency</b>	<b>Balance June 30, 2010</b>
<b><i>Bank Debt</i></b>	
2003 Downtown-Stockmen's Bank Loan, 4.3% Term: 06/30/2020	992,019
2004 Central-Stockmen's Bank Loan, 4.3% Term: 08/01/2028	2,283,744
2004 Mooney-Stockmen's Bank Loan, 4.3% Term: 08/01/2028	1,554,481
2007 Mooney-Citizens Bank Loan Term: 06/29/2028	6,244,700
	11,074,944



had as of the end of June, 2010. The concern with this debt is that the bank loans each carry a contingent pay off agreement backed by the General Fund. The most extreme case would be that State legislation would discontinue Redevelopment, sweep whatever assets the Agency had, discontinue any tax increment payments for debt which had another source of repayment, leaving the General Fund saddled with \$11.1 million of debt.

**General Fund Advances for Land.**

Another type of debt the City should be concerned with is advances made from the General Fund to the Redevelopment Agency to purchase land. This land is effectively paid for from General Fund resources because the Agency has not repaid interest or principal on the advances from any tax increment revenues. Table II, City of Visalia Redevelopment Agency – Advances for Land, shows that the City advanced \$3.5 for land purchases, generally in the Goshen, Burke, Center and Ben Maddox area. These land purchases have not been paid back but have accrued interest.

Table II

<b>City of Visalia Redevelopment Agency</b>	<b>Balance June 30, 2010</b>
<b><i>General Fund Advances for Land</i></b>	
2001, 02, 05 East Visalia-Advance from General Fund - Land Term: Until paid	<u>3,534,326</u>

The concern with this debt is the potential that the successor agency to the Redevelopment Agency might sell the asset, take the proceeds to help fund the State’s budget problem and leave the General Fund without the land it hoped to have control over to develop a future City Hall Complex and further downtown development. If the Council wishes to retain control over this land, it may be best to return the land to the City from the Agency.

**General Fund Advances – General**

Because Redevelopment can not receive tax increment unless it has debt, cities frequently front agencies money to establish debt and many times subordinate this debt to other debt. Table III, City of Visalia Redevelopment Agency – General shows the debt currently owed the City of Visalia.

Table III

<b>City of Visalia Redevelopment Agency</b>	<b>Balance June 30, 2010</b>
<b><i>General Fund Advances and Loans</i></b>	
2001 East Visalia-Advance from General Fund - Operations Term: Until paid	3,632,723
2009 Central-General Fund Loan Term: 11/10/2040	<u>3,496,127</u>
	<u>7,128,850</u>

The concern with this debt is that unless the debt agreements are very clear, the successor to redevelopment might not honor the agreements. In fact, legislatively, there may be prohibitions to repaying certain types of debt back to the City. As a result, some agencies are paying down this type of debt or clarifying responsibility for paying back the debt with tax increment.

**Bonded Debt.**

The one type of debt the legislature has said would be honored is bonded debt. For Visalia Redevelopment Agency, this type of debt is relatively small, as shown in Table IV, City of Visalia Redevelopment Agency – Bonded Debt.

<b>City of Visalia Redevelopment Agency</b>	<b>Balance June 30, 2010</b>
	<hr/>
<b><i>Bonded Debt</i></b>	
2003 East Visalia-Tax Allocation Refunding Bonds, 2%-4.375%	
Term: 07/02/2026	<hr/> 3,760,000 <hr/>

Although the Redevelopment Agency has significant debt, it also has available cash resources. Much of that cash is due to a final financing that was accomplished when each project area reached its debt issuance limit. As a result, Table V, Available Cash, shows what cash each project area had as of 6/30/10. Originally, this money was envisioned to accomplish projects to benefit the project area.

	<b>Table V Available Cash As of 6/30/10 (in thousands)</b>	
East Visalia		\$ -
Mooney Blvd		\$ 7,750
Downtown		\$ 1,120
Central Visalia		\$ 5,510
	<b>Total</b>	<b><u>\$ 14,380</u></b>

This cash could be used to pay off or pay down debt.

**Prior Council/Board Actions:**

**Committee/Commission Review and Actions:**

**Alternatives:** Act on some or none of the proposed actions.

**Attachments:**

**Recommended Motion (and Alternative Motions if expected):** I move that the Council receive this report.

***Environmental Assessment Status***

**CEQA Review:**

**NEPA Review:**

**Tracking Information:** *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to:

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** March 7, 2011

**Agenda Item Number (Assigned by City Clerk):** 7a

**Agenda Item Wording:** Authorize the execution of three General Fund Advance Agreements for three land purchases: Edison, Van Ness and Railroad.

**Deadline for Action:**

**Submitting Department:** Housing and Economic Development, Administrative Services

**Contact Name and Phone Number:** Eric Frost, 713-4474  
Ricardo Noguera, 713-4190

**Department Recommendation:**

That the Visalia City Council authorizes:

- a) The City Manager to execute three General Fund Advance Agreements for three land purchases: Edison, Van Ness and Railroad; and,
- b) the City Attorney and City Manager, upon mutual consent, to make minor conforming and clarifying changes to the agreements.

**Summary/background:**

During the first 5 years of the last decade, the East Visalia Redevelopment project area purchased 4 parcels. The East Visalia Redevelopment project areas did not have cash to purchase these properties, so the City's General Fund advanced cash sufficient to pay for the properties. Attachment I shows the location of the subject properties. The details of the advances are as follows:

**For action by:**

City Council  
 Redev. Agency Bd.  
 Cap. Impr. Corp.  
 VPFA

**For placement on which agenda:**

Work Session  
 Closed Session

**Regular Session:**

Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.): \_\_\_\_\_

**Review:**

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

**Finance** \_\_\_\_\_  
**City Atty** \_\_\_\_\_  
(Initials & date required or N/A)

**City Mgr** \_\_\_\_\_  
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

Property	APN	Date of Original Advance	Original Advance	Return or principal from property sale	Accrued Interest	Outstanding Balance as of 6/30/10
Edison	098-142-036	09/30/2001	\$946,227	(\$823,937)	\$161,271	\$283,561
Van Ness (2)	094-180-006 094-180-007	04/30/2002	\$998,450		\$340,322	\$1,338,772
Railroad	094-180-005	06/30/2005	\$1,527,762		\$384,232	\$1,911,994
		Total	\$3,472,439	(\$823,937)	\$885,825	\$3,534,327

During the time between the advance and today, two subdivisions of the Edison property have been purchased. The proceeds from those purchases have reduced the outstanding principal by \$823,937. No other monies have been repaid on the advances.

At the time the Agency was authorized to purchase the property, the City Council authorized the advance of monies to fund the purchase. This action tonight will formalize the repayment of these cash advances for land purchase.

**Prior Council/Board Actions:**

**Committee/Commission Review and Actions:**

**Alternatives:**

**Attachments:** General Fund Advance Agreement: Edison  
General Fund Advance Agreement: Van Ness  
General Fund Advance Agreement: Railroad

**Recommended Motion (and Alternative Motions if expected):** I move that the Agency authorizes the executive director to execute three General Fund Advance Agreements for the purchase of the Van Ness, Edison and Railroad properties and that the Agency Counsel and Executive Director, upon mutual consent, may make minor conforming and clarifying changes to the agreements

***Environmental Assessment Status***

**CEQA Review:**

**NEPA Review:**

**Tracking Information:** *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to:

GENERAL FUND ADVANCE AGREEMENT  
FOR THE EDISON PROPERTY

This fund Advance Agreement by and between the Community Redevelopment Agency of the City of Visalia (“Agency”) and the City of Visalia (“City”) is entered into on this \_\_\_\_ day of \_\_\_\_\_, 2011.

RECITALS

WHEREAS, the City is a charter law city organized under provisions of California law; and

WHEREAS, the Agency is organized pursuant to provisions of California law and is authorized to undertake activities related to redevelopment within its defined project area boundaries within the City to remediate blight; and

WHEREAS, on June 4, 2001, the Agency Board of Directors approved the Purchase and Sale Agreement with Southern California Edison for the purchase of a 9-acre, more or less, parcel located at the southeast corner of N. Ben Maddox Way and Goshen Avenue (APN Number 098-142-036) (“Property”), for \$944,000 plus shared applicable closing and related costs. This is a redevelopment activity for the Agency’s East Visalia Redevelopment Project; and

WHEREAS, on January 6, 2003 the City of Visalia City Council approved the advance of funds from City’s General Fund to Agency (“Advance”) for purposes of purchasing Property, and authorized the Visalia City Manager to execute Promissory Notes and Deeds of Trust on behalf of the City for the Advance by City to Agency for the purchase of Property; and

WHEREAS, while the Advance was implemented and the Property was purchased by the Agency, the terms of the Advance was never documented; and

WHEREAS, no tax increment was used to purchase the Property.

NOW THEREFORE, BE IT RESOLVED that the City and Agency agree as follows:

Section 1. Outstanding Advance Balance. The outstanding Advance amount owed by Agency to City is two hundred twenty six thousand, five hundred and seventy seven dollars (\$226,577) in principal and five hundred and fifty six thousand, nine hundred and eighty four dollars (\$56,984) in interest for a total of two hundred eighty three thousand, five hundred and sixty one dollars (\$283,561) (“Advance Balance”).

Section 2. Payment.

a. The Advance Balance shall be payable in annual installment payments of principal and interest. Agency shall make payments of principal and interest, which payments shall continue until all amounts due and owing to the City are paid in full. Each annual payment shall be due June 30 of each year (the last day of the applicable fiscal year).

b. The Advance Balance may be paid by Agency, in whole or in part, at any time without consent of City and without penalty. Any partial prepayment shall be applied as provided above, shall not alleviate Agency's obligation to repay any outstanding Advance Balance, unless the City and Agency otherwise agree in writing.

c. Agency may also apply Property sale proceeds to the reduction or complete satisfaction of the Advance Balance whereby payments, when made, shall be applied first to accrued interest to date of payment computed upon the outstanding unpaid balance, and the remainder applied to principal.

d. Agency may also transfer title to the Property to City, at any time, as complete satisfaction of Advance Balance.

Section 3. Cooperation. City and Agency will cooperate in every way to facilitate efforts to effectuate repayment of the Advance Balance.

Section 4. Governing Laws. This First Amendment shall be construed in accordance with and governed by the laws of the State of California

Section 5. Integration. This Agreement represents the entire understanding of the parties as to those matters contained herein and supersedes all prior negotiations, representations, or agreement, both written and oral. This Agreement may not be modified or altered except by written amendment executed by both parties.

Section 6. Partial Invalidity. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.



Section 7. Supersedes Prior Agreements. The terms and conditions of this Agreement supersedes any all terms and conditions of prior agreements between City and Agency related to the Advance and Property. If terms the terms or conditions of this Agreement are found to be inconsistent with the terms and conditions of other prior agreements between City and Agency related to the Advance and Property, the terms and conditions of this Agreement shall control.

Executed on this \_\_\_\_ day of \_\_\_\_\_ 2011, at Visalia, California.

City of Visalia The Community Redevelopment Agency of the City of Visalia

By: \_\_\_\_\_  
Steven M. Salomon  
City Manager

By: \_\_\_\_\_  
Executive Director

ATTEST:

ATTEST:

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

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

Approved as to Form

By: \_\_\_\_\_  
City Attorney

By: \_\_\_\_\_  
Risk Management

GENERAL FUND ADVANCE AGREEMENT  
FOR THE VAN NESS PROPERTY

This fund Advance Agreement by and between the Community Redevelopment Agency of the City of Visalia (“Agency”) and the City of Visalia (“City”) is entered into on this \_\_\_\_ day of \_\_\_\_\_, 2011.

RECITALS

WHEREAS, the City is a charter law city organized under provisions of California law; and

WHEREAS, the Agency is organized pursuant to provisions of California law and is authorized to undertake activities related to redevelopment within its defined project area boundaries within the City to remediate blight; and

WHEREAS, on April 1, 2002 the City of Visalia City Council (“City Council”) and Agency Board of Directors approved the modification/amendment to the annual loan agreement between the City and Agency to provide an estimated nine hundred ninety five thousand dollars (\$995,000) in additional loan funding to allow the Agency to purchase two (2) properties located at the southeast corner of Goshen Avenue and Burke Street: (1) APN Number 094-180-006 from E. Max Van Ness and Freda W. Van Ness, as trustees for the Van Ness Family for eight hundred twenty five thousand dollars (\$825,000); and (2) APN Number 094-180-007 from Van Ness Enterprises, Inc. for three hundred fifty thousand dollars (\$350,000) (referred to collectively herein as “Property”). Acquisition of Property by Agency is a redevelopment activity for the Agency’s East Visalia Redevelopment Project; and

WHEREAS, to fund the remaining cost of the land purchase, the waterway fund paid one hundred thousand dollars (\$100,000) for access to the creek in the Van Ness property and the transportation fund contributed eighty thousand dollars (\$80,000) for road right of way on the Van Ness property.

WHEREAS, on January 6, 2003 the City Council approved the advance of funds from City’s General Fund to Agency (“Advance”) for purposes of purchasing Property, and authorized the Visalia City Manager to execute Promissory Notes and Deeds of Trust on behalf of the City for the Advance by City to Agency for the purchase of Property; and

WHEREAS, while the Advance was implemented and the Property was purchased by the Agency, the terms of the Advance was never documented; and

WHEREAS, no tax increment was used to purchase the Property.

NOW THEREFORE, BE IT RESOLVED that the City and Agency agree as follows:

Section 1. Outstanding Advance Balance. The outstanding Advance amount owed by Agency to City is nine hundred ninety eight thousand, four hundred fifty dollars (\$998,450) in principal and three hundred forty thousand, three hundred twenty two dollars (\$340,322) in

interest for a total of one million, three hundred and thirty three thousand, seven hundred and seventy two dollars (\$1,338,772) (“Advance Balance”).

Section 2. Payment.

a. The Advance Balance shall be payable in annual installment payments of principal and interest. Agency shall make payments of principal and interest, which payments shall continue until all amounts due and owing to the City are paid in full. Each annual payment shall be due June 30 of each year (the last day of the applicable fiscal year).

b. The Advance Balance may be paid by Agency, in whole or in part, at any time without consent of City and without penalty. Any partial prepayment shall be applied as provided above, shall not alleviate Agency’s obligation to repay any outstanding Advance Balance, unless the City and Agency otherwise agree in writing.

c. Agency may also apply Property sale proceeds to the reduction or complete satisfaction of the Advance Balance whereby payments, when made, shall be applied first to accrued interest to date of payment computed upon the outstanding unpaid balance, and the remainder applied to principal.

d. Agency may also transfer title to the Property to City, at any time, as complete satisfaction of Advance Balance.

Section 3. Cooperation. City and Agency will cooperate in every way to facilitate efforts to effectuate repayment of the Advance Balance.

Section 4. Governing Laws. This First Amendment shall be construed in accordance with and governed by the laws of the State of California

Section 5. Integration. This Agreement represents the entire understanding of the parties as to those matters contained herein and supersedes all prior negotiations, representations, or agreement, both written and oral. This Agreement may not be modified or altered except by written amendment executed by both parties.

Section 6. Partial Invalidity. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 7. Supersedes Prior Agreements. The terms and conditions of this Agreement supersedes any all terms and conditions of prior agreements between City and Agency related to the Advance and Property. If terms the terms or conditions of this Agreement are found to be inconsistent with the terms and conditions of other prior agreements between City and Agency related to the Advance and Property, the terms and conditions of this Agreement shall control.

Executed on this \_\_\_\_\_ day of \_\_\_\_\_ 2011, at Visalia, California.

City of Visalia The Community Redevelopment Agency of the City of Visalia

By: \_\_\_\_\_  
Steven M. Salomon  
City Manager

By: \_\_\_\_\_  
Executive Director

ATTEST:

ATTEST:

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

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

Approved as to Form

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

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

City Attorney

Risk Management

GENERAL FUND ADVANCE AGREEMENT  
FOR THE RAILROAD PROPERTY

This fund Advance Agreement by and between the Community Redevelopment Agency of the City of Visalia (“Agency”) and the City of Visalia (“City”) is entered into on this \_\_\_\_ day of \_\_\_\_\_, 2011.

RECITALS

WHEREAS, the City is a charter law city organized under provisions of California law; and

WHEREAS, the Agency is organized pursuant to provisions of California law and is authorized to undertake activities related to redevelopment within its defined project area boundaries within the City to remediate blight; and

WHEREAS, on December 13, 2004, the Agency Board of Directors approved the Purchase and Sale Agreement with Union Pacific Railroad for the purchase of 22.7 acres (APN Number 094-180-005) (“Property”), for one million five hundred twenty seven thousand, seven hundred and sixty two dollars (\$1,527,762). This is a redevelopment activity for the Agency’s East Visalia Redevelopment Project; and

WHEREAS, on December 13, 2004 the City of Visalia City Council approved the advance of funds from City’s General Fund to Agency (“Advance”) for purposes of purchasing Property, and authorized the Visalia City Manager to execute Promissory Notes and Deeds of Trust on behalf of the City for the Advance by City to Agency for the purchase of Property; and

WHEREAS, while the Advance was implemented and the Property was purchased by the Agency, the terms of the Advance was never documented; and

WHEREAS, no tax increment was used to purchase the Property.

NOW THEREFORE, BE IT RESOLVED that the City and Agency agree as follows:

Section 1. Outstanding Advance Balance. The outstanding Advance amount owed by Agency to City is one million five hundred twenty seven thousand, seven hundred and sixty two dollars (\$1,527,762) in principal and three hundred eighty four thousand, two hundred and thirty two dollars (\$384,232) in interest for a total of one million nine hundred and eleven thousand, nine hundred and ninety four dollars (\$1,911,994)(“Advance Balance”).

Section 2. Payment.

a. The Advance Balance shall be payable in annual installment payments of principal and interest. Agency shall make payments of principal and interest, which payments shall continue until all amounts due and owing to the City are paid in full. Each annual payment shall be due June 30 of each year (the last day of the applicable fiscal year).

b. The Advance Balance may be paid by Agency, in whole or in part, at any time without consent of City and without penalty. Any partial prepayment shall be applied as provided above, shall not alleviate Agency's obligation to repay any outstanding Advance Balance, unless the City and Agency otherwise agree in writing.

c. Agency may also apply Property sale proceeds to the reduction or complete satisfaction of the Advance Balance whereby payments, when made, shall be applied first to accrued interest to date of payment computed upon the outstanding unpaid balance, and the remainder applied to principal.

d. Agency may also transfer title to the Property to City, at any time, as complete satisfaction of Advance Balance.

Section 3. Cooperation. City and Agency will cooperate in every way to facilitate efforts to effectuate repayment of the Advance Balance.

Section 4. Governing Laws. This First Amendment shall be construed in accordance with and governed by the laws of the State of California

Section 5. Integration. This Agreement represents the entire understanding of the parties as to those matters contained herein and supersedes all prior negotiations, representations, or agreement, both written and oral. This Agreement may not be modified or altered except by written amendment executed by both parties.

Section 6. Partial Invalidity. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 7. Supersedes Prior Agreements. The terms and conditions of this Agreement supersedes any all terms and conditions of prior agreements between City and Agency related to the Advance and Property. If terms the terms or conditions of this Agreement are found to be inconsistent with the terms and conditions of other prior agreements between City and Agency related to the Advance and Property, the terms and conditions of this Agreement shall control.

Executed on this \_\_\_\_ day of \_\_\_\_\_ 2011, at Visalia, California.

City of Visalia The Community Redevelopment Agency of the City of Visalia

By: \_\_\_\_\_  
Steven M. Salomon  
City Manager

By: \_\_\_\_\_  
Executive Director

ATTEST:

ATTEST:

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

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

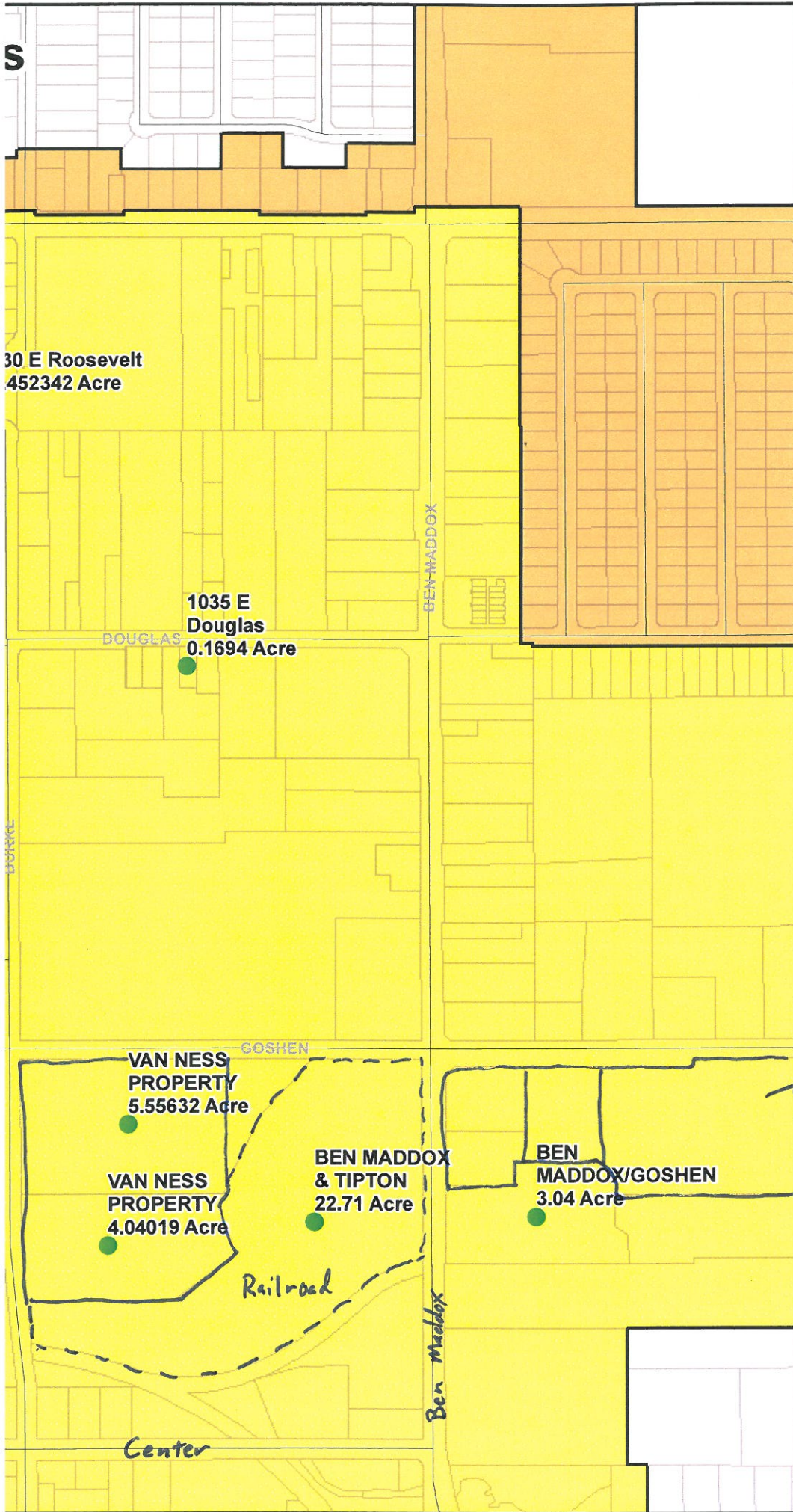
Approved as to Form

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

City Attorney

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

Risk Management



30 E Roosevelt  
452342 Acre

1035 E  
Douglas  
0.1694 Acre

DOUGLAS

BEN-MADDOX

GOSHEN

VAN NESS  
PROPERTY  
5.55632 Acre

VAN NESS  
PROPERTY  
4.04019 Acre

BEN MADDOX  
& TIPTON  
22.71 Acre

BEN  
MADDOX/GOSHEN  
3.04 Acre

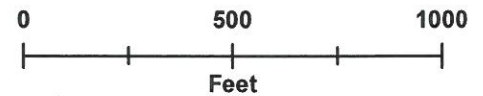
Railroad

Ben Maddox

Edison

Center

- RDA Properties
- Central Business District
- Central Visalia
- East Visalia
- Streets
- Parcels





# City of Visalia Agenda Item Transmittal

**Meeting Date:** March 7, 2011

**Agenda Item Number (Assigned by City Clerk):** 7b

**Agenda Item Wording:** Authorize the Visalia City Manager to execute the 1<sup>st</sup> Amendment to the loan agreements for the Central and East Visalia Project Areas.

**Deadline for Action:**

**Submitting Department:** Housing and Economic Development, Administrative Services

**Contact Name and Phone Number:** Eric Frost, 713-4474  
Ricardo Noguera, 713-4190

**Department Recommendation:**

- 1) Authorize the Visalia's City Manager to execute the 1<sup>st</sup> amendment of the loan agreements for the Central and East Visalia project areas including a \$2.2 million prepayment from the Central Redevelopment Agency; and,
- 2) Authorize the City Attorney and City Manager, upon mutual consent, to make minor conforming and clarifying changes to the agreements.

**Summary/background:**

The City of Visalia created a Redevelopment Agency beginning in the 1970s to address blighted and underdeveloped properties. Eventually, four project areas were created to address the blight and underdevelopment problems, being:

- Downtown
- East Visalia
- Central
- Mooney

These project areas incurred debt to pay for their projects which in turn was to be repaid by tax increment revenues. As a result, the Redevelopment Agency has significant debt.

This past January, the Governor proposed to discontinue the authority for cities to have redevelopment agencies. The proposal being considered by the legislature is to discontinue redevelopment agencies as of July 1, 2011 and turn over any assets and liabilities to a successor agency charged with discharging the debts of the redevelopment agency.

**For action by:**

City Council  
 Redev. Agency Bd.  
 Cap. Impr. Corp.  
 VPFA

**For placement on which agenda:**

Work Session  
 Closed Session

**Regular Session:**

Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.): \_\_\_\_\_

**Review:**

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

**Finance** \_\_\_\_\_  
**City Atty** \_\_\_\_\_  
(Initials & date required or N/A)

**City Mgr** \_\_\_\_\_  
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

It is appropriate to review and amend the advances from the General Fund to the Redevelopment Agency. To that end, the following advances are being amended to clarify that these advances are made against a pledge of future tax increment revenues.

The Central Advance from 2009 has a repayment schedule but needs to state the General Fund loan will be repaid from a pledge of tax increment. The other advances need the pledge and an amortization table because these loans were a general advance to be paid when resources were available.

Specifically, the following advances are included in the 1<sup>st</sup> Amendment for the East and Central loans, shown as of 6/30/10, as follows:

**General Fund Advances and Loans**

2001 East Visalia-Advance from General Fund - Operations	
Term: Until paid	3,632,723
2009 Central-General Fund Loan	
Term: 11/10/2040	3,496,127
	<hr/>
	10,663,176

Because the Central Redevelopment Agency has unencumbered cash, staff also recommends prepaying \$2.2 million towards the Central General Fund loan.

**Prior Council/Board Actions:**

**Committee/Commission Review and Actions:**

**Alternatives:** Act on some or none of the proposed actions.

**Attachments:**

**Recommended Motion (and Alternative Motions if expected):**

- 1) I move that the City Council authorize the City Manager to execute the 1<sup>st</sup> amendment of the loan agreements for the Central and East Visalia project areas including a \$2.2 million prepayment from the Central Redevelopment Agency; and,
- 2) Authorize the City Attorney and City Manager, upon mutual consent, to make minor conforming and clarifying changes to the agreements.

***Environmental Assessment Status***

**CEQA Review:**

**NEPA Review:**

**Tracking Information:** *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to:

FIRST AMENDMENT  
TO THE  
LOAN AGREEMENT BETWEEN CITY AND AGENCY  
FOR THE CENTRAL VISALIA REDEVELOPMENT PROJECT

This First Amendment (“First Amendment”) to the Loan Repayment Agreement (hereinafter “Original Agreement”) by and between the Community Redevelopment Agency of the City of Visalia (“Agency”) and the City of Visalia (“City”) is entered into on this \_\_\_\_ day of \_\_\_\_\_, 2011.

RECITALS

WHEREAS, the City is a charter law city organized under provisions of California law; and

WHEREAS, the Agency is organized pursuant to provisions of California law and is authorized to undertake activities related to redevelopment within its defined project area boundaries within the City to remediate blight; and

WHEREAS, the Agency was unable to secure a loan with commercial lenders at favorable interest rates, and the deadline for issuance of debt for the Agency’s Central Project Area was November 15, 2009; and

WHEREAS, the City agreed to loan funds from its General Fund reserve to the Agency for purposes of sustaining redevelopment activities for the Agency’s Central Visalia Redevelopment Project, prior to the end of the Central Visalia Redevelopment Project’s debt issuance period; and

WHEREAS, it was anticipated that the Agency’s Central Visalia Redevelopment Project Area would generate enough tax increment funds over the remaining authorization period to repay City’s loan; and

WHEREAS, City and Agency previously entered into the Original Agreement dated as of November 1, 2009 for the purposes mentioned above. Due to changed circumstances, and further decisions of the parties, the City and Agency desire to amend the Original Agreement as set forth herein.

NOW THEREFORE, BE IT RESOLVED that the City and Agency agree to amend the Original Agreement as follows:

Section 1. The above recitals shall be incorporated as fully set forth herein.

Section 2. City agrees to loan to Agency THREE MILLION FOUR HUNDRED AND NINETY SIX THOUSAND ONE HUNDRED AND TWENTY SEVEN DOLLARS AND NO CENTS (\$3,496,127) for use in the Agency’s Central Visalia Redevelopment Project (the “Central Project Loan”). Interest on this principal amount shall accrue from the date of this

Agreement until paid in full unless, otherwise suspended or forgiven by City. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. Agency agrees to execute a Promissory Note to evidence Agency's indebtedness to the City.

### Section 3.

a. The Agency hereby pledges its tax increment for the repayment of the Central Project Loan and shall make annual payments to the City in the amounts and at the times set forth in the Payment Schedule attached hereto as Exhibit A and incorporated by reference. Generally, the parties agree that the Loan will accrue simple interest at the rate computed based on the most recently calculated average annual interest rate received on City's idle cash investment pool plus one percent. Beginning in fiscal year 2011, and continuing through fiscal year 2040 the Agency shall make annual payments of interest only to the City as set forth in the Payment Schedule (Exhibit A). Commencing in fiscal year 2012 the Agency shall make payments of principal and interest, in accordance with the Payment Schedule (Exhibit A), which payments shall continue until all amounts due and owing the City are paid in full. Each annual payment shall be due June 30 of each year (the last day of the applicable fiscal year). In addition to the annual payments, the Agency shall pay to the City a one-time payment equal to Two million, two hundred thousand \$2,200,000 in fiscal year 2011. Each payment shall be credited first to interest then due and the remainder to principal.

b. The City hereby agrees that the pledge of tax increment and obligation of the Agency to make annual payments to the City pursuant to this First Amended Agreement shall be fully subordinate to obligations of the Agency for the following: (1) existing agreement; (2) annual obligations required under the Community Redevelopment Law; and (3) to repay any Bonds and to all other obligations of the Agency under the indentures of trust pursuant to which the Bonds are issued.

c. In the event the Agency is disestablished, prohibited in any way from continuing activities or undertaking new activities under the Community Redevelopment Law, then the outstanding amount of the Central Project Loan shall be immediately due and payable, subject to any amounts owed as outlined in (b) above.

Section 4. The Central Project Area Loan may be prepaid by Agency to City, in whole or in part, at any time without consent of City and without penalty. Any partial prepayment shall be applied as provided above, shall not postpone the due date of any subsequent installments or change the amount of such installments, unless the City and Agency otherwise agree in writing.

Section 5. City will cooperate with the Agency in every way to facilitate its efforts to remove the existing debt issuance period for the Agency's Central Project Area and refinance existing indebtedness at lower interest rates if feasible.

Section 6. This First Amendment shall be construed in accordance with and governed by the laws of the State of California

Section 7. This First Amendment represents the entire understanding of the parties as

to those matters contained herein and supersedes all prior negotiations, representations, or agreement, both written and oral. This First Amendment may not be modified or altered except by written amendment executed by both parties.

Section 8. If any provision of this First Amendment shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 9. It is the intent of the parties that this First Amendment shall replace in its entirety the Original Agreement. Upon execution of this First Amendment by the Agency and the City, the Original Agreement shall be deemed terminated by the parties and shall thereafter be of no further force and effect.

Executed on this \_\_\_\_ day of \_\_\_\_\_ 2011, at Visalia, California.

City of Visalia The Community Redevelopment Agency of the City of Visalia

By: \_\_\_\_\_  
Steven M. Salomon  
City Manager

By: \_\_\_\_\_  
Executive Director

ATTEST:

ATTEST:

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

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

Approved as to Form

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

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

City Attorney

Risk Management

EXHIBIT A  
(PAYMENT SCHEDULE)

Amended Promissory Note

(City Loan to Agency for Central Visalia Project Area)

**BORROWER:** The Community Redevelopment Agency  
of the City of Visalia  
315 E. Acequia  
Visalia, California 93291

**HOLDER:** The City of Visalia  
425 East Oak Street, Suite 301  
Visalia, CA 93291

**DATE:** March 7, 2011

**PRINCIPAL AMOUNT:** \$3,496,127.00

For value received, the undersigned, The Community Redevelopment Agency of the City of Visalia (the "Borrower," which term includes any successors or assigns), a public entity organized and existing under the Redevelopment Law of the State of California, promises to pay to the order of the CITY OF VISALIA (the "Holder," which term includes any successors or assigns), 425 East Oak Street, Suite 301, Visalia, California 93291, or at such other place as the holder hereof may from time to time designate in writing, the principal amount of **THREE MILLION FOUR HUNDRED AND NINETY SIX THOUSAND ONE HUNDRED AND TWENTY SEVEN DOLLARS AND NO CENTS (\$3,496,127)** together with simple interest on the unpaid principal balance computed based on the most recently calculated average annual interest rate received on City's idle cash investment pool plus one percent. This Note is the obligation of Borrower, constitutes an indebtedness of Borrower, and is binding on it and its successors and assigns.

**A. Principal, Interest, and Repayment:**

Interest on the principal amount of this Note shall accrue from the date of this Note until paid in full unless otherwise suspended or forgiven by Holder. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The principal amount stems from an obligation created between the Borrower and Holder by a Loan Agreement between the parties entered November 1, 2009, and shall be repaid according to the terms of the first amendment which are incorporated herein by reference.

**B. Acceleration Upon Sale of Property Purchased with Loan Proceeds:**

At the option of the Holder of this Note, upon the sale by Borrower of any real property obtained with loan proceeds secured by this Note and any related Deed of Trust, to the extent of such sales proceeds this Note will be accelerated and such amount shall be immediately due and



payable to Holder, with notice and demand.

Payments, when made, shall be applied first to accrued interest to date of payment computed upon the outstanding unpaid balance, and the remainder applied to principal.

C. Acceleration Upon Default:

At the option of the Holder of this Note, the payment of all principal and interest due in accordance with the terms of this Note will be accelerated and such principal shall be immediately due and payable, with notice and demand, upon occurrence of any of the following events of default, provided the same shall remain uncured for a period of fifteen (15) days following written notice to Borrower: a) failure to pay any installment of principal and interest when due; b) dissolution or termination of existence of Borrower.

D. Attorney's Fees:

In the event it should become necessary for Holder to employ counsel to collect this obligation or to protect or foreclose the security given in connection herewith, the undersigned agrees to pay upon demand reasonable attorneys' fees for services of such counsel, whether or not suit is brought, plus costs incurred in connection therewith.

E. Prepayment:

This Note may be prepaid, in whole or in part, at any time without consent and without penalty. To pay in whole, all outstanding principal and interest must be paid as of the date of payment. Any partial prepayment shall be applied as provided above, shall not postpone the due date of any subsequent installments or change the amount of such installments, unless the note holder shall otherwise agree in writing.

F. Waivers:

No delay or omission on the part of the Holder hereof in exercising any right hereunder shall operate as a waiver of such right or a remedy on any future occasion.

G. Governing Law:

The terms and provisions of this Note are intended to be and shall be governed, interpreted and construed pursuant to the laws of the State of California and venue for any legal action relating to the interpretation or enforcement of the provisions of this Note or the obligations arising hereunder shall be proper in the Superior Court for the County of Tulare, State of California.

H. Conflict with Law:

If any interest rate, late charge, penalty, fee or cost provided for herein shall exceed that which is allowed pursuant to any applicable statute or law, said amount shall be deemed by the parties hereto to be modified so as to conform to and equal the maximum amount allowed by said statute or law. If any provisions hereof are in conflict with any applicable statute or law and

are determined to be not valid or enforceable, then each such provision shall be deemed null and void, but to the extent of such conflict only and without invalidity or affecting the remaining provisions hereof.

I. Notice:

Any notice to be given to the Holder of this Note shall be given by first class United States mail at the address set forth in the first paragraph above or such further address as shall be directed in writing to makers. Any notice to be given to any undersigned or Borrower shall be given at the address(es) set forth below or such further address as shall be directed in writing to holder hereof.

J. Amendment:

Any amendment of this Note shall be in writing and executed by each party hereto.

The Community Redevelopment  
Agency of the City of Visalia

By: \_\_\_\_\_  
Executive Director

ATTEST:

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

FIRST AMENDMENT  
TO THE  
LOAN AGREEMENT BETWEEN CITY AND AGENCY  
FOR THE EAST VISALIA REDEVELOPMENT PROJECT

This First Amendment (“First Amendment”) to the Loan Repayment Agreement (hereinafter “Original Agreement”) by and between the Community Redevelopment Agency of the City of Visalia (“Agency”) and the City of Visalia (“City”) is entered into on this \_\_\_\_ day of \_\_\_\_\_, 2011.

RECITALS

WHEREAS, the City is a charter law city organized under provisions of California law; and

WHEREAS, the Agency is organized pursuant to provisions of California law and is authorized to undertake activities related to redevelopment within its defined project area boundaries within the City to remediate blight; and

WHEREAS, the Agency was unable to secure a loan with commercial lenders at favorable interest rates, and the deadline for issuance of debt for the Agency’s East Project Area was July 7, 2006; and

WHEREAS, the City agreed to loan funds from its General Fund reserve to the Agency for purposes of sustaining redevelopment activities for the Agency’s East Visalia Redevelopment Project, prior to the end of the East Visalia Redevelopment Project’s debt issuance period; and

WHEREAS, it was anticipated that the Agency’s East Visalia Redevelopment Project Area would generate enough tax increment funds over the remaining authorization period to repay City’s loan; and

WHEREAS, City and Agency previously entered into the Original Agreement dated as of June 14, 1999 for the purposes mentioned above. Due to changed circumstances, and further decisions of the parties, the City and Agency desire to amend the Original Agreement as set forth herein.

NOW THEREFORE, BE IT RESOLVED that the City and Agency agree to amend the Original Agreement as follows:

Section 1. The above recitals shall be incorporated as fully set forth herein.

Section 2. City agrees to loan to Agency THREE MILLION SIX HUNDRED AND THIRTY TWO THOUSAND SEVEN HUNDRED AND TWENTY THREE DOLLARS AND NO CENTS (\$3,632,723) for use in the Agency’s East Visalia Redevelopment Project (the “East Project Loan”). Interest on this principal amount shall accrue from the date of this Agreement until paid in full unless, otherwise suspended or forgiven by City. Interest shall be calculated on

the basis of a 360-day year consisting of twelve 30-day months. Agency agrees to execute a Promissory Note to evidence Agency's indebtedness to the City.

### Section 3.

a. The Agency hereby pledges its tax increment for the repayment of the East Project Loan and shall make annual payments to the City in the amounts and at the times set forth in the Payment Schedule attached hereto as Exhibit A and incorporated by reference. Generally, the parties agree that the Loan will accrue simple interest at the rate computed based on the most recently calculated average annual interest rate received on City's idle cash investment pool plus one percent. Beginning in fiscal year 2011, and continuing through fiscal year 2029 the Agency shall make annual payments of interest only to the City as set forth in the Payment Schedule (Exhibit A). Commencing in fiscal year 2012, the Agency shall make payments of principal and interest, in accordance with the Payment Schedule (Exhibit A), which payments shall continue until all amounts due and owing the City are paid in full. Each annual payment shall be due June 30 of each year (the last day of the applicable fiscal year

b. The City hereby agrees that the pledge of tax increment and obligation of the Agency to make annual payments to the City pursuant to this First Amended Agreement shall be fully subordinate to obligations of the Agency for the following: (1) existing agreement; (2) annual obligations required under the Community Redevelopment Law; and (3) to repay any Bonds and to all other obligations of the Agency under the indentures of trust pursuant to which the Bonds are issued.

c. In the event the Agency is disestablished, prohibited in any way from continuing activities or undertaking new activities under the Community Redevelopment Law, then the outstanding amount of the East Project Loan shall be immediately due and payable, subject to any amounts owed as outlined in (b) above.

Section 4. The East Project Area Loan may be prepaid by Agency to City, in whole or in part, at any time without consent of City and without penalty. Any partial prepayment shall be applied as provided above, shall not postpone the due date of any subsequent installments or change the amount of such installments, unless the City and Agency otherwise agree in writing.

Section 5. City will cooperate with the Agency in every way to facilitate its efforts to remove the existing debt issuance period for the Agency's East Project Area and refinance existing indebtedness at lower interest rates if feasible.

Section 6. This First Amendment shall be construed in accordance with and governed by the laws of the State of California

Section 7. This First Amendment represents the entire understanding of the parties as to those matters contained herein and supersedes all prior negotiations, representations, or agreement, both written and oral. This First Amendment may not be modified or altered except by written amendment executed by both parties.

Section 8. If any provision of this First Amendment shall be invalid, illegal or

unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 9. It is the intent of the parties that this First Amendment shall replace in its entirety the Original Agreement. Upon execution of this First Amendment by the Agency and the City, the Original Agreement shall be deemed terminated by the parties and shall thereafter be of no further force and effect.

Executed on this \_\_\_\_ day of \_\_\_\_\_ 2011, at Visalia, California.

City of Visalia The Community Redevelopment Agency of the City of Visalia

By: \_\_\_\_\_  
Steven M. Salomon  
City Manager

By: \_\_\_\_\_  
Executive Director

ATTEST:

ATTEST:

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

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

Approved as to Form

By: \_\_\_\_\_  
City Attorney

By: \_\_\_\_\_  
Risk Management

**EXHIBIT A**  
**(PAYMENT SCHEDULE)**

Amended Promissory Note

(City Loan to Agency for East Visalia Project Area)

**BORROWER:** The Community Redevelopment Agency  
of the City of Visalia  
315 E. Acequia  
Visalia, California 93291

**HOLDER:** The City of Visalia  
425 East Oak Street, Suite 301  
Visalia, CA 93291

**DATE:** March 7, 2011

**PRINCIPAL AMOUNT:** \$3,632,723.00

For value received, the undersigned, The Community Redevelopment Agency of the City of Visalia (the "Borrower," which term includes any successors or assigns), a public entity organized and existing under the Redevelopment Law of the State of California, promises to pay to the order of the CITY OF VISALIA (the "Holder," which term includes any successors or assigns), 425 East Oak Street, Suite 301, Visalia, California 93291, or at such other place as the holder hereof may from time to time designate in writing, the principal amount of **THREE MILLION SIX HUNDRED AND THIRTY TWO THOUSAND SEVEN HUNDRED AND TWENTY THREE DOLLARS AND NO CENTS (\$3,632,723)** together with simple interest on the unpaid principal balance computed based on the most recently calculated average annual interest rate received on City's idle cash investment pool plus one percent. This Note is the obligation of Borrower, constitutes an indebtedness of Borrower, and is binding on it and its successors and assigns.

**A. Principal, Interest, and Repayment:**

Interest on the principal amount of this Note shall accrue from the date of this Note until paid in full unless otherwise suspended or forgiven by Holder. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The principal amount stems from an obligation created between the Borrower and Holder by a Loan Agreement between the parties entered June 14, 1999, and shall be repaid according to the terms of the first amendment which are incorporated herein by reference.

**B. Acceleration Upon Sale of Property Purchased with Loan Proceeds:**

At the option of the Holder of this Note, upon the sale by Borrower of any real property

obtained with loan proceeds secured by this Note and any related Deed of Trust, to the extent of such sales proceeds this Note will be accelerated and such amount shall be immediately due and payable to Holder, with notice and demand.

Payments, when made, shall be applied first to accrued interest to date of payment computed upon the outstanding unpaid balance, and the remainder applied to principal.

C. Acceleration Upon Default:

At the option of the Holder of this Note, the payment of all principal and interest due in accordance with the terms of this Note will be accelerated and such principal shall be immediately due and payable, with notice and demand, upon occurrence of any of the following events of default, provided the same shall remain uncured for a period of fifteen (15) days following written notice to Borrower: a) failure to pay any installment of principal and interest when due; b) dissolution or termination of existence of Borrower.

D. Attorney's Fees:

In the event it should become necessary for Holder to employ counsel to collect this obligation or to protect or foreclose the security given in connection herewith, the undersigned agrees to pay upon demand reasonable attorneys' fees for services of such counsel, whether or not suit is brought, plus costs incurred in connection therewith.

E. Prepayment:

This Note may be prepaid, in whole or in part, at any time without consent and without penalty. To pay in whole, all outstanding principal and interest must be paid as of the date of payment. Any partial prepayment shall be applied as provided above, shall not postpone the due date of any subsequent installments or change the amount of such installments, unless the note holder shall otherwise agree in writing.

F. Waivers:

No delay or omission on the part of the Holder hereof in exercising any right hereunder shall operate as a waiver of such right or a remedy on any future occasion.

G. Governing Law:

The terms and provisions of this Note are intended to be and shall be governed, interpreted and construed pursuant to the laws of the State of California and venue for any legal action relating to the interpretation or enforcement of the provisions of this Note or the obligations arising hereunder shall be proper in the Superior Court for the County of Tulare, State of California.

H. Conflict with Law:

If any interest rate, late charge, penalty, fee or cost provided for herein shall exceed that which is allowed pursuant to any applicable statute or law, said amount shall be deemed by the



parties hereto to be modified so as to conform to and equal the maximum amount allowed by said statute or law. If any provisions hereof are in conflict with any applicable statute or law and are determined to be not valid or enforceable, then each such provision shall be deemed null and void, but to the extent of such conflict only and without invalidity or affecting the remaining provisions hereof.

I. Notice:

Any notice to be given to the Holder of this Note shall be given by first class United States mail at the address set forth in the first paragraph above or such further address as shall be directed in writing to makers. Any notice to be given to any undersigned or Borrower shall be given at the address(es) set forth below or such further address as shall be directed in writing to holder hereof.

J. Amendment:

Any amendment of this Note shall be in writing and executed by each party hereto.

The Community Redevelopment  
Agency of the City of Visalia

By: \_\_\_\_\_  
Executive Director

ATTEST:

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

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** March 7, 2011

**Agenda Item Number (Assigned by City Clerk):** 7c

**Agenda Item Wording:** Authorize the City Manager to contract with the Law Firm of Best, Best & Krieger to advise on future activities related to the City's Redevelopment Agency at a cost not to exceed \$25,000.

**Deadline for Action:** March 7, 2011

**Submitting Departments:** Housing & Economic Development and Administration Departments

**Contact Name and Phone Number:** Ricardo Noguera, Housing & Economic Development Director (4190), Eric Frost, Administrative Services Director (4474)

**Department Recommendation:** Authorize the City Manager to contract with the law firm of Best, Best & Krieger to provide legal services in relationship to the future of the City's Redevelopment Agency. The contract is not to exceed \$25,000.

**Background:**

In January 2011, Governor Jerry Brown proposed for the elimination of redevelopment agencies statewide as of July 1, 2011, in an effort to address the State's burgeoning \$27 billion budget crisis. The City is proposing to retain the law firm of Best, Best & Krieger to advise as it relates to future activities of the Redevelopment Agency.

**Visalia's Proposed Approach**

Staff has met with Seth Merewitz, an attorney with the law firm of Best, Best & Krieger to assess potential impacts if the Governor's proposal is implemented. Staff has been evaluating all debt including bonds and loans as well as agency assets to assess whether the General Fund could be adversely impacted in the event the agencies are eliminated.

**Prior Council/Board Actions:** None

**Committee/Commission Review and Actions:**

**Alternatives:** None

**Attachments:**

- Contract Agreement with Best, Best & Krieger

**For action by:**

City Council  
 Redev. Agency Bd.  
 Cap. Impr. Corp.  
 VPFA

**For placement on which agenda:**

Work Session  
 Closed Session

**Regular Session:**

Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.): \_\_\_\_\_

**Review:**

**Dept. Head  
(Initials & date required)**

**Finance  
City Atty  
(Initials & date required  
or N/A)**

**City Mgr  
(Initials Required)** \_\_\_\_\_

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

**Recommended Motion (and Alternative Motions if expected)** Authorize the City Manager to contract with the law firm of Best, Best & Krieger to provide legal services for the City's Redevelopment Agency in an amount not to exceed \$25,000.

***Environmental Assessment Status***

**CEQA Review:** n/a

**NEPA Review:**

# BEST BEST & KRIEGER

ATTORNEYS AT LAW

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(213) 617-7480 Fax  
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SACRAMENTO  
(916) 325-4000

SAN DIEGO  
(619) 525-1300

WALNUT CREEK  
(925) 977-3300

Seth Merewitz  
(213) 787-2567  
seth.merewitz@bbklaw.com

March 4, 2011

Steve Salomon  
City Manager  
City of Visalia  
315 E. Acequia Ave.  
Visalia, CA 93291

Re: Special Counsel Legal Services

Dear Mr. Salomon:

## ABOUT OUR REPRESENTATION

Best Best & Krieger LLP is pleased to represent the City of Visalia with special counsel services. This letter constitutes our agreement setting the terms of our representation.

## CONFIDENTIALITY AND ABSENCE OF CONFLICTS

An attorney-client relationship requires mutual trust between the client and the attorney. It is understood that communications exclusively between counsel and the client are confidential and protected by the attorney-client privilege.

To also assure mutuality of trust, we have maintained a conflict of interest index. The California Rules of Professional Conduct defines whether a past or present relationship with any party prevents us from representing your firm. Similarly, your firm's name will be included in our list of clients to ensure we comply with the Rules of Professional Conduct with respect to your firm.

## YOUR OBLIGATIONS ABOUT FEES AND BILLINGS

We have already discussed with you the fee arrangement. My current billing rate is \$285 and that of Ethan Walsh is \$265 per hour. I will be the primarily responsible attorney for the special counsel work.

Steve Salomon  
March 4, 2011  
Page 2

The billing rates for others are described in the memorandum attached to this letter. It also describes the other aspects of our firm's billing policies. You should consider this memorandum part of this agreement as it binds both of us. For that reason, you should read it carefully.

#### INSURANCE

We understand that you are not now insured or have any insurance that may cover potential liability or attorneys' fees in this case. If you think you may have such insurance, please notify me immediately.

We are also pleased to let you know that Best Best & Krieger LLP carries errors and omissions insurance with Lloyd's of London. After a standard deductible, this insurance provides coverage beyond what is required by the State of California.

#### NEW MATTERS

This agreement does not cover and is not a commitment by either of us that we will undertake any appeals or collection procedures. Any such future work would also have to be agreed upon in a signed supplement.

#### CIVILITY IN LITIGATION

In litigation, courtesy is customarily honored with opposing counsel, such as extensions to file pleadings or responses to other deadlines. In our experience, the reciprocal extension of such courtesies saves our clients' time and money. By signing this letter you will be confirming your approval of this practice in your case.

#### HOW THIS AGREEMENT MAY BE TERMINATED

You, of course, have the right to end our services at any time. If you do so, you will be responsible for the payment of fees and costs accrued but not yet paid, plus reasonable fees and costs in transferring the case to you or your new counsel. By the same token, we reserve the right to terminate our services to you upon written notice, order of the court, or in accordance with our attached memorandum. This could happen if you fail to pay our fees and costs as agreed, fail to cooperate with us in this matter, or if we determine we cannot continue to represent you for ethical or practical concerns.

#### CLIENT FILE

If you do not request the return of your file, we will retain your file for five years. After five years, we may have your file destroyed. If you would like your file maintained for more than five years or returned, you must make separate arrangements with us.

**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

Steve Salomon  
March 4, 2011  
Page 3

THANK YOU

On a personal note, we are pleased that you have selected Best Best & Krieger LLP to represent you. We look forward to a long and valued relationship with you and appreciate your confidence in selecting us to represent you in this case. If you have any questions at any time about our services or billings, please do not hesitate to call me.

If this letter meets with your approval, please sign and date it, and return the original to us. We have enclosed a separate signed copy of this letter for your records.

Sincerely,

Seth Merewitz  
of BEST BEST & KRIEGER LLP

SM:fdk

AGREED AND ACCEPTED:

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

Dated: \_\_\_\_\_

## BEST BEST & KRIEGER LLP'S STANDARD TERMS

This statement of Standard Terms, along with the terms stated in the accompanying letter, constitutes the Agreement for Legal Services (“Agreement”) between you and Best Best & Krieger LLP (“BB&K”).

### Effective Date

The Agreement is effective the date BB&K first performed services on your behalf. If we have performed legal services at your request while waiting for you to sign and return this Agreement, you will still be required to pay for those services even if you decide not to sign and return this Agreement.

### Confidentiality and Absence of Conflicts

An attorney-client relationship requires mutual trust between the client and the attorney. It is understood that communications exclusively between counsel and the client are confidential and protected by the attorney-client privilege.

To also assure mutuality of trust, we maintain a conflict of interest index. The California Rules of Professional Conduct defines whether a past or present relationship with any party prevents us from representing you. Similarly, your name will be included in our list of clients to ensure we comply with the Rules of Professional Conduct with respect to you. Additional conflicts checks will be performed for any new matters for which you request our services.

### Fees for Professional Services

Our century of experience has shown that the attorney-client relationship works best when there is mutual understanding about fees, expenses, billing and payment terms. Therefore, this statement is intended to explain our billing policies and procedures. You are encouraged to discuss with us any questions you have about these policies and procedures. You may direct specific questions about a bill to the attorney with whom you work or to Judy Ismael of our Accounting Department. Any specific billing arrangements different from those set forth below will be confirmed in a separate written agreement between you and the firm.

Our fees for legal services are based on the total amount of time expended on all work necessary to your representation, multiplied by the hourly rate then in effect for the person doing the work. Hourly rates are set to reflect the skill and experience of the attorney or other legal personnel rendering services on your behalf. Time is accrued on an incremental basis in minimum increments of 0.1 hours. From time to time, those assigned to work on your matter may need to confer among themselves concerning your representation. When that occurs, each person will charge for the time expended in conference. It may on occasion be necessary or advisable for more than one person to attend a meeting, court hearing or other proceeding and each will charge for the time that is spent in making those appearances. We will also charge for waiting time in court and elsewhere and for all travel time both out of town and locally. Time spent on the telephone discussing your matter, including telephone calls with you, also will be billed, as well conferences with others such as investigators, consultants, or experts. Our attorneys are currently billed at rates from \$200 to \$325 per hour, and our administrative

assistants, research assistants, paralegals and law clerks are billed at rates from \$130 to \$200 per hour. These hourly rates are reviewed annually to accommodate rising firm costs and to reflect changes in attorney status as lawyers attain new levels of legal experience. Any increases resulting from such reviews will be instituted automatically and will apply, after advance notice to you.

### Fees For Other Services, Costs and Expenses

We attempt to serve all our clients with the most effective support systems available. Miscellaneous expenses are covered by a standard administrative charge, currently set at 4%, which compensates the cost of normal photocopying, long distance telephone calls, regular mail postage, telecopy charges and other expenses as to which individual itemization is impractical. Costs specific to your matter such as investigation and filing fees, process server fees, required costs of travel, out-of-town lodging and meals, mileage at the current IRS-approved rate per mile, courier and express delivery and mail services, deposition and court reporter fees, computerized legal research, major photocopying, conference calls and staff overtime, as needed, are itemized and will appear on your monthly statement as separate items.

We may need to advance costs and incur expenses on your behalf on an ongoing basis. These items are separate and apart from attorneys' fees and, as they are out-of-pocket charges, we need to have sufficient funds on hand from you to pay them when due. We will advise the client from time to time when we expect items of significant cost to be incurred, and it is required that the client send us advances to cover those costs before they are due.

### Monthly Invoices and Payment

Best Best & Krieger LLP will provide you with monthly invoices for legal services performed and expenses incurred. Invoices are due and payable upon receipt.

Each monthly invoice reflects both professional and other fees for services rendered through the end of the prior month, as well as expenses incurred on your behalf that have been processed by the end of the prior month. Processing of some expenses is delayed until the next month and billed thereafter.

Our fees are not contingent upon any aspect of the matter and are due upon receipt. All billings are due and payable within ten days of presentation unless the full amount is covered by the balance of an advance held in our trust account. If a bill is not paid within 30 days, a late charge of one percent per month on the unpaid invoice shall be added to the balance owed, commencing with the next statement and continuing until paid.

It is our policy to treat every question about a bill promptly and fairly. From time to time clients have questions about the format of the bill or description of work performed. If you have any such questions, please ask them when you receive the bill so we may address them on a current basis.



### Changes in Fee Arrangement and Budgets

It may be necessary under certain circumstances for a client to increase the size of required advances for fees after the commencement of our engagement and depending upon the scope of the work. For example, prior to a protracted trial or hearing, the firm may require a further advance payment to the firm's trust account sufficient to cover expected fees. Any such changes in fee arrangements will be discussed with you and mutually agreed in writing.

Because of the uncertainties involved, any estimates of anticipated fees that we provide at your request for budgeting purposes, or otherwise, can only be an approximation of potential fees.

### Client's Duties

You agree to be truthful with us, to cooperate, to keep us informed of developments that relate to our services, to abide by this Agreement, to pay our bills on time, and to keep us advised of your current address, telephone number and your place of employment and telephone number.

You also agree to respond promptly, fully and accurately to requests for information or documents and to other requests for assistance made by BB&K.

### Experts

To prepare or present your case or legal position, we may need expert witnesses, consultants, or investigators. We will select and engage them and you are responsible for their bills. When feasible, we will consult with you before completing the engagement.

### Settlement

If we are hired to pursue or defend a claim on your behalf, BB&K will not settle the claim without your approval, and you have the absolute right to accept or reject any offer of settlement. We will notify you promptly of the terms of any settlement proposal that we receive on your behalf.

### Disclaimer of Guaranty

BB&K can make no promises or guarantees about the outcome of this representation. Our comments about the outcome of your matter are expressions of opinion only.

### Independent Contractor

BB&K shall perform all legal services requested pursuant to this Agreement as an independent contractor of you and shall remain, at all times as to you, a wholly independent contractor with only such obligations as are required under this Agreement. Neither you, nor any of your employees, shall have any control over the manner, mode or means by which BB&K, its agents, or employees, render the legal services contemplated under this Agreement, except as otherwise set forth. You shall have no voice in the selection, discharge, supervision or control of BB&K's employees, representatives or agents, or in fixing their number, compensation or hours of service.

### Insurance

We are also pleased to let you know that BB&K carries errors and omissions insurance with Lloyd's of London. After a standard deductible, this insurance provides coverage beyond what is required by the State of California.

### Cessation of Representation

This Agreement and the services to rendered under it may be terminated at any time upon ten (10) days prior written notice from either party, with or without cause. In the event of such termination, BB&K shall be paid for all services authorized by you and performed up through and including the effective date of termination. "Cause" includes your failure to pay or other breach of this Agreement, refusal to cooperate with us or follow our advice on a material matter, or any fact or circumstance that would render our continuing representation unlawful or unethical.

After our services are concluded, we will, upon your request, deliver your file to you, along with any funds or property of yours in our possession.

### Modification

This Agreement may be modified by subsequent agreement between you and BB&K only by a writing signed by both parties.

### Entire Agreement

This statement of Standard Terms and the letter to which it is attached constitute the entire Agreement between you and BB&K. No other agreement or statement made on or before the effective date of this Agreement is binding.

### Severability

If any provision of this Agreement is held in whole or in part to be unenforceable for any reason, the remainder of that provision and the rest of the Agreement will remain in effect.

### Conflict Waiver

In a large firm with multiple offices representing public and private clients, actual or possible conflicts sometimes arise between existing or potential clients. We may be required to ask for a conflict waiver in that event. BB&K asks for your understanding and cooperation if we request a conflict waiver in order to undertake or continue representation of another client in a manner that will not be specifically detrimental or adverse to you in any matter in which another BB&K attorney represents you.

### California Law

This Agreement is deemed to be entered into at our office in Sacramento, California and shall be interpreted according to California law, excluding its conflict of laws provisions.

### Negotiated Terms

This is a negotiated agreement that can be accepted or rejected by the parties. The terms of the Agreement are not set by law. You may consult independent counsel before entering into this Agreement.

### Additional Terms

The scope of BB&K's representation in this matter is fully set forth in the letter which is part of this Agreement as are any additional terms relating to this representation.

If, after initial representation, you decide to retain our services for other matters, and we agree to perform them, these Standard Terms shall apply.

BEST BEST & KRIEGER LLP

# City of Visalia Agenda Item Transmittal

**Meeting Date:** March 7, 2011

**Agenda Item Number (Assigned by City Clerk):** 8a

**Agenda Item Wording:** Authorization for the Redevelopment Agency's executive director to prepay Redevelopment Bank loans.

**Deadline for Action:**

**Submitting Department:** Housing and Economic Development, Administrative Services

**Contact Name and Phone Number:** Eric Frost, 713-4474  
Ricardo Noguera, 713-4190

**Department Recommendation:**

That the Visalia Redevelopment Agency authorize the executive director to ***prepay outstanding Redevelopment bank loans which include a General Fund contingent payment clause from available Redevelopment cash to reduce the potential liability for the General Fund. The prepayment would be contingent if the current legislative proposal proceeds ahead in a form similar to what is now proposed, thus Council authorizes the Agency Executive Director with agreement from the Administrative Services Director to prepay these debts.***

**Summary/background:**

The City of Visalia created a Redevelopment Agency beginning in the 1970s to address blighted and underdeveloped properties. Eventually, four project areas were created to address the blight and underdevelopment problems, being:

- Downtown
- East Visalia
- Central
- Mooney

Over the years, these project areas have done a number of very positive projects, including:

1. Downtown Parking Structures: RDA funds were used to partially fund construction of both garages.
2. Ben Maddox Auto Row: RDA funds were used to acquire and assemble properties.
3. Visalia Mall Parking Structure

**For action by:**

- City Council
- Redev. Agency Bd.
- Cap. Impr. Corp.
- VPFA

**For placement on which agenda:**

- Work Session
- Closed Session

**Regular Session:**

- Consent Calendar
- Regular Item
- Public Hearing

Est. Time (Min.): \_\_\_\_\_

**Review:**

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

**Finance** \_\_\_\_\_  
**City Atty** \_\_\_\_\_  
(Initials & date required or N/A)

**City Mgr** \_\_\_\_\_  
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

4. Former Costco Site Assembly
5. Mooney Boulevard Rezoning Study
6. East Downtown Site Assembly, East Downtown Parks & Infrastructure Master Plan, Civic Center Master Plan
7. Mill Creek Parkway Apartments: affordable housing financing for the Tulare County Housing Authority
8. Kimball Court Senior Housing
9. Habitat for Humanity: infill single-family housing financing for very low-income buyers
10. Encina Triplex for Developmentally Disabled Adults
11. Paradise & Court Infill and New Construction of affordable housing
12. East Kaweah 8-plex affordable housing

These project areas incurred debt to pay for their projects which in turn was to be repaid by tax increment revenues. As of 6/30/10, the cumulative debt for the four project areas was \$25.6 million.

Although the Redevelopment Agency has significant debt, it also has available cash resources. Much of that cash is due to a final financing that was accomplished when each project area reached its debt issuance limit. As a result, Table I, Available Cash, shows what cash each project area has. Originally, this money was envisioned to accomplish projects to benefit the project area.

Table I  
**Available Cash**  
**(in thousands)**

East Visalia	\$ -
Mooney Blvd	\$ 7,750
Downtown	\$ 1,120
Central Visalia	\$ 5,510
<b>Total</b>	<b><u>\$ 14,380</u></b>

This past January, the Governor proposed to discontinue the authority for cities to have redevelopment agencies. The proposal being considered by the legislature is to discontinue redevelopment agencies as of July 1, 2011 and turn over any assets and liabilities to a successor agency charged with discharging the debts of the redevelopment agency.

It is not clear what influence the Visalia Redevelopment Agency will have over the successor agency. Further, when the Redevelopment Agency borrowed money from local banks, the banks asked for a contingent payment agreement which would obligate the City's General Fund to pay the debt obligation in the event that the Redevelopment Agency did not have the ability to make the payment.

The concern now is if the most austere forms of the budget proposal proceed forward, the City's General Fund might be obligated to repay debt which previously was the Redevelopment Agency's debt due to the contingent repayment obligation. As a result, staff is making a series of recommendations to better assure that the City's General Fund, as far as possible, is not

adversely affected by the probable discontinuance of redevelopment. To that end, staff makes the following recommendation:

***Prepay outstanding Redevelopment loans which include a General Fund contingent payment clause from available Redevelopment cash to reduce the potential liability for the General Fund. The prepayment would be contingent if the current legislative proposal proceeds ahead in Sacramento in a form similar to what is now proposed, thus Council would authorize the Agency Executive Director with agreement from the Administrative Services Director to prepay these debts.***

The contingent payment agreements might effectively convert all the bank debt into General Fund debt if the more draconian proposal goes forward. This would occur because the notes indicate that if the Redevelopment Agency can not make the loan payment, the General Fund will. At the time these notes were created, it appeared likely that Redevelopment would continue until all debts were paid. Current proposals, however, make it somewhat questionable that redevelopment monies will be available to repay this debt. As a result, it may be best to defend the General Fund and repay the debt from available cash.

Specifically, the following bank loans whose loans were as follows, in thousands, as of 6/30/10 would be prepaid:

Downtown District:		
2003 Bank Loan		992
4.3% to 5.2%, due 06/30/2019		
Mooney / Central District:		
2005 Bank Loan		3,838
4.30% to 6.00%, due 08/01/2028		
Mooney District:		
2007 Bank Loan		6,245
6.54% to 7.50%, due 06/29/2028		
	<b>Total</b>	<b><u>\$ 11,074.9</u></b>

Available cash would be reduced by this \$11.1 million.

**Prior Council/Board Actions:**

**Committee/Commission Review and Actions:**

**Alternatives:**

**Attachments:**

**Recommended Motion (and Alternative Motions if expected):** I move that the Visalia Redevelopment Agency authorize the executive director to ***prepay outstanding Redevelopment bank loans which include a General Fund contingent payment clause from available Redevelopment cash to reduce the potential liability for the General Fund. The prepayment would be contingent if the current legislative proposal proceeds ahead in a form similar to what is now proposed, thus Council authorizes the Agency Executive Director with agreement from the Administrative Services Director to prepay these debts.***

***Environmental Assessment Status***

**CEQA Review:**

**NEPA Review:**

**Tracking Information:** *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to:

# City of Visalia Agenda Item Transmittal

**Meeting Date:** March 7, 2011

**Agenda Item Number (Assigned by City Clerk):** 8b

**Agenda Item Wording:** Authorize the Agency executive director to execute the 1<sup>st</sup> Amendment to the loan agreements for the Central and East Visalia Project Areas.

**Deadline for Action:**

**Submitting Department:** Housing and Economic Development, Administrative Services

**Contact Name and Phone Number:** Eric Frost, 713-4474  
Ricardo Noguera, 713-4190

**Department Recommendation:**

- 1) Authorize the Agency's executive director to execute the 1<sup>st</sup> amendment of the loan agreements for the Central and East Visalia project areas including a \$2.2 million prepayment from the Central Redevelopment Agency; and,
- 2) Authorize the Agency Counsel and Executive Director, upon mutual consent, to make minor conforming and clarifying changes to the agreements.

**Summary/background:**

The City of Visalia created a Redevelopment Agency beginning in the 1970s to address blighted and underdeveloped properties. Eventually, four project areas were created to address the blight and underdevelopment problems, being:

- Downtown
- East Visalia
- Central
- Mooney

These project areas incurred debt to pay for their projects which in turn was to be repaid by tax increment revenues. As a result, the Redevelopment Agency has significant debt.

This past January, the Governor proposed to discontinue the authority for cities to have redevelopment agencies. The proposal being considered by the legislature is to discontinue redevelopment agencies as of July 1, 2011 and turn over any assets and liabilities to a successor agency charged with discharging the debts of the redevelopment agency.

**For action by:**

- City Council
- Redev. Agency Bd.
- Cap. Impr. Corp.
- VPFA

**For placement on which agenda:**

- Work Session
- Closed Session

**Regular Session:**

- Consent Calendar
- Regular Item
- Public Hearing

Est. Time (Min.): \_\_\_\_\_

**Review:**

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

**Finance** \_\_\_\_\_  
**City Atty** \_\_\_\_\_  
(Initials & date required or N/A)

**City Mgr** \_\_\_\_\_  
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.



It is appropriate to review and amend the advances from the General Fund to the Redevelopment Agency. To that end, the following advances are being amended to clarify that these advances are made against a pledge of future tax increment revenues.

The Central Advance from 2009 has a repayment schedule but needs to state the General Fund loan will be repaid from a pledge of tax increment. The other advances need the pledge and an amortization table because these loans were a general advance to be paid when resources were available.

Specifically, the following advances are included in the 1<sup>st</sup> Amendment for the East and Central loans, shown as of 6/30/10, as follows:

**General Fund Advances and Loans**

2001 East Visalia-Advance from General Fund - Operations	
Term: Until paid	3,632,723
2009 Central-General Fund Loan	
Term: 11/10/2040	3,496,127
	<hr/>
	10,663,176

Because the Central Redevelopment Agency has unencumbered cash, staff also recommends prepaying \$2.2 million towards the Central General Fund loan.

**Prior Council/Board Actions:**

**Committee/Commission Review and Actions:**

**Alternatives:** Act on some or none of the proposed actions.

**Attachments:**

**Recommended Motion (and Alternative Motions if expected):**

- 1) I move that Authorize the Agency's executive director to execute the 1<sup>st</sup> amendment of the loan agreements for the Central and East Visalia project areas including a \$2.2 million prepayment from the Central Redevelopment Agency; and,
- 2) Authorize the Agency Counsel and Executive Director, upon mutual consent, to make minor conforming and clarifying changes to the agreements.

***Environmental Assessment Status***

**CEQA Review:**

**NEPA Review:**

**Tracking Information:** *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to:

FIRST AMENDMENT  
TO THE  
LOAN AGREEMENT BETWEEN CITY AND AGENCY  
FOR THE CENTRAL VISALIA REDEVELOPMENT PROJECT

This First Amendment (“First Amendment”) to the Loan Repayment Agreement (hereinafter “Original Agreement”) by and between the Community Redevelopment Agency of the City of Visalia (“Agency”) and the City of Visalia (“City”) is entered into on this \_\_\_\_ day of \_\_\_\_\_, 2011.

RECITALS

WHEREAS, the City is a charter law city organized under provisions of California law; and

WHEREAS, the Agency is organized pursuant to provisions of California law and is authorized to undertake activities related to redevelopment within its defined project area boundaries within the City to remediate blight; and

WHEREAS, the Agency was unable to secure a loan with commercial lenders at favorable interest rates, and the deadline for issuance of debt for the Agency’s Central Project Area was November 15, 2009; and

WHEREAS, the City agreed to loan funds from its General Fund reserve to the Agency for purposes of sustaining redevelopment activities for the Agency’s Central Visalia Redevelopment Project, prior to the end of the Central Visalia Redevelopment Project’s debt issuance period; and

WHEREAS, it was anticipated that the Agency’s Central Visalia Redevelopment Project Area would generate enough tax increment funds over the remaining authorization period to repay City’s loan; and

WHEREAS, City and Agency previously entered into the Original Agreement dated as of November 1, 2009 for the purposes mentioned above. Due to changed circumstances, and further decisions of the parties, the City and Agency desire to amend the Original Agreement as set forth herein.

NOW THEREFORE, BE IT RESOLVED that the City and Agency agree to amend the Original Agreement as follows:

Section 1. The above recitals shall be incorporated as fully set forth herein.

Section 2. City agrees to loan to Agency THREE MILLION FOUR HUNDRED AND NINETY SIX THOUSAND ONE HUNDRED AND TWENTY SEVEN DOLLARS AND NO CENTS (\$3,496,127) for use in the Agency’s Central Visalia Redevelopment Project (the “Central Project Loan”). Interest on this principal amount shall accrue from the date of this

Agreement until paid in full unless, otherwise suspended or forgiven by City. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. Agency agrees to execute a Promissory Note to evidence Agency's indebtedness to the City.

### Section 3.

a. The Agency hereby pledges its tax increment for the repayment of the Central Project Loan and shall make annual payments to the City in the amounts and at the times set forth in the Payment Schedule attached hereto as Exhibit A and incorporated by reference. Generally, the parties agree that the Loan will accrue simple interest at the rate computed based on the most recently calculated average annual interest rate received on City's idle cash investment pool plus one percent. Beginning in fiscal year 2011, and continuing through fiscal year 2040 the Agency shall make annual payments of interest only to the City as set forth in the Payment Schedule (Exhibit A). Commencing in fiscal year 2012 the Agency shall make payments of principal and interest, in accordance with the Payment Schedule (Exhibit A), which payments shall continue until all amounts due and owing the City are paid in full. Each annual payment shall be due June 30 of each year (the last day of the applicable fiscal year). In addition to the annual payments, the Agency shall pay to the City a one-time payment equal to Two million, two hundred thousand \$2,200,000 in fiscal year 2011. Each payment shall be credited first to interest then due and the remainder to principal.

b. The City hereby agrees that the pledge of tax increment and obligation of the Agency to make annual payments to the City pursuant to this First Amended Agreement shall be fully subordinate to obligations of the Agency for the following: (1) existing agreement; (2) annual obligations required under the Community Redevelopment Law; and (3) to repay any Bonds and to all other obligations of the Agency under the indentures of trust pursuant to which the Bonds are issued.

c. In the event the Agency is disestablished, prohibited in any way from continuing activities or undertaking new activities under the Community Redevelopment Law, then the outstanding amount of the Central Project Loan shall be immediately due and payable, subject to any amounts owed as outlined in (b) above.

Section 4. The Central Project Area Loan may be prepaid by Agency to City, in whole or in part, at any time without consent of City and without penalty. Any partial prepayment shall be applied as provided above, shall not postpone the due date of any subsequent installments or change the amount of such installments, unless the City and Agency otherwise agree in writing.

Section 5. City will cooperate with the Agency in every way to facilitate its efforts to remove the existing debt issuance period for the Agency's Central Project Area and refinance existing indebtedness at lower interest rates if feasible.

Section 6. This First Amendment shall be construed in accordance with and governed by the laws of the State of California

Section 7. This First Amendment represents the entire understanding of the parties as

to those matters contained herein and supersedes all prior negotiations, representations, or agreement, both written and oral. This First Amendment may not be modified or altered except by written amendment executed by both parties.

Section 8. If any provision of this First Amendment shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 9. It is the intent of the parties that this First Amendment shall replace in its entirety the Original Agreement. Upon execution of this First Amendment by the Agency and the City, the Original Agreement shall be deemed terminated by the parties and shall thereafter be of no further force and effect.

Executed on this \_\_\_\_ day of \_\_\_\_\_ 2011, at Visalia, California.

City of Visalia The Community Redevelopment Agency of the City of Visalia

By: \_\_\_\_\_  
Steven M. Salomon  
City Manager

By: \_\_\_\_\_  
Executive Director

ATTEST:

ATTEST:

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

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

Approved as to Form

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

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

City Attorney

Risk Management

EXHIBIT A  
(PAYMENT SCHEDULE)

Amended Promissory Note

(City Loan to Agency for Central Visalia Project Area)

**BORROWER:** The Community Redevelopment Agency  
of the City of Visalia  
315 E. Acequia  
Visalia, California 93291

**HOLDER:** The City of Visalia  
425 East Oak Street, Suite 301  
Visalia, CA 93291

**DATE:** March 7, 2011

**PRINCIPAL AMOUNT:** \$3,496,127.00

For value received, the undersigned, The Community Redevelopment Agency of the City of Visalia (the "Borrower," which term includes any successors or assigns), a public entity organized and existing under the Redevelopment Law of the State of California, promises to pay to the order of the CITY OF VISALIA (the "Holder," which term includes any successors or assigns), 425 East Oak Street, Suite 301, Visalia, California 93291, or at such other place as the holder hereof may from time to time designate in writing, the principal amount of THREE MILLION FOUR HUNDRED AND NINETY SIX THOUSAND ONE HUNDRED AND TWENTY SEVEN DOLLARS AND NO CENTS (\$3,496,127) together with simple interest on the unpaid principal balance computed based on the most recently calculated average annual interest rate received on City's idle cash investment pool plus one percent. This Note is the obligation of Borrower, constitutes an indebtedness of Borrower, and is binding on it and its successors and assigns.

**A. Principal, Interest, and Repayment:**

Interest on the principal amount of this Note shall accrue from the date of this Note until paid in full unless otherwise suspended or forgiven by Holder. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The principal amount stems from an obligation created between the Borrower and Holder by a Loan Agreement between the parties entered November 1, 2009, and shall be repaid according to the terms of the first amendment which are incorporated herein by reference.

**B. Acceleration Upon Sale of Property Purchased with Loan Proceeds:**

At the option of the Holder of this Note, upon the sale by Borrower of any real property obtained with loan proceeds secured by this Note and any related Deed of Trust, to the extent of such sales proceeds this Note will be accelerated and such amount shall be immediately due and

payable to Holder, with notice and demand.

Payments, when made, shall be applied first to accrued interest to date of payment computed upon the outstanding unpaid balance, and the remainder applied to principal.

C. Acceleration Upon Default:

At the option of the Holder of this Note, the payment of all principal and interest due in accordance with the terms of this Note will be accelerated and such principal shall be immediately due and payable, with notice and demand, upon occurrence of any of the following events of default, provided the same shall remain uncured for a period of fifteen (15) days following written notice to Borrower: a) failure to pay any installment of principal and interest when due; b) dissolution or termination of existence of Borrower.

D. Attorney's Fees:

In the event it should become necessary for Holder to employ counsel to collect this obligation or to protect or foreclose the security given in connection herewith, the undersigned agrees to pay upon demand reasonable attorneys' fees for services of such counsel, whether or not suit is brought, plus costs incurred in connection therewith.

E. Prepayment:

This Note may be prepaid, in whole or in part, at any time without consent and without penalty. To pay in whole, all outstanding principal and interest must be paid as of the date of payment. Any partial prepayment shall be applied as provided above, shall not postpone the due date of any subsequent installments or change the amount of such installments, unless the note holder shall otherwise agree in writing.

F. Waivers:

No delay or omission on the part of the Holder hereof in exercising any right hereunder shall operate as a waiver of such right or a remedy on any future occasion.

G. Governing Law:

The terms and provisions of this Note are intended to be and shall be governed, interpreted and construed pursuant to the laws of the State of California and venue for any legal action relating to the interpretation or enforcement of the provisions of this Note or the obligations arising hereunder shall be proper in the Superior Court for the County of Tulare, State of California.

H. Conflict with Law:

If any interest rate, late charge, penalty, fee or cost provided for herein shall exceed that which is allowed pursuant to any applicable statute or law, said amount shall be deemed by the parties hereto to be modified so as to conform to and equal the maximum amount allowed by said statute or law. If any provisions hereof are in conflict with any applicable statute or law and



are determined to be not valid or enforceable, then each such provision shall be deemed null and void, but to the extent of such conflict only and without invalidity or affecting the remaining provisions hereof.

I. Notice:

Any notice to be given to the Holder of this Note shall be given by first class United States mail at the address set forth in the first paragraph above or such further address as shall be directed in writing to makers. Any notice to be given to any undersigned or Borrower shall be given at the address(es) set forth below or such further address as shall be directed in writing to holder hereof.

J. Amendment:

Any amendment of this Note shall be in writing and executed by each party hereto.

The Community Redevelopment  
Agency of the City of Visalia

By: \_\_\_\_\_  
Executive Director

ATTEST:

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

FIRST AMENDMENT  
TO THE  
LOAN AGREEMENT BETWEEN CITY AND AGENCY  
FOR THE EAST VISALIA REDEVELOPMENT PROJECT

This First Amendment (“First Amendment”) to the Loan Repayment Agreement (hereinafter “Original Agreement”) by and between the Community Redevelopment Agency of the City of Visalia (“Agency”) and the City of Visalia (“City”) is entered into on this \_\_\_\_ day of \_\_\_\_\_, 2011.

RECITALS

WHEREAS, the City is a charter law city organized under provisions of California law; and

WHEREAS, the Agency is organized pursuant to provisions of California law and is authorized to undertake activities related to redevelopment within its defined project area boundaries within the City to remediate blight; and

WHEREAS, the Agency was unable to secure a loan with commercial lenders at favorable interest rates, and the deadline for issuance of debt for the Agency’s East Project Area was July 7, 2006; and

WHEREAS, the City agreed to loan funds from its General Fund reserve to the Agency for purposes of sustaining redevelopment activities for the Agency’s East Visalia Redevelopment Project, prior to the end of the East Visalia Redevelopment Project’s debt issuance period; and

WHEREAS, it was anticipated that the Agency’s East Visalia Redevelopment Project Area would generate enough tax increment funds over the remaining authorization period to repay City’s loan; and

WHEREAS, City and Agency previously entered into the Original Agreement dated as of June 14, 1999 for the purposes mentioned above. Due to changed circumstances, and further decisions of the parties, the City and Agency desire to amend the Original Agreement as set forth herein.

NOW THEREFORE, BE IT RESOLVED that the City and Agency agree to amend the Original Agreement as follows:

Section 1. The above recitals shall be incorporated as fully set forth herein.

Section 2. City agrees to loan to Agency THREE MILLION SIX HUNDRED AND THIRTY TWO THOUSAND SEVEN HUNDRED AND TWENTY THREE DOLLARS AND NO CENTS (\$3,632,723) for use in the Agency’s East Visalia Redevelopment Project (the “East Project Loan”). Interest on this principal amount shall accrue from the date of this Agreement until paid in full unless, otherwise suspended or forgiven by City. Interest shall be calculated on

the basis of a 360-day year consisting of twelve 30-day months. Agency agrees to execute a Promissory Note to evidence Agency's indebtedness to the City.

### Section 3.

a. The Agency hereby pledges its tax increment for the repayment of the East Project Loan and shall make annual payments to the City in the amounts and at the times set forth in the Payment Schedule attached hereto as Exhibit A and incorporated by reference. Generally, the parties agree that the Loan will accrue simple interest at the rate computed based on the most recently calculated average annual interest rate received on City's idle cash investment pool plus one percent. Beginning in fiscal year 2011, and continuing through fiscal year 2029 the Agency shall make annual payments of interest only to the City as set forth in the Payment Schedule (Exhibit A). Commencing in fiscal year 2012, the Agency shall make payments of principal and interest, in accordance with the Payment Schedule (Exhibit A), which payments shall continue until all amounts due and owing the City are paid in full. Each annual payment shall be due June 30 of each year (the last day of the applicable fiscal year

b. The City hereby agrees that the pledge of tax increment and obligation of the Agency to make annual payments to the City pursuant to this First Amended Agreement shall be fully subordinate to obligations of the Agency for the following: (1) existing agreement; (2) annual obligations required under the Community Redevelopment Law; and (3) to repay any Bonds and to all other obligations of the Agency under the indentures of trust pursuant to which the Bonds are issued.

c. In the event the Agency is disestablished, prohibited in any way from continuing activities or undertaking new activities under the Community Redevelopment Law, then the outstanding amount of the East Project Loan shall be immediately due and payable, subject to any amounts owed as outlined in (b) above.

Section 4. The East Project Area Loan may be prepaid by Agency to City, in whole or in part, at any time without consent of City and without penalty. Any partial prepayment shall be applied as provided above, shall not postpone the due date of any subsequent installments or change the amount of such installments, unless the City and Agency otherwise agree in writing.

Section 5. City will cooperate with the Agency in every way to facilitate its efforts to remove the existing debt issuance period for the Agency's East Project Area and refinance existing indebtedness at lower interest rates if feasible.

Section 6. This First Amendment shall be construed in accordance with and governed by the laws of the State of California

Section 7. This First Amendment represents the entire understanding of the parties as to those matters contained herein and supersedes all prior negotiations, representations, or agreement, both written and oral. This First Amendment may not be modified or altered except by written amendment executed by both parties.

Section 8. If any provision of this First Amendment shall be invalid, illegal or

unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 9. It is the intent of the parties that this First Amendment shall replace in its entirety the Original Agreement. Upon execution of this First Amendment by the Agency and the City, the Original Agreement shall be deemed terminated by the parties and shall thereafter be of no further force and effect.

Executed on this \_\_\_\_ day of \_\_\_\_\_ 2011, at Visalia, California.

City of Visalia The Community Redevelopment Agency of the City of Visalia

By: \_\_\_\_\_  
Steven M. Salomon  
City Manager

By: \_\_\_\_\_  
Executive Director

ATTEST:

ATTEST:

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

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

Approved as to Form

By: \_\_\_\_\_  
City Attorney

By: \_\_\_\_\_  
Risk Management

**EXHIBIT A**  
**(PAYMENT SCHEDULE)**

Amended Promissory Note

(City Loan to Agency for East Visalia Project Area)

**BORROWER:** The Community Redevelopment Agency  
of the City of Visalia  
315 E. Acequia  
Visalia, California 93291

**HOLDER:** The City of Visalia  
425 East Oak Street, Suite 301  
Visalia, CA 93291

**DATE:** March 7, 2011

**PRINCIPAL AMOUNT:** \$3,632,723.00

For value received, the undersigned, The Community Redevelopment Agency of the City of Visalia (the "Borrower," which term includes any successors or assigns), a public entity organized and existing under the Redevelopment Law of the State of California, promises to pay to the order of the CITY OF VISALIA (the "Holder," which term includes any successors or assigns), 425 East Oak Street, Suite 301, Visalia, California 93291, or at such other place as the holder hereof may from time to time designate in writing, the principal amount of **THREE MILLION SIX HUNDRED AND THIRTY TWO THOUSAND SEVEN HUNDRED AND TWENTY THREE DOLLARS AND NO CENTS (\$3,632,723)** together with simple interest on the unpaid principal balance computed based on the most recently calculated average annual interest rate received on City's idle cash investment pool plus one percent. This Note is the obligation of Borrower, constitutes an indebtedness of Borrower, and is binding on it and its successors and assigns.

**A. Principal, Interest, and Repayment:**

Interest on the principal amount of this Note shall accrue from the date of this Note until paid in full unless otherwise suspended or forgiven by Holder. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The principal amount stems from an obligation created between the Borrower and Holder by a Loan Agreement between the parties entered June 14, 1999, and shall be repaid according to the terms of the first amendment which are incorporated herein by reference.

**B. Acceleration Upon Sale of Property Purchased with Loan Proceeds:**

At the option of the Holder of this Note, upon the sale by Borrower of any real property

obtained with loan proceeds secured by this Note and any related Deed of Trust, to the extent of such sales proceeds this Note will be accelerated and such amount shall be immediately due and payable to Holder, with notice and demand.

Payments, when made, shall be applied first to accrued interest to date of payment computed upon the outstanding unpaid balance, and the remainder applied to principal.

C. Acceleration Upon Default:

At the option of the Holder of this Note, the payment of all principal and interest due in accordance with the terms of this Note will be accelerated and such principal shall be immediately due and payable, with notice and demand, upon occurrence of any of the following events of default, provided the same shall remain uncured for a period of fifteen (15) days following written notice to Borrower: a) failure to pay any installment of principal and interest when due; b) dissolution or termination of existence of Borrower.

D. Attorney's Fees:

In the event it should become necessary for Holder to employ counsel to collect this obligation or to protect or foreclose the security given in connection herewith, the undersigned agrees to pay upon demand reasonable attorneys' fees for services of such counsel, whether or not suit is brought, plus costs incurred in connection therewith.

E. Prepayment:

This Note may be prepaid, in whole or in part, at any time without consent and without penalty. To pay in whole, all outstanding principal and interest must be paid as of the date of payment. Any partial prepayment shall be applied as provided above, shall not postpone the due date of any subsequent installments or change the amount of such installments, unless the note holder shall otherwise agree in writing.

F. Waivers:

No delay or omission on the part of the Holder hereof in exercising any right hereunder shall operate as a waiver of such right or a remedy on any future occasion.

G. Governing Law:

The terms and provisions of this Note are intended to be and shall be governed, interpreted and construed pursuant to the laws of the State of California and venue for any legal action relating to the interpretation or enforcement of the provisions of this Note or the obligations arising hereunder shall be proper in the Superior Court for the County of Tulare, State of California.

H. Conflict with Law:

If any interest rate, late charge, penalty, fee or cost provided for herein shall exceed that which is allowed pursuant to any applicable statute or law, said amount shall be deemed by the

parties hereto to be modified so as to conform to and equal the maximum amount allowed by said statute or law. If any provisions hereof are in conflict with any applicable statute or law and are determined to be not valid or enforceable, then each such provision shall be deemed null and void, but to the extent of such conflict only and without invalidity or affecting the remaining provisions hereof.

I. Notice:

Any notice to be given to the Holder of this Note shall be given by first class United States mail at the address set forth in the first paragraph above or such further address as shall be directed in writing to makers. Any notice to be given to any undersigned or Borrower shall be given at the address(es) set forth below or such further address as shall be directed in writing to holder hereof.

J. Amendment:

Any amendment of this Note shall be in writing and executed by each party hereto.

The Community Redevelopment  
Agency of the City of Visalia

By: \_\_\_\_\_  
Executive Director

ATTEST:

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



**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** March 7, 2011

**Agenda Item Number (Assigned by City Clerk):** 8c

**Agenda Item Wording:** Authorize the execution of three General Fund Advance Agreements for three land purchases: Edison, Van Ness and Railroad.

**Deadline for Action:**

**Submitting Department:** Housing and Economic Development, Administrative Services

**Contact Name and Phone Number:** Eric Frost, 713-4474  
Ricardo Noguera, 713-4190

**Department Recommendation:**

That the Visalia Redevelopment Agency Board authorizes:

- a) the Agency Executive Director to execute three General Fund Advance Agreements for three land purchases: Edison, Van Ness and Railroad; and,
- b) the Agency Counsel and Executive Director, upon mutual consent, to make minor conforming and clarifying changes to the agreements.

**Summary/background:**

During the first 5 years of the last decade, the East Visalia Redevelopment project area purchased 4 parcels. The East Visalia Redevelopment project areas did not have cash to purchase these properties, so the City's General Fund advanced cash sufficient to pay for the properties. Attachment I shows the location of the subject properties. The details of the advances are as follows:

**For action by:**

City Council  
 Redev. Agency Bd.  
 Cap. Impr. Corp.  
 VPFA

**For placement on which agenda:**

Work Session  
 Closed Session

**Regular Session:**

Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.): \_\_\_\_\_

**Review:**

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

**Finance** \_\_\_\_\_  
**City Atty** \_\_\_\_\_  
(Initials & date required or N/A)

**City Mgr** \_\_\_\_\_  
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

Property	APN	Date of Original Advance	Original Advance	Return or principal from property sale	Accrued Interest	Outstanding Balance as of 6/30/10
Edison	098-142-036	09/30/2001	\$946,227	(\$823,937)	\$161,271	\$283,561
Van Ness (2)	094-180-006 094-180-007	04/30/2002	\$998,450		\$340,322	\$1,338,772
Railroad	094-180-005	06/30/2005	\$1,527,762		\$384,232	\$1,911,994
		Total	\$3,472,439	(\$823,937)	\$885,825	\$3,534,327

During the time between the advance and today, two subdivisions of the Edison property have been purchased. The proceeds from those purchases have reduced the outstanding principal by \$823,937. No other monies have been repaid on the advances.

At the time the Agency was authorized to purchase the property, the City Council authorized the advance of monies to fund the purchase. This action tonight will formalize the repayment of these cash advances for land purchase.

**Prior Council/Board Actions:**

**Committee/Commission Review and Actions:**

**Alternatives:**

**Attachments:** General Fund Advance Agreement: Edison  
General Fund Advance Agreement: Van Ness  
General Fund Advance Agreement: Railroad

**Recommended Motion (and Alternative Motions if expected):** I move that the Agency authorizes the executive director to execute three General Fund Advance Agreements for the purchase of the Van Ness, Edison and Railroad properties and that the Agency Counsel and Executive Director, upon mutual consent, may make minor conforming and clarifying changes to the agreements

***Environmental Assessment Status***

**CEQA Review:**

**NEPA Review:**

**Tracking Information:** *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to:

GENERAL FUND ADVANCE AGREEMENT  
FOR THE EDISON PROPERTY

This fund Advance Agreement by and between the Community Redevelopment Agency of the City of Visalia (“Agency”) and the City of Visalia (“City”) is entered into on this \_\_\_\_ day of \_\_\_\_\_, 2011.

RECITALS

WHEREAS, the City is a charter law city organized under provisions of California law; and

WHEREAS, the Agency is organized pursuant to provisions of California law and is authorized to undertake activities related to redevelopment within its defined project area boundaries within the City to remediate blight; and

WHEREAS, on June 4, 2001, the Agency Board of Directors approved the Purchase and Sale Agreement with Southern California Edison for the purchase of a 9-acre, more or less, parcel located at the southeast corner of N. Ben Maddox Way and Goshen Avenue (APN Number 098-142-036) (“Property”), for \$944,000 plus shared applicable closing and related costs. This is a redevelopment activity for the Agency’s East Visalia Redevelopment Project; and

WHEREAS, on January 6, 2003 the City of Visalia City Council approved the advance of funds from City’s General Fund to Agency (“Advance”) for purposes of purchasing Property, and authorized the Visalia City Manager to execute Promissory Notes and Deeds of Trust on behalf of the City for the Advance by City to Agency for the purchase of Property; and

WHEREAS, while the Advance was implemented and the Property was purchased by the Agency, the terms of the Advance was never documented; and

WHEREAS, no tax increment was used to purchase the Property.

NOW THEREFORE, BE IT RESOLVED that the City and Agency agree as follows:

Section 1. Outstanding Advance Balance. The outstanding Advance amount owed by Agency to City is two hundred twenty six thousand, five hundred and seventy seven dollars (\$226,577) in principal and five hundred and fifty six thousand, nine hundred and eighty four dollars (\$56,984) in interest for a total of two hundred eighty three thousand, five hundred and sixty one dollars (\$283,561) (“Advance Balance”).

Section 2. Payment.

a. The Advance Balance shall be payable in annual installment payments of principal and interest. Agency shall make payments of principal and interest, which payments shall continue until all amounts due and owing to the City are paid in full. Each annual payment shall be due June 30 of each year (the last day of the applicable fiscal year).

b. The Advance Balance may be paid by Agency, in whole or in part, at any time without consent of City and without penalty. Any partial prepayment shall be applied as provided above, shall not alleviate Agency's obligation to repay any outstanding Advance Balance, unless the City and Agency otherwise agree in writing.

c. Agency may also apply Property sale proceeds to the reduction or complete satisfaction of the Advance Balance whereby payments, when made, shall be applied first to accrued interest to date of payment computed upon the outstanding unpaid balance, and the remainder applied to principal.

d. Agency may also transfer title to the Property to City, at any time, as complete satisfaction of Advance Balance.

Section 3. Cooperation. City and Agency will cooperate in every way to facilitate efforts to effectuate repayment of the Advance Balance.

Section 4. Governing Laws. This First Amendment shall be construed in accordance with and governed by the laws of the State of California

Section 5. Integration. This Agreement represents the entire understanding of the parties as to those matters contained herein and supersedes all prior negotiations, representations, or agreement, both written and oral. This Agreement may not be modified or altered except by written amendment executed by both parties.

Section 6. Partial Invalidity. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 7. Supersedes Prior Agreements. The terms and conditions of this Agreement supersedes any all terms and conditions of prior agreements between City and Agency related to the Advance and Property. If terms the terms or conditions of this Agreement are found to be inconsistent with the terms and conditions of other prior agreements between City and Agency related to the Advance and Property, the terms and conditions of this Agreement shall control.

Executed on this \_\_\_\_ day of \_\_\_\_\_ 2011, at Visalia, California.

City of Visalia The Community Redevelopment Agency of the City of Visalia

By: \_\_\_\_\_  
Steven M. Salomon  
City Manager

By: \_\_\_\_\_  
Executive Director

ATTEST:

ATTEST:

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

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

Approved as to Form

By: \_\_\_\_\_  
City Attorney

By: \_\_\_\_\_  
Risk Management

GENERAL FUND ADVANCE AGREEMENT  
FOR THE VAN NESS PROPERTY

This fund Advance Agreement by and between the Community Redevelopment Agency of the City of Visalia (“Agency”) and the City of Visalia (“City”) is entered into on this \_\_\_\_ day of \_\_\_\_\_, 2011.

RECITALS

WHEREAS, the City is a charter law city organized under provisions of California law; and

WHEREAS, the Agency is organized pursuant to provisions of California law and is authorized to undertake activities related to redevelopment within its defined project area boundaries within the City to remediate blight; and

WHEREAS, on April 1, 2002 the City of Visalia City Council (“City Council”) and Agency Board of Directors approved the modification/amendment to the annual loan agreement between the City and Agency to provide an estimated nine hundred ninety five thousand dollars (\$995,000) in additional loan funding to allow the Agency to purchase two (2) properties located at the southeast corner of Goshen Avenue and Burke Street: (1) APN Number 094-180-006 from E. Max Van Ness and Freda W. Van Ness, as trustees for the Van Ness Family for eight hundred twenty five thousand dollars (\$825,000); and (2) APN Number 094-180-007 from Van Ness Enterprises, Inc. for three hundred fifty thousand dollars (\$350,000) (referred to collectively herein as “Property”). Acquisition of Property by Agency is a redevelopment activity for the Agency’s East Visalia Redevelopment Project; and

WHEREAS, to fund the remaining cost of the land purchase, the waterway fund paid one hundred thousand dollars (\$100,000) for access to the creek in the Van Ness property and the transportation fund contributed eighty thousand dollars (\$80,000) for road right of way on the Van Ness property.

WHEREAS, on January 6, 2003 the City Council approved the advance of funds from City’s General Fund to Agency (“Advance”) for purposes of purchasing Property, and authorized the Visalia City Manager to execute Promissory Notes and Deeds of Trust on behalf of the City for the Advance by City to Agency for the purchase of Property; and

WHEREAS, while the Advance was implemented and the Property was purchased by the Agency, the terms of the Advance was never documented; and

WHEREAS, no tax increment was used to purchase the Property.

NOW THEREFORE, BE IT RESOLVED that the City and Agency agree as follows:

Section 1. Outstanding Advance Balance. The outstanding Advance amount owed by Agency to City is nine hundred ninety eight thousand, four hundred fifty dollars (\$998,450) in principal and three hundred forty thousand, three hundred twenty two dollars (\$340,322) in

interest for a total of one million, three hundred and thirty three thousand, seven hundred and seventy two dollars (\$1,338,772) (“Advance Balance”).

Section 2. Payment.

a. The Advance Balance shall be payable in annual installment payments of principal and interest. Agency shall make payments of principal and interest, which payments shall continue until all amounts due and owing to the City are paid in full. Each annual payment shall be due June 30 of each year (the last day of the applicable fiscal year).

b. The Advance Balance may be paid by Agency, in whole or in part, at any time without consent of City and without penalty. Any partial prepayment shall be applied as provided above, shall not alleviate Agency’s obligation to repay any outstanding Advance Balance, unless the City and Agency otherwise agree in writing.

c. Agency may also apply Property sale proceeds to the reduction or complete satisfaction of the Advance Balance whereby payments, when made, shall be applied first to accrued interest to date of payment computed upon the outstanding unpaid balance, and the remainder applied to principal.

d. Agency may also transfer title to the Property to City, at any time, as complete satisfaction of Advance Balance.

Section 3. Cooperation. City and Agency will cooperate in every way to facilitate efforts to effectuate repayment of the Advance Balance.

Section 4. Governing Laws. This First Amendment shall be construed in accordance with and governed by the laws of the State of California

Section 5. Integration. This Agreement represents the entire understanding of the parties as to those matters contained herein and supersedes all prior negotiations, representations, or agreement, both written and oral. This Agreement may not be modified or altered except by written amendment executed by both parties.

Section 6. Partial Invalidity. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.



Section 7. Supersedes Prior Agreements. The terms and conditions of this Agreement supersedes any all terms and conditions of prior agreements between City and Agency related to the Advance and Property. If terms the terms or conditions of this Agreement are found to be inconsistent with the terms and conditions of other prior agreements between City and Agency related to the Advance and Property, the terms and conditions of this Agreement shall control.

Executed on this \_\_\_\_\_ day of \_\_\_\_\_ 2011, at Visalia, California.

City of Visalia The Community Redevelopment Agency of the City of Visalia

By: \_\_\_\_\_  
Steven M. Salomon  
City Manager

By: \_\_\_\_\_  
Executive Director

ATTEST:

ATTEST:

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

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

Approved as to Form

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

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

City Attorney

Risk Management

GENERAL FUND ADVANCE AGREEMENT  
FOR THE RAILROAD PROPERTY

This fund Advance Agreement by and between the Community Redevelopment Agency of the City of Visalia (“Agency”) and the City of Visalia (“City”) is entered into on this \_\_\_\_ day of \_\_\_\_\_, 2011.

RECITALS

WHEREAS, the City is a charter law city organized under provisions of California law; and

WHEREAS, the Agency is organized pursuant to provisions of California law and is authorized to undertake activities related to redevelopment within its defined project area boundaries within the City to remediate blight; and

WHEREAS, on December 13, 2004, the Agency Board of Directors approved the Purchase and Sale Agreement with Union Pacific Railroad for the purchase of 22.7 acres (APN Number 094-180-005) (“Property”), for one million five hundred twenty seven thousand, seven hundred and sixty two dollars (\$1,527,762). This is a redevelopment activity for the Agency’s East Visalia Redevelopment Project; and

WHEREAS, on December 13, 2004 the City of Visalia City Council approved the advance of funds from City’s General Fund to Agency (“Advance”) for purposes of purchasing Property, and authorized the Visalia City Manager to execute Promissory Notes and Deeds of Trust on behalf of the City for the Advance by City to Agency for the purchase of Property; and

WHEREAS, while the Advance was implemented and the Property was purchased by the Agency, the terms of the Advance was never documented; and

WHEREAS, no tax increment was used to purchase the Property.

NOW THEREFORE, BE IT RESOLVED that the City and Agency agree as follows:

Section 1. Outstanding Advance Balance. The outstanding Advance amount owed by Agency to City is one million five hundred twenty seven thousand, seven hundred and sixty two dollars (\$1,527,762) in principal and three hundred eighty four thousand, two hundred and thirty two dollars (\$384,232) in interest for a total of one million nine hundred and eleven thousand, nine hundred and ninety four dollars (\$1,911,994)(“Advance Balance”).

Section 2. Payment.

a. The Advance Balance shall be payable in annual installment payments of principal and interest. Agency shall make payments of principal and interest, which payments shall continue until all amounts due and owing to the City are paid in full. Each annual payment shall be due June 30 of each year (the last day of the applicable fiscal year).

b. The Advance Balance may be paid by Agency, in whole or in part, at any time without consent of City and without penalty. Any partial prepayment shall be applied as provided above, shall not alleviate Agency's obligation to repay any outstanding Advance Balance, unless the City and Agency otherwise agree in writing.

c. Agency may also apply Property sale proceeds to the reduction or complete satisfaction of the Advance Balance whereby payments, when made, shall be applied first to accrued interest to date of payment computed upon the outstanding unpaid balance, and the remainder applied to principal.

d. Agency may also transfer title to the Property to City, at any time, as complete satisfaction of Advance Balance.

Section 3. Cooperation. City and Agency will cooperate in every way to facilitate efforts to effectuate repayment of the Advance Balance.

Section 4. Governing Laws. This First Amendment shall be construed in accordance with and governed by the laws of the State of California

Section 5. Integration. This Agreement represents the entire understanding of the parties as to those matters contained herein and supersedes all prior negotiations, representations, or agreement, both written and oral. This Agreement may not be modified or altered except by written amendment executed by both parties.

Section 6. Partial Invalidity. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 7. Supersedes Prior Agreements. The terms and conditions of this Agreement supersedes any all terms and conditions of prior agreements between City and Agency related to the Advance and Property. If terms the terms or conditions of this Agreement are found to be inconsistent with the terms and conditions of other prior agreements between City and Agency related to the Advance and Property, the terms and conditions of this Agreement shall control.

Executed on this \_\_\_\_\_ day of \_\_\_\_\_ 2011, at Visalia, California.

City of Visalia The Community Redevelopment Agency of the City of Visalia

By: \_\_\_\_\_  
Steven M. Salomon  
City Manager

By: \_\_\_\_\_  
Executive Director

ATTEST:

ATTEST:

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

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

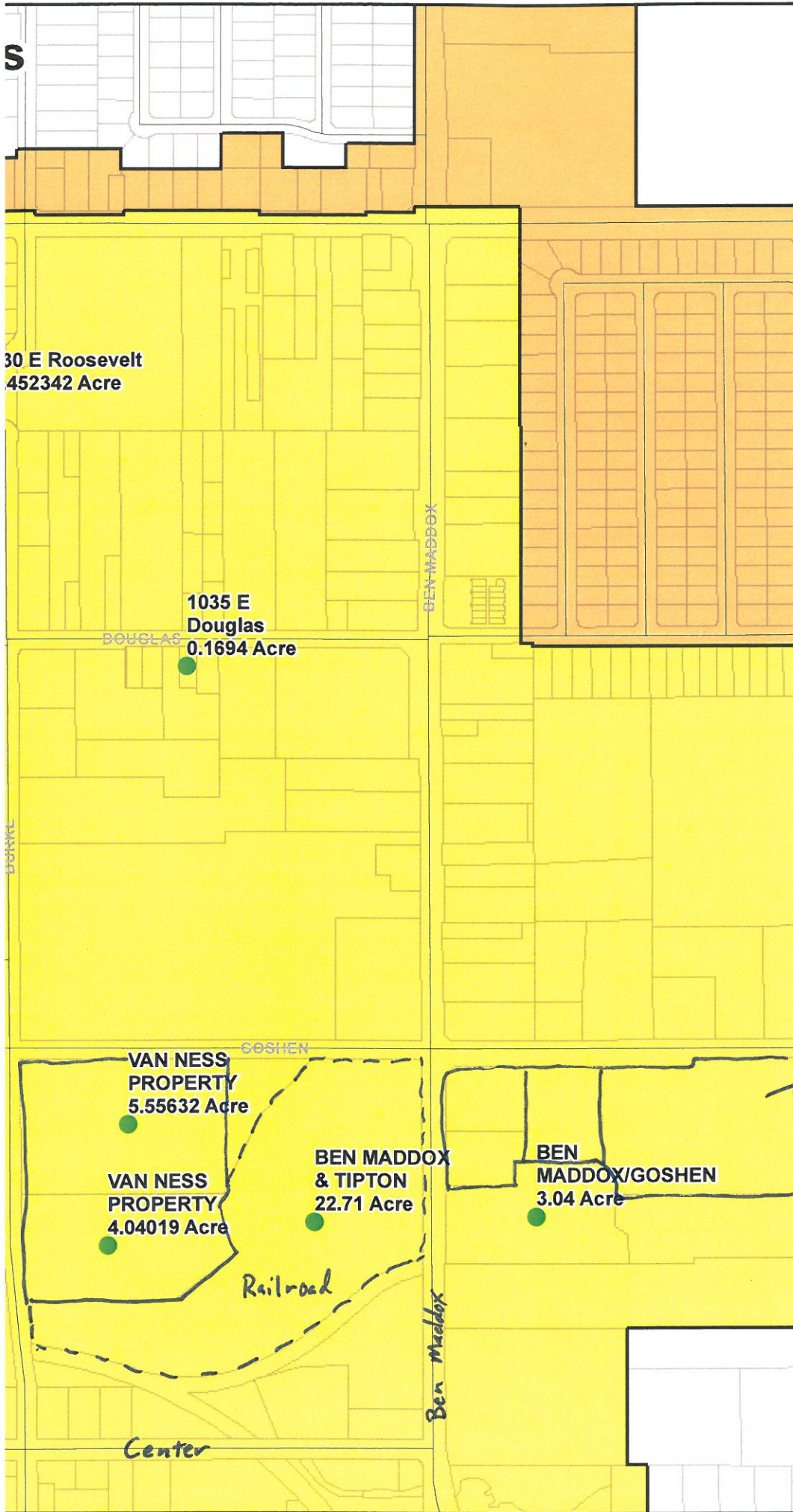
Approved as to Form

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

City Attorney

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

Risk Management



30 E Roosevelt  
452342 Acre

1035 E  
Douglas  
0.1694 Acre

DOUGLAS

BEN-MADDOX

VAN NESS  
PROPERTY  
5.55632 Acre

VAN NESS  
PROPERTY  
4.04019 Acre

BEN MADDOX  
& TIPTON  
22.71 Acre

BEN  
MADDOX/GOSHEN  
3.04 Acre

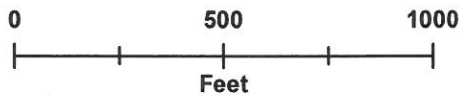
Railroad

Ben Maddox

Edison

Center

- RDA Properties
- Central Business District
- Central Visalia
- East Visalia
- Streets
- Parcels



## City of Visalia Agenda Item Transmittal

**Meeting Date:** March 7, 2011

**Agenda Item Number (Assigned by City Clerk):** 8d

**Agenda Item Wording:** Authorize the executive director to prepay the East Visalia Project Area General Fund Advance Agreements for the Edison, Van Ness and Rail Road Properties.

**Deadline for Action:**

**Submitting Department:** Housing and Economic Development, Administrative Services

**Contact Name and Phone Number:** Eric Frost, 713-4474  
Ricardo Noguera, 713-4190

**Department Recommendation:**

Authorize the executive director to prepay the General Fund Advance Agreements by transferring the property from the Agency to the City for the Edison, Van Ness and Rail Road Properties.

**Summary/background:**

The East Visalia Project Areas has three General Fund Advance Agreements used to purchase land in the East Visalia Project Area. The three agreements are as follows:

**For action by:**

City Council  
 Redev. Agency Bd.  
 Cap. Impr. Corp.  
 VPFA

**For placement on which agenda:**

Work Session  
 Closed Session

**Regular Session:**

Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.): \_\_\_\_\_

**Review:**

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

**Finance** \_\_\_\_\_  
**City Atty** \_\_\_\_\_  
(Initials & date required or N/A)

**City Mgr** \_\_\_\_\_  
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

Property	APN	Date of Original Advance	Original Advance	Return or principal from property sale	Accrued Interest	Outstanding Balance as of 6/30/10
Edison	098-142-036	09/30/2001	\$946,227	(\$823,937)	\$161,271	\$283,561
Van Ness (2)	094-180-006 094-180-007	04/30/2002	\$998,450		\$340,322	\$1,338,772
Railroad	094-180-005	06/30/2005	\$1,527,762		\$384,232	\$1,911,994
		Total	\$3,472,439	(\$823,937)	\$885,825	\$3,534,327

During the time between the advance and today, two subdivisions of the Edison property have been purchased. The proceeds from those purchases have reduced the outstanding principal by \$823,937. No other monies have been repaid on the advances.

As an option in the fund advance agreement, the Agency may prepay the advance by deeding the land to the City as complete satisfaction for the accrued interest and principal advance amounts. Staff recommends that the Agency Board direct staff to prepay the General Fund Advance agreements on this basis for the Edison, Van Ness and Railroad properties.

**Prior Council/Board Actions:**

**Committee/Commission Review and Actions:**

**Alternatives:**

**Attachments:**

**Recommended Motion (and Alternative Motions if expected):** I move that the executive director prepay the General Fund Advance Agreements by transferring the property from the Agency to the City for the Edison, Van Ness and Rail Road Properties.

***Environmental Assessment Status***

**CEQA Review:**

**NEPA Review:**

**Tracking Information:** *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to:

This document last revised: 3/4/11 2:43:00 PM

File location and name: H:\(1) AGENDAS for Council - DO NOT REMOVE\2011\3-7-2011\Item 8d RDA Prepay General Fund Advance Agreements for Land Purchases.doc

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** March 7, 2011

**Agenda Item Number (Assigned by City Clerk):** 8e

**Agenda Item Wording:** Deposit \$670,000 of Central Redevelopment Agency funds to the Property Owner Association Fund as its obligation toward the Property Owners Association (POA) for Ten Years

**Deadline for Action:** March 7, 2011

**Submitting Departments:** Housing & Economic Development and Administrative Services Departments

**Contact Name and Phone Number:**

Ricardo Noguera, Housing & Economic Development Director, Ext 4190; Eric Frost, Administrative Services Director, 4434

**Department Recommendation:**

Authorize the Executive Director of the City of Visalia's Redevelopment Agency to deposit \$670,000 of Central Redevelopment Agency funds to the Property Owner Association Fund as its obligation toward the Property Owners Association (POA) for Ten Years

**Background/Summary**

The Downtown Visalians; a non-profit business association; established the Property Business Improvement District (PBID) in 1997. The PBID was funded through property owner assessments in two areas of Downtown Visalia (contiguous). These two areas fall within three of the City's Redevelopment Project Areas (Central, East and Downtown). As a result, the City's Redevelopment Agency has funded the assessment as a property owner within the PBID. The PBID contracts to provide services and operate programs to support economic vitality in Downtown Visalia. Activities include: business recruitment and retention; marketing; security; landscaping; and graffiti and litter removal. These activities and programs have been in place and funded with RDA funds since the formation of the PBID in 1997.

In July 2010, the PBID was extended for an additional ten years commencing January 1, 2011. The Visalia RDA has committed to funding \$67,000 per year for ten years. This is the same source of funding which the Agency has contributed toward the PBID since its formation in 1997.

**Prior Council/Board Actions:**

**For action by:**

- City Council
- Redev. Agency Bd.
- Cap. Impr. Corp.
- VPFA

**For placement on which agenda:**

- Work Session
- Closed Session

**Regular Session:**

- Consent Calendar
- Regular Item
- Public Hearing

Est. Time (Min.):\_2\_

**Review:**

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

**Finance** \_\_\_\_\_  
**City Atty**   N/A    
(Initials & date required or N/A)

**City Mgr** \_\_\_\_\_  
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.



- May 17, 2010 – Adopted a Resolution of Intention to create a Property & Business Improvement District (IV) for ten (10) years; Directed the City Clerk’s Office, in conjunction with the Downtown Visalia Alliance, to initiate the election balloting process required to complete the formation in accordance with the applicable sections of the Street & Highway Code and Proposition 218 and; Directed the City Manager, on behalf of the City Council, to vote in favor of the formation for those City properties within the proposed PBID IV District at the estimated \$67,303.86 per year assessment rate for ten (10) years and approve the Management Plan; Set July 12, 2010 as the date of a Public Hearing to receive public testimony and comments regarding the proposed formation of PBID IV and consideration of a Resolution of Formation.
- July 12, 2010 – Held a public hearing in order to receive input on the proposed formation of PBID IV and consideration of a Resolution of Formation. Invite any outstanding votes to be brought forward for counting and results to be presented by the City Clerk; PBID Formation Actions: Approved the District boundaries, assessments, exemptions, work program and budget per the proposed Management Plan for the Downtown Visalia Property and Business Improvement District dated May 2010, authorize staff to file the District in order to receive the annual assessments, authorized the City Manager to execute the agreement with the Downtown Visalians, Inc. for day-to-day operations and activities.

**Committee/Commission Review and Actions:** None.

**Alternatives:** None

**Attachments:** July 10, 2010 PBID Agreement

**Recommended Motion (and Alternative Motions if expected):** I move that the Redevelopment agency authorize the Executive Director of the City of Visalia’s Redevelopment Agency to deposit \$670,000 of Central Redevelopment Agency funds to the Property Owner Association Fund as its obligation toward the Property Owners Association (POA) for Ten Years

***Environmental Assessment Status***

**CEQA Review: N/A**  
**NEPA Review:**

**Tracking Information:** *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*