

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

Monday, March 21, 2011

City Hall Council Chambers, 707 W. Acequia, Visalia CA 93291
Work Session 4:00 p.m.; Closed Session immediately following
Regular Session 7:00 p.m.

4:00 p.m. **WORK SESSION AND ACTION ITEMS (as described)**

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. Each speaker 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.*



1. Semi-annual update on comprehensive SMART TEAM (Specific Measurable Achievable Relevant Time-bound) efforts and accomplishments from July 1, 2010 through December 31, 2010 and first reading of an Ordinance which clarifies the required number of calls for service (except medical emergencies) before a property can be inspected for violating the management quality standards described in Visalia Municipal Code Section 15.44.160C and 8.40.060C. **1st reading of Ordinance 2011-03 required.**
2. Receive update on the status of work projects as a result of the December 2010 storms; approve the relocation of the primary Emergency Operations Center to Fire Station 55, and purchase an additional generator and other miscellaneous improvements and appropriate \$65,000 from the City's Emergency Reserves for this cost.
3. Receive FY 2010/11 mid year financial report on the General Fund, Measure T, Transportation Funds and Enterprise Funds; and preliminary projections for FY 2011/12 General Fund with recommended actions.

The time listed for each work session item is an estimate of the time the Council will address that portion of the agenda. Members of the public should be aware that the estimated times may vary. Any items not completed prior to Closed Session may be continued to the evening session at the discretion of the Council.

ITEMS OF INTEREST

6:00 p.m. CLOSED SESSION (immediately following Work Session)

4. Conference with Legal Counsel – Existing Litigation (G.C. 54956.9)
Name of Case: Ramos v. City of Visalia - TCSC 09-231511
5. Conference with Legal Counsel – Existing Litigation - Subdivision (a) of Section 54956.9
Solis v. City of Visalia – TCSC 09-232070
6. Conference with Legal Counsel – Existing Litigation - Subdivision (a) of Section 54956.9
Stinebaugh v. City of Visalia – TCSC 10-238330
7. Conference with Legal Counsel – Anticipated Litigation
Initiation of litigation pursuant to subdivision (b) of Section 54956.9: One potential case

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

PLEDGE OF ALLEGIANCE

INVOCATION – Bishop Michael Hagman, Church of Jesus Christ of Later Day Saints

SPECIAL PRESENTATIONS/RECOGNITION

- Proclaim April 2011 National Child Abuse Prevention Awareness Month

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.

8. **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) Authorize a Notice of Completion for the construction of Mill Creek Garden Park Playground located at North Lover’s Lane Avenue and Mill Creek Parkway in northeast Visalia, Project No. 3011-0-72-0-9336, at a final construction cost of \$155,389.41.
 - c) Authorization staff to apply for “Let’s Move City” status as recommended by the Healthy Visalia Committee.

- d) Acceptance of City owned property into the public street system along the north side of the alley located between Center Street and Main Street in the block between Church Street and Court Street. **Resolution 2011-10 required.**
- e) Authorize the City Manager to enter into a contract for professional services for labor relations, negotiations and/or other mediation services with Liebert Cassidy Whitmore, a Professional Law Corporation.
- f) Approve sale of 210 NW 2nd Avenue (APN: 094-031-009) to the Visalia Rescue Mission. **1st reading of Ordinance 2011-04 required.** (*requires 4/5th vote to approve*)
- g) Approve appointments of Laura Florez as a regular member and Tom Gordon as a first alternate to the Citizens Advisory Committee.
- h) Authorize the City Manager to execute a 2nd Amendment to the loan agreement with Central Valley Christian Housing Development Corporation in the use of CalHFA-HELP Funds (California Housing Finance Authority – Housing Enabled by Local Partnership).
- i) Receive response from owner Tom Seidler, Top of the Third Inc., regarding the city's offer to sell the Recreation Park Baseball Stadium.

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.*

9. PUBLIC HEARING -

- a) Certification of Negative Declaration 2011-11. **Resolution 2011-11 required.**
- b) **General Plan Amendment No. 2011-01:** A request by the City of Visalia to change the General Plan Land Use designation from Service Commercial to Central Business District on 12.47 acres of land. The project area generally extends along Santa Fe Street to Tipton Street, from Center Avenue to Race Avenue. **Resolution 2011-12 required.**
- c) **Change of Zone No. 2011-02:** A request by the City of Visalia to change the Zoning designation from Service Commercial (CS) to Central Business District (CDT) on 12.47 acres of land. The project area generally extends along Santa Fe Street to Tipton Street, from Center Avenue to Race Avenue. **1st reading of Ordinance 2011-05 required.**

Convene as Visalia Redevelopment Agency Board:

10. REDEVELOPMENT AGENCY CONSENT CALENDAR:

- a) Authorize the RDA Executive Director to prepay the remaining balance of the Central Redevelopment Area loan from the General Fund.

Adjourn the Visalia Redevelopment Agency Board and reconvene as the Visalia City Council:

CLOSED SESSION REPORT (if any)

Upcoming Council Meetings

- 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
- Monday, April 25, 2011, 5:00 p.m. Joint Meeting with Parks and Recreation Commission, Convention Center, 303 E. 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. For more information, contact Community Relations Manager Nancy Loliva at nloliva@ci.visalia.ca.us.

City of Visalia
Proclamation

**Proclamation Declaring
National Child Abuse Prevention Month**

WHEREAS, child abuse and neglect is a complex and ongoing problem in our society, affecting many children in Visalia; and

WHEREAS, every child is entitled to be loved, cared for, nurtured, feel secure and be free from verbal, sexual, emotional and physical abuse, and neglect; and

WHEREAS, Visalia has dedicated individuals and organizations who work daily to counter the problem of child maltreatment and to help parents obtain the assistance they need; and

WHEREAS, our communities are stronger when all citizens become aware of child maltreatment prevention and become involved in supporting parents to raise their children in a safe and nurturing environment; and


WHEREAS, effective child abuse prevention programs succeed because of partnerships among families, social service agencies, schools, religious and civic organizations, law enforcement agencies and the business community.


NOW, THEREFORE, the City Council of the City of Visalia does hereby proclaim the month of April 2011 to be **CHILD ABUSE AND NEGLECT PREVENTION MONTH** in the City of Visalia.


Dated: March 21, 2011



Bob Link, Mayor


Amy Shuklian, Vice-Mayor


E. Warren Gubler, Councilmember


Michael Lane, Councilmember


Steven A. Nelsen, Councilmember

**City of Visalia
Agenda Item Transmittal**

Meeting Date: March 21, 2011

Agenda Item Number (Assigned by City Clerk): 1

Agenda Item Wording: Semi annual update on comprehensive SMART TEAM (Specific Measurable Achievable Relevant Time-bound) efforts and accomplishments from July 1, 2010 through December 31, 2010 and first reading of Ordinance 2011-xx, which clarifies the required number of calls for emergency service (except medical emergencies) before a property can be inspected for violating the management quality standards described in Visalia Municipal Code Section 15.44.160 C and 8.40.060 C.

Deadline for Action: None

Submitting Department: Housing & Economic Development

Contact Name and Phone Number: Ricardo Noguera, Housing & Economic Development Director (x. 4190)
Tracy Robertshaw, Code Enforcement Officer (x. 4187)
Colleen Mestas, Police Chief (x. 4253)
Mark Nelson, Fire Chief (x. 4267)
Vince Elizondo, Parks and Recreation Director (x. 4367)
Chris Young, Community Development Director (x. 4392)

Department Recommendation: It is recommended that the City Council approve Ordinance 2011-03 clarifying the allowable number of police and fire department (except medical emergency) calls to multi unit complexes that trigger a potential inspection under the City's management quality standards. Multiple calls for emergency services in a short period of time can be an indication that there are problems with the management of the property and other code violations often exist. The City ordinances are meant to allow enforcement officers an avenue to contact property owners and investigate potential nuisance properties. Specifically in instances of excessive baseless emergency calls (which waste City resources and reduces the availability of units) a meeting with the property owners can reduce the unfounded calls.

The underlying violations of the identified management quality standards are in some instances grounds to determine that the situation on the property is creating a public nuisance, meaning violating the management standards in some circumstances is detrimental to the health, safety, or welfare of the community or demonstrates that the property is being managed or maintained in a condition that could damage other properties.

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 prior language created confusion whether the management quality standard applied to a specific unit in a multi-unit complex. The proposed language clarifies this issue and will allow enforcement officers to focus on specific units as often requested by the neighbors in the complexes and the property owners.

The change to standardize the treatment of multi unit complexes is being made in an effort to treat these properties equally and provide enforcement staff with a more efficient means to administer the management standards. The prior language created highly variable standards between buildings with two to four units and complexes of five or more. Staff did not feel the prior standard provided the proper tool to gauge the management of less than four units. The prior language required more than 18 to 24 calls in a six month period before triggering a violation of the management quality standards-this was not a reliable measurement. Fewer calls to a triplex or quadplex typically indicate problems. Staff feels using the .2 calls per unit per month standard is a more efficient means to identify potential nuisance properties.

In addition, Ordinance 2011-03 would allow for a single unit of a multi-family complex to be deemed a public nuisance if the calls for service are stemming from a single unit, without declaring the entire complex a public nuisance. The current minimum number of calls allowed for a single family residence is six and will remain unchanged under the proposed ordinance.

The semi annual status report on SMART Team efforts requires no action. It serves to provide an overview of the Team's efforts comparing the most recent 6 months to the last 6 months seeking improvements in our neighborhoods throughout Visalia.

Summary/background: The team continues to focus its' efforts in the Oval Park and Washington School areas and city-wide. Semi-annual presentations to Council have been made in order to gauge the program's effectiveness.

Fifth Status Report: This report represents the fifth semi-annual report summarizing key activities completed citywide including the two targeted neighborhoods, and drawing comparisons over the course of the last twelve months (January – June 2010 compared to July – December 2010). The following consists of a brief comparison of the key activities of the team over the course of the aforementioned time period.

NEIGHBORHOOD PRESERVATION DIVISION

Substandard Housing

The Neighborhood Preservation Division received 1,087 complaints from July 1, 2010 through December 31, 2010 and 19% were for substandard housing; compared to 1,125 during the report period from January – July 2010 with 18% representing substandard housing issues. In addition to the substandard housing complaints, 21 foreclosed properties were abated (secured, boarded or cleared of debris) during this report period, compared to 15 during the last report period, reflecting very little change from this reporting period and last report period.

In the two targeted areas, there were 26 (12 Washington Neighborhood and 14 Oval Park) substandard complaints during this report period: 14 have been resolved and the remaining 12 are being rehabilitated. During the last report period of January through June 2010, 35 of the substandard complaints city wide were in the targeted neighborhoods.

The decrease can be attributed to the Rental Inspection program which places properties on a mandated three year inspection list if the property owners have had repeat substandard housing complaints. The inspections are conducted annually at the property owner's expense.

There are currently 53 properties on the list with 16 of those being added during this reporting period. There are currently 12 properties in the Oval Neighborhood and 7 in the Washington School Neighborhood.

Private Property Vehicle Abatement

During this report period of July through December 2010, notices were sent to owners of 586 vehicles. As a result of the notices being issued, 581 of the vehicles were voluntarily removed and 5 were towed by the Vehicle Abatement Officer. During the last reporting period, 654 were removed voluntarily and 13 were towed for a total of 1258 blighted vehicles removed from private property in 2010.

The program receives reimbursement from the State of California on a quarterly basis; \$71,192.61 has been reimbursed from October 2009 through September 2010 to defray the cost of the Vehicle Abatement Officer. The reimbursement is based on the number of cars that are removed and whether they were towed by the officer or voluntarily removed by the owner.

Building Inspector Coordinating with the Police Department

The Building Inspector that coordinates with the Police Department has assisted with 7 search warrants, and 45 medical marijuana inspections during this report period. During the last report period he assisted with 9 search warrants, 28 medical marijuana inspections. The increase in the medical marijuana inspections can be attributed to this report period including harvest season. The plants reach their maximum height during this report period and are therefore more visible prompting more reports from neighbors.

In addition to his assignment with the Police Department, the inspector is responsible for complaints regarding substandard housing including foreclosed properties where swimming pools have not been maintained resulting in a health hazard for the community. As a result, 56 contaminated swimming pools were abated (90% of those were located at foreclosed properties) throughout the City; compared to 59 from June through December 31, 2010.

During this reporting period of July 1, 2010 through December 31, 2010, the inspector assessed a total of \$201,322.73 in cost recovery fees and \$32,055.79 has been collected.

The inspector assessed a total of \$451,782.94 in cost recovery fees during 2010. This amount includes abatement charges, fines and cost recovery for staff time. To date, \$123,083.45 has been collected towards the outstanding balance. Remaining balances are placed as tax liens on properties annually to assure that fees are recovered. If the property is delinquent in property tax payments the property may be sold by the County after five years and fees due to the City are reimbursed from of the proceeds.

Nuisance Properties (Excessive Police Calls)

There are currently 21 properties that have been declared a "Public Nuisance" based on excessive unwarranted police calls or significant criminal activities; 5 of those properties were declared a public nuisance from July 1, 2010 through December 31, 2010. Once the declaration has been made, the property owners are required to meet with Code Enforcement and the Police Department to determine a plan of action to resolve the issues at the property. After the meeting, the property location is monitored by Code Enforcement to assure the

situation improves. If the property owner fails to resolve the nuisance issues on the property, cost recovery is sought for police officer time that has been expended on the property responding to calls that could have been avoided through proper property management.

The property is removed from the list once it has been deemed compliant and the calls for service have been reduced to calls that are beyond the property owner's control. During this reporting period, 3 properties were deemed compliant and removed from the nuisance list.

Oval Neighborhood Lighting Project

To address the lack of lighting, \$40,000 in Redevelopment funds has been obligated to install 7 to 10 solar powered street lights. During this report period, staff conducted a survey to determine the location of the lighting. As a result, the lights will be installed on NE 1st, NE 2nd, NE 3rd and NE 4th between Pearl and Houston and is a joint effort between Engineering and the Housing and Economic Development Department. This area consists of numerous multi-housing units with a dense population. There are currently no street lights in the neighborhood and the increased lighting will improve the safety concerns of the families residing in those complexes. The project is expected to be completed by this spring due to the potential termination of Redevelopment Funds.

Oval Park Roadway Design

The Engineering Division and Housing and Economic Development Department are jointly working to bring the design plans for the roadway around the Oval Park to completion. Omni Means Engineering was contracted to complete the roadway design. The City, Caltrans and the consultant are meeting to review the plans which are 90 percent complete. In the mean time city staff is seeking to reserve CDBG funds and potential Caltrans funds to complete the construction of improvements over the next year.

PARKS AND RECREATION DEPARTMENT

Jefferson Park- Phase Two

Phase Two of improvements in the park has begun. The sidewalk has been installed on the south side of the park and the installation of the new basketball court and equipment is underway. The court lighting will also be updated and a new handicapped accessible drinking fountain will be installed behind the baseball backstop. The projected completion date of this project is April 2011 utilizing \$65,000 in Community Development Block Grant (CDBG) funds. Once all of the sidewalks are complete, there will be an accessible path around the perimeter of the park.

American with Disabilities Act (ADA)

A \$40,000 Community Development Block Grant (CDBG) has been approved to replace three handicap accessible drinking fountains at Blain Park, one at Jefferson Park and one at Pinkham Park. The installation of these five new drinking fountains should be complete by June 1, 2011

Graffiti Abatement

During this report period of July 1, 2010 through December 31, 2010, 1062 cases were abated citywide, 241 of those cases were located within City Parks, covering an area of 400,843 square feet, with 12 of those cases in the Washington School Neighborhood and 17 in the Oval Park Neighborhood. The cases abated are comparable to the prior

reporting period of January 1, 2010 through June 30, 2010, where 1,185 cases were abated with 259 of those in the City Parks. However, in the two targeted neighborhoods, there was nearly a 50 percent decrease in the reported cases (24 in the Oval Neighborhood and 25 in the Washington School Neighborhood). This decline can be attributed to the positive improvements that are occurring in both neighborhoods.

In addition to the citywide abatements, the Graffiti Division participated in the Make a Difference Day by utilizing 2 staff members and 18 volunteers to paint an estimated 100,000 square feet of block walls and wood fences on the undeveloped area of Santa Fe from North Houston to Riggins Avenue; and 2 staff members and 39 volunteers painted 137 tables and 4 arbors.

The Graffiti Division in conjunction with the Neighborhood Preservation Division has also implemented a system for abatements conducted on vacant, foreclosed properties. During this report period, a total of 6 foreclosed properties were abated and \$727.00 was reimbursed by property owners using the Neighborhood Preservation's cost recovery program.

POLICE DEPARTMENT

The Visalia Police Department has continued to focus resources in both the Lincoln Oval area and Washington School area.

Lincoln Oval Area

The police department has increased enforcement in the Lincoln Oval area (Houston Avenue to Race Avenue and West Street to Santa Fe Street). The number of arrests in the Lincoln Oval area has increased 48% from 350 in 2009 arrests to 518 arrests in 2010. Many of these arrests were for drug and alcohol related crimes. The police department arrested 117 individuals for drug related crimes. Continued efforts in the Lincoln Oval area have resulted in a decrease in Part 1 (homicide, rape, robbery, assault, burglary, larceny, vehicle theft) crimes by 14% from 216 in 2009 to 184 in 2010.

The Police Department also conducted Driving Under the Influence checkpoints in 2010 in the Lincoln Oval Park area. There were 2 DUI checkpoints on Court Street near the Lincoln Oval Park. In addition to the DUI checkpoints there were details designed to apprehend DUI drivers. The checkpoints and saturation details are funded by state grants. Overall there were 27 DUI arrests in 2010 compared to 12 in 2009.

Washington School Area

Officers continued high visibility patrol in the Washington School Area (Noble Avenue to Tulare Avenue and Santa Fe Street to Watson Street). The last report stated that Part 1 crimes in the Washington School area had increased 53% from the previous year. This is a result of the residents of the neighborhood working more closely with police in reporting crime and suspicious activity. From January through June 2010 there were 92 Part 1 crimes reported. From July through December there were 124 Part 1 crimes reported for an increase of 35%. While this was still an increase, it appears to have started tapering off with a total of 216 Part 1 crimes being reported for the year, 2010.

During the same time frame, January through June 2010, 20 drug related, 21 public intoxication, and 11 DUI arrests were made. July through December showed 19 drug related, 32 public intoxications, and 13 DUI arrests were made. The total number of arrests made in the area in 2010 was 294 compared to 309 arrests made in 2009.

Additionally, enforcement efforts related to aggressive panhandling and monitoring abandoned structures that may contain unlawful inhabitants will be ongoing.

Special Enforcement Bureau Efforts

During this period for the City's SMART Team efforts, the Police Departments Special Enforcement Bureau continues to work closely with other SMART Team members to implement a comprehensive approach to gangs and narcotics to both the Lincoln Oval Park neighborhoods and Washington School neighborhoods, and on a citywide basis. In 2010, the department arrested a total of 518 suspects at Lincoln Oval Park neighborhood, and 294 suspects in the Washington School neighborhoods, ranging from Drug/Alcohol violations to DUI's. The Special Enforcement Bureau assisted in several of these arrests. The civil gang injunction remains in place, with a large part of the injunction area being within the Lincoln Park neighborhood. This last year the Gang Suppression Unit has served 36 new gang members with a gang injunction notice and 5 gang injunction arrests were made. So far this year (2011) the Narcotics Unit has made 7 arrests at Lincoln Oval Park for the sale/possession of narcotics.

The Special Enforcement Bureau was also responsible for Operation Street Sweeper which was developed and put into action to suppress gang activity. This response initially focused on a gang in the 3400 block of West Campus. During the next 3 months Visalia Police Department and the California Department of Justice created an alliance focused on Northern gang members. The detail included a wiretap where approximately 19,000 phone conversations of gang members were monitored. The gang member's conversations ranged from narcotic sales to homicide. The operation culminated on August 31st 2010 with the arrest of over 50 gang members and their associates, seizure of over 30 firearms, narcotics, and cash. Information was also developed that led to the arrest of three suspects for a gang related homicide. The operation was extremely complex and was the largest of its kind in Tulare County history. The effects were evident as there were no additional gang related homicides for the rest of 2010.

FIRE DEPARTMENT

Fire Safety

Public Education

The Visalia Fire Department hosted 128 public information events that provided information to over 9,935 community members. The events were held between July 1, 2010 and December 31, 2010.

In addition, the Fire Department has pro-actively provided smoke detectors to 42 households throughout the City of Visalia when a property is inspected and found to be lacking detectors. The Fire Department has also provided smoke detectors to Code Enforcement so that they can be provided during Code Enforcement inspections.

Fire Inspections

Residential

The Fire Department utilized the time period of the initial status report to identify 657 multi-unit housing complexes city-wide (with 3 or more attached units) so fire inspections could be performed. These apartment complexes were identified with an R-2 designation. The Fire Department was able to inspect 283 of the complexes from July 2010 to December 2010.

Fifty seven (57) R-2 units have been identified in the Lincoln Oval Park neighborhood and 28 of the complexes have been inspected from July 2010 to December 2010. Fifty one (51) R-2 units have been identified in the Washington Elementary School Neighborhood with 17 being inspected during the same time frame. The City of Visalia Fire Department's apartment complex inspection program has shown a great deal of positive results in the last six months. For example, during inspections staff has identified multiple complexes that contained significant fire code infractions. Fire inspectors were able to work with the Code Enforcement Division to correct these issues. Recently, we have assigned an hourly employee to the apartment complex inspection program. The goal would be to complete all apartment complex inspections on an annual basis meeting the state's mandatory requirements. Additionally, to performing the fire and life safety inspection, inspectors will be responsible for obtaining useful information such as, property owner contact numbers, number of units and emergency response information. The Visalia Fire Department feels this information will be extremely useful in ensuring the safety of the residents living in the complex, along with helping the SMART team meet its goals.

Commercial

Sixty (60) businesses were identified in the Lincoln Oval Park area and 16 were inspected in the second half of 2010. Thirty (30) business locations were identified in the Washington School area and 9 were inspected during this report period. Over 895 businesses were inspected citywide between July and December of 2010. During the report time of July 1, 2010 to December 31, 2010, fire suppression staff did not conduct new fire inspections during the months of October and December. October is Fire Prevention Month and a great majority of our public education events are held during this timeframe. The month of December is used to clean up all files and to complete all re-inspections so the New Year can start fresh with new inspections.

Weed Abatement / Property Maintenance

Since the last report there have been 361 Weed Abatement and Property Maintenance cases citywide, 9 of those were in the Oval Park and 4 were in the Washington School Neighborhoods. The Visalia Fire Department has an hourly employee assigned to the Weed Abatement / Property Maintenance program. This employee has been able to accomplish:

- * Performing 905 initial and follow-up inspections
 - * Sending 146 Courtesy Notices
 - * Sending 96 Declarations
 - * Work Ordering 98 properties
 - * Closing 410 cases
- (Between July and December of 2010)

The numbers listed above were obtained during the end of the 2010 weed abatement season. The Visalia Fire Department expects to see these numbers increase due to the start of the 2011 Weed Abatement season.

Prior Council/Board Actions: None

Committee/Commission Review and Actions: On January 5, 2009 and June 1, 2009, and February 16, 2010, September 20, 2010 Council received and accepted progress reports on the SMART Team efforts occurring in the Lincoln Oval Park and Washington Elementary School Neighborhood areas as well as Citywide.

Alternatives: None

Attachments:

- Map Reflecting Location of Abandoned Vehicle Cases
- Map Reflecting the Location of Foreclosure, Substandard Housing, Swimming Pool Cases
- Ordinance Number 2011-03

Recommended Motion (and Alternative Motions if expected): Accept staff's progress report on the collaborative efforts city-wide and in the Lincoln Oval Park and Washington Elementary School neighborhood areas and provide direction as appropriate.

Move to approve the first reading of Ordinance 2011-03 reducing the allowable number of police and fire calls (except for emergency) to multi-family complexes of two through four from an allowable average of one per month, per unit to an average of .20 per month per unit and clarifying the management quality standards that can be applied to a single unit in a multi-family complex.

Environmental Assessment Status

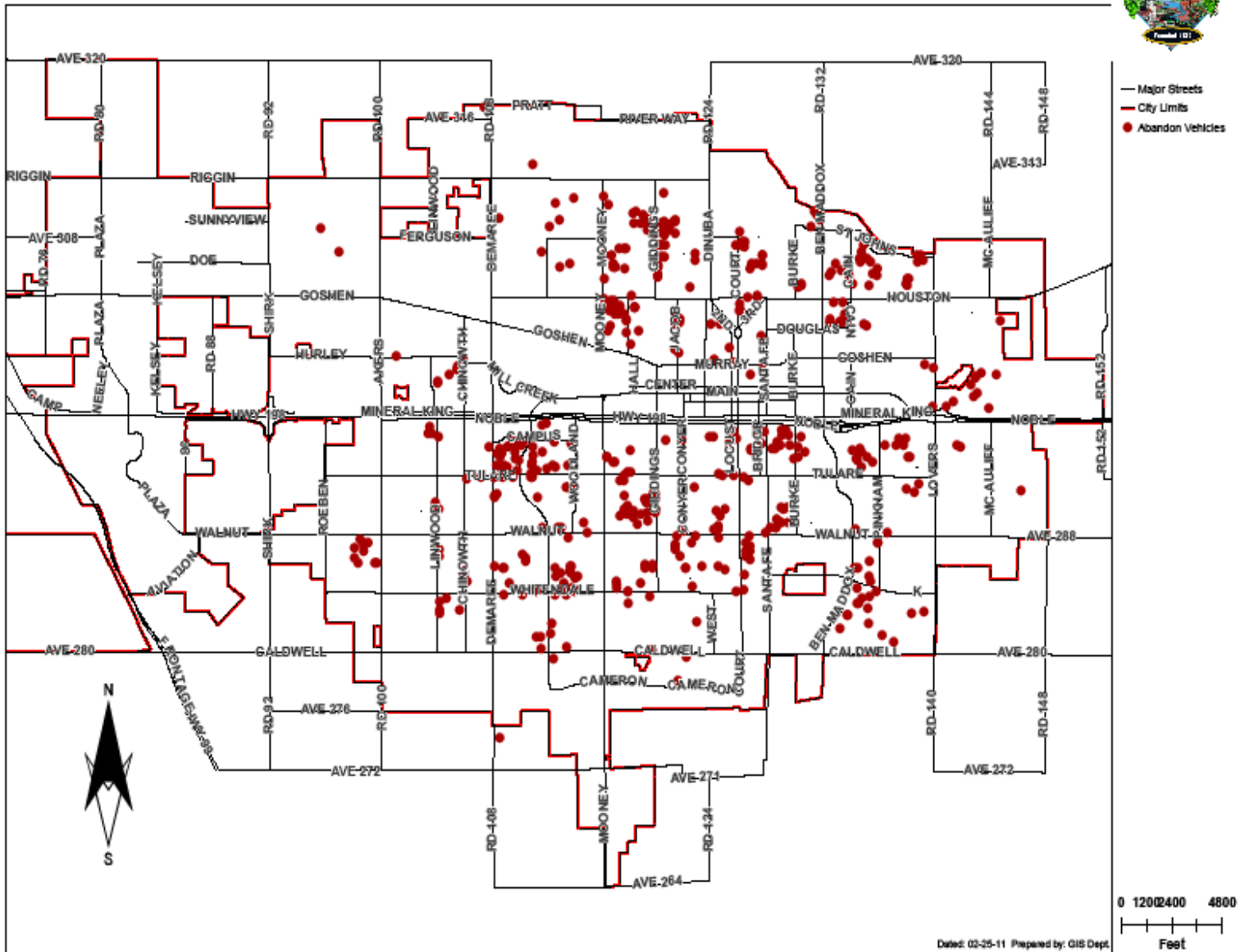
CEQA Review: N/A

NEPA Review: N/A

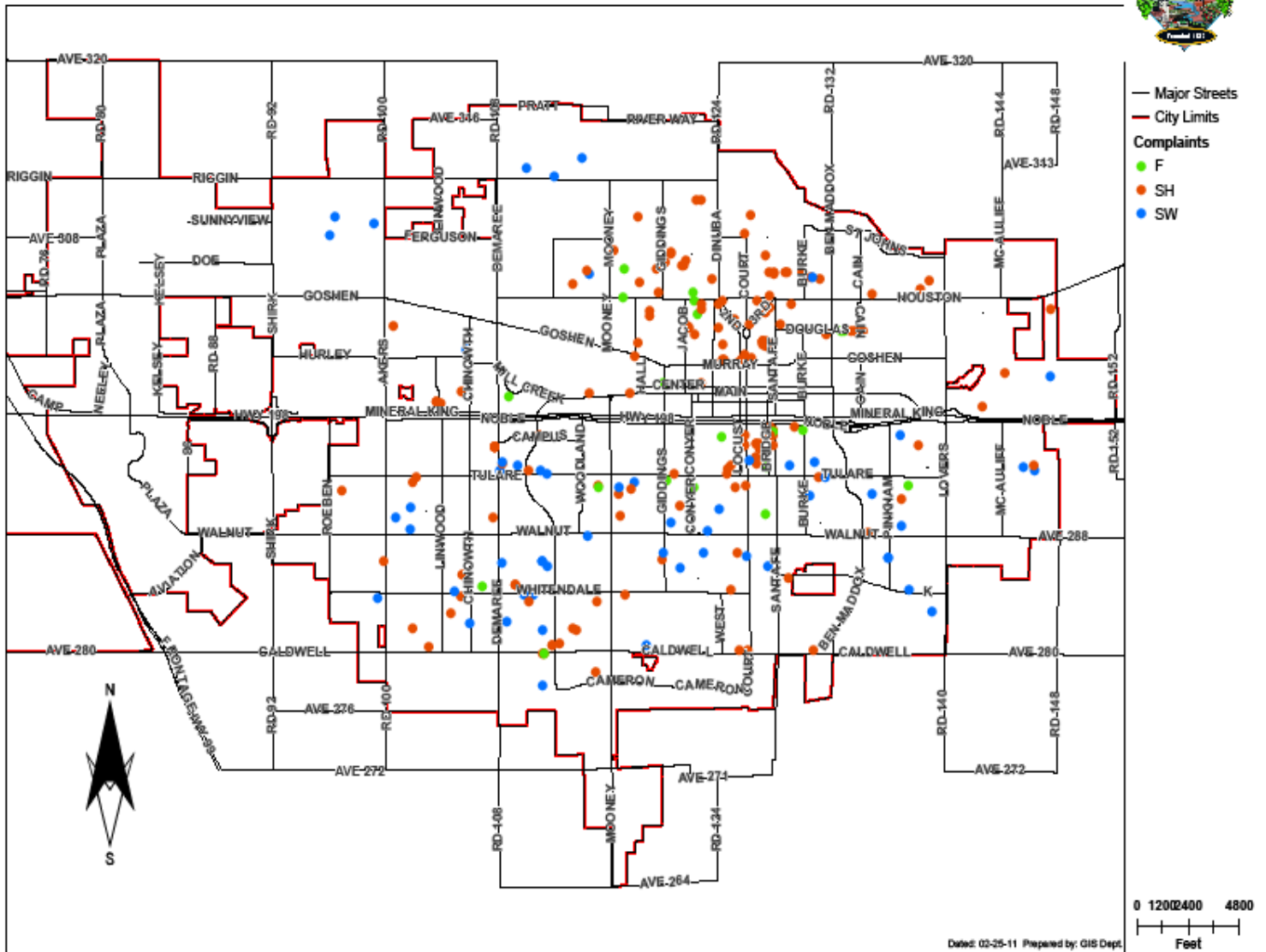
Tracking Information: (*Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date*)

Copies of this report have been provided to:

Abandoned Vehicles 7/1/10 thru 12/31/10



Enforcement Complaints 7/1/10 thru 12/31/10



ORDINANCE NUMBER 2011 --03

REVISING VISALIA MUNICIPAL CODE 8.40.060 AND 15.44.160
MANAGEMENT QUALITY STANDARDS OF RENTAL HOUSING
JUSTIFYING AN INSPECTION BY CITY CODE ENFORCEMENT PERSONNEL

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VISALIA

Section 1: Consistent with its control over municipal affairs and the powers vested in the City of Visalia through the California Constitution, the City of Visalia is authorized to secure and promote the public health, comfort, safety and welfare of its citizenry. The City Council of the City of Visalia has adopted Chapter 8.40, to provide for the abatement of conditions which are offensive or annoying to the senses, detrimental to property values and community appearance, and to provide standards to safeguard life, health and public welfare in keeping with the character of the city by allowing for the maintenance of property, and Chapter 15.44, which sets standards for housing within the City of Visalia and declares it is unlawful for a property owner to maintain their property in a condition that is detrimental to the health, safety, or welfare of the community or in a manner that could damage surrounding properties or improvements.

Section 2: Section 8.40.060 of the Visalia Municipal Code, which relates to circumstances allowing code enforcement staff to inspect property, declare a public nuisance, and issue an administrative enforcement order is hereby amended to read as follows (italics denote the new provisions):

8.40.060 Declaration of public nuisance; issuance of administrative enforcement order.

A. Right to Inspect. The enforcement officer shall have the right to inspect ~~premises~~*properties* pursuant to this code and other applicable laws. Such inspection shall be performed to secure compliance with or prevent the violation of this code or other uniform codes adopted thereunder. Such inspection may be made in the following circumstances:

1. The enforcement officer may inspect a residential unit upon receiving a complaint regarding public nuisance, ~~or~~ *substandard building conditions, or the management quality standards as specified in this code*, from any person upon the ~~premises~~*property*, who has viewed the ~~premises~~ *property* or who has reason to believe that such conditions exist;

2. The enforcement officer may inspect a ~~premises~~ *property* which he/she reasonably believes fails to meet the requirements of this code or other uniform codes adopted hereunder;

3. The owner, after failing to abate nuisance(s) as defined in this chapter, shall be subject to required annual inspections for a three year period for the subject property.

B. Reimbursement Of Inspection Costs. Costs of inspections pursuant to this chapter shall be determined pursuant to Section 15.44.100 of this chapter, and unless otherwise provided, shall be paid by the owner of the residential unit. Provided, that costs of inspections initiated by tenant complaint shall be paid by the tenant, unless the enforcement officer determines that the public nuisance or a substandard building exists pursuant to the state housing law justifying the complaint exists, in which case the cost shall be paid by the owner.

C. Management Quality Standards. *The following items shall constitute reasonable basis for the enforcement officer to believe that a property is not being properly managed or maintained. The existence of any of these circumstances shall justify an inspection of the property by the enforcement officer. In addition, violation of these standards may be used as*

evidence that a public nuisance exists. Management quality standards justifying an inspection are:

1. For an individual residential unit, *whether the unit is a standalone residence or part of a multi-family complex*, more than six police and/or fire calls over a one year period (other than a medical emergency);

~~2. For a complex containing between two and four residential units, more than a monthly average of one police and/or fire call per unit over a six month period (other than a medical emergency);~~

~~2.3. For a complex or building containing more than multiple four residential units, more than a monthly average of .20 police and/or fire calls per unit over a six month period (other than a medical emergency);~~

3. 4. Any violation of this chapter or the continued presence of graffiti for more than a two week period;

4. ~~5.~~ Any determination by the health officer that a pest vector is present;

5. ~~6.~~ Any violation of the Uniform Building Code or Uniform Housing Code relating to maximum occupancy or health and safety standards.

D. The administrative enforcement order required pursuant to this Section shall contain those elements set forth in Section 1.13.060 (B) of this Municipal Code, and shall be substantially in the following form:

TO THE PROPERTY OWNER:

Property Address:

Property Owner's Address (if different) _____

NOTICE IS HEREBY GIVEN, that on the ____ day of _____, 2____, pursuant to Chapter 8.40 of the Municipal Code of the City of Visalia, an Enforcement Officer of the City of Visalia declares that the following conditions set forth in Chapter 8.40 of said Municipal Code constitute a public nuisance and that such nuisance must be abated by the repair, rehabilitation, demolition or removal of said conditions: [description of conditions constituting a nuisance in violation of this Chapter].

Restructure, repair, or removal of said conditions must be completed and maintained by the ____ day of _____, 2____, in accordance with the standards of the current codes as adopted by the City of Visalia or other standards as determined by the Enforcement Officer.

Failure to abate said conditions by the date specified above shall result in the City acquiring jurisdiction to abate the conditions at the owner's expense and in addition, an administrative penalty in the amount of _____ may be incurred.

All property owners who wish to object to the proposed abatement of the conditions cited in this notice are hereby notified that they have the right to request and Administrative hearing before a hearing officer pursuant to the provisions of Chapter 1.13 [Provide contact information]. Sufficient cause must be shown why said conditions should not be abated.

At the time the appeal is filed, an appeal fee is due and payable to the City of Visalia, and a deposit of the administrative penalty must be made, or evidence must be provided that a request for a hardship waiver has been filed with the City of Visalia finance division. All appeals must be made in writing and comply with Section 1.13.080 of the Visalia Municipal Code. If the property owner or responsible party fails to request an appeal before the date specified above, then the administrative order shall become final.

The responsible person or the property owner upon whom this administrative enforcement order has been imposed may seek review of the order pursuant to California Code of Civil Procedure Section 1094.4 and 1094.6. There are no appeals to the Visalia City Council excluding the separate review of the City costs to abate the nuisance, if any.

Section 3: Section 15.44.160 of the Visalia Municipal Code, which relates to circumstances allowing code enforcement staff to inspect property is hereby amended to read as follows (italics denote the new provisions):

15.44.160 Enforcement of codes for rental and owner-occupied structures.

A. Right to inspect. The enforcement officer shall have the right to inspect ~~premises~~ *properties* pursuant to this code and other applicable laws. Such inspection shall be performed to secure compliance with or prevent the violation of this code or other uniform codes adopted thereunder. Such inspection may be made in the following circumstances:

1. The enforcement officer may inspect a residential unit upon receiving a complaint regarding public nuisance, ~~or~~ *substandard building conditions, or the management quality standards as specified in this code*, from any person upon the ~~premises-property~~, who has viewed the ~~premises-property~~ or who has reason to believe that such conditions exist;

2. The enforcement officer may inspect a ~~premises property~~ which he/she reasonably believes fails to meet the requirements of this code or other uniform codes adopted hereunder. In addition, if the enforcement officer identifies a property as habitually non-compliant, meaning more than one notice of public nuisance being sent to it in a two-year period, then the enforcement officer may order mandatory annual inspections for three years as a condition in addition to abatement of the nuisance. The property owner or responsible person shall have the right to object to the mandatory inspections along with the proposed abatement through the appeal procedures listed in this Chapter. If the property owner is required to allow mandatory inspections, then the property owner may subsequently request in writing that the code enforcement officer determine that the mandatory inspection condition may be removed due to substantial changes in *the* property. Substantial changes in the property include, but are not limited to, showing the property has been sold for valid consideration, demolished, or substantially renovated. The code enforcement officer's determination regarding substantial changes shall be considered an administrative enforcement order subject to appeal as provided in Chapter 1.13 of the Municipal Code. If the property owner is not required to abate the nuisance, no mandatory inspections may be ordered;

3. The owner, after failing to abate nuisance(s) as defined in this chapter, shall be subject to required annual inspections for a three year period for the subject property.

4. If a rental or owner-occupied structure receives a notice identifying a public nuisance that qualifies as a structural hazard posing a danger to human health or safety, then the code enforcement officer may require the subject property be subject to annual inspections for a

three-year period as a condition in addition to nuisance abatement. Examples of such structural hazards include those items described in California Health & Safety Code Section 17920.3(b), raw sewage, exposed wiring, no smoke detectors, no legitimate source of heat, or other similar types of public nuisances. The property owner or responsible person shall have the right to object to the mandatory inspections along with the proposed abatement through the appeal procedures described in this Chapter. If the property owner is required to allow mandatory inspections, then the property owner may subsequently request in writing that the code enforcement officer determine that the mandatory inspection condition may be removed due to substantial changes in property. Substantial changes in the property include, but are not limited to, showing the property has been sold for valid consideration, demolished, or substantially renovated. The code enforcement officer's determination regarding substantial changes shall be considered an administrative enforcement order subject to appeal as provided in Chapter 1.13 of the Municipal Code. If the property owner is not required to abate the nuisance, *then* no mandatory inspections may be ordered;

B. Reimbursement Of Inspection Costs. Costs of inspections pursuant to this chapter shall be determined pursuant to Section 15.44.100 of this chapter, and unless otherwise provided, shall be paid by the owner of the residential unit. Provided, that costs of inspections initiated by tenant complaint shall be paid by the tenant, unless the enforcement officer determines that the public nuisance or a substandard building exists pursuant to the state housing law justifying the complaint exists, in which case the cost shall be paid by the owner.

C. Management Quality Standards. *The following items shall constitute reasonable basis for the enforcement officer to believe that a property is not being properly managed or maintained. The existence of any of these circumstances shall justify an inspection of the property by the enforcement officer. In addition, violation of these standards may be used as evidence that a public nuisance exists.* ~~Management quality standards justifying an inspection are:~~

1. For an individual residential unit, *whether the unit is a standalone residence or part of a multi-family complex*, more than six police and/or fire calls over a one year period (other than a medical emergency);

2. ~~For a complex containing between two and four residential units, more than a monthly average of one police and/or fire call per unit over a six month period (other than a medical emergency);~~

2.3. For a complex *or building* containing ~~more than multiple four~~ residential units, more than a monthly average of .20 police and/or fire calls per unit over a six month period (other than a medical emergency);

3.4. Any violation of this chapter or the continued presence of graffiti for more than a two week period;

4.5. Any determination by the health officer that a pest vector is present;

5.6. Any violation of the Uniform Building Code or Uniform Housing Code relating to maximum occupancy or health and safety standards.”

Section 4: Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstances, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not effect the validity or enforceability of the remaining sections, subsections, subdivision, paragraphs, sentences,

clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council of the City of Visalia hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

Section 5: Construction. The City Council intends this Ordinance to supplement, not to duplicate or contradict, applicable state and federal law and this Ordinance shall be construed in light of that intent.

Section 6: Effective Date. This Ordinance shall take effect thirty days after its adoption.

Section 7: Certification. The City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same to be published or posted according to law.

PASSED AND ADOPTED:

Robert Link, Mayor

ATTEST:

Steven M. Salomon, City Clerk

APPROVED AS TO FORM
BY CITY ATTORNEY:

City Attorney

SMART TEAM-Activities July - December 2010

Specific
Measurable
Achievable
Relevant
Time-Bound

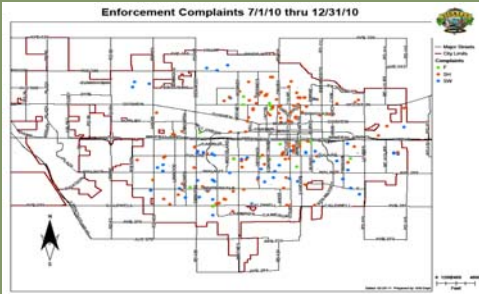
SUBSTANDARD HOUSING



UNMAINTAINED POOLS



FORECLOSED CASES (GREEN)
SUBSTANDARD (ORANGE)
SWIMMING POOLS (BLUE)

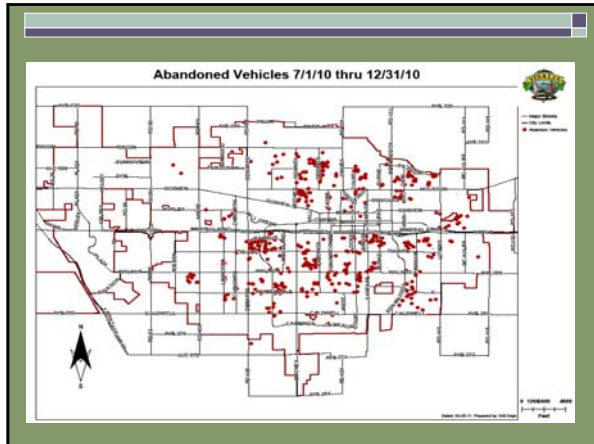


MEDICAL MARIJUANA
ILLEGAL OUTSIDE GROWS



PRIVATE PROPERTY VEHICLE
ABATEMENT PROGRAM





PROPOSED NUISANCE ORDINANCE CHANGES

	CURRENT	PROPOSED
EMERGENCY CALLS		
2 Unit	12	3
3 Units	18	4
4 Units	24	5
5 Units	6	6
6 Units	8	8
7 Units	9	9
8 Units	10	10
9 Units	11	11
10 Units	12	12



POLICE DEPARTMENT



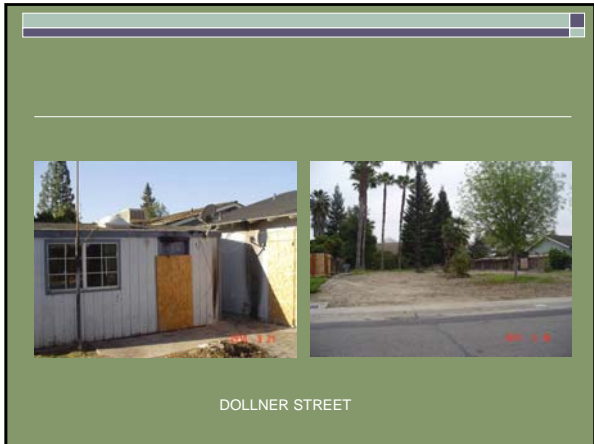
PARKS AND RECREATION GRAFFITI ABATEMENT



FIRE DEPARTMENT AND CODE ENFORCEMENT



LAUREL STREET







City of Visalia Agenda Item Transmittal

Meeting Date: March 21, 2011

Agenda Item Number (Assigned by City Clerk): 2

Agenda Item Wording: Visalia City Council to receive an update on the status of the work projects as a result of the December 2010 Storms and approve the relocation of the primary Emergency Operations Center to Fire Station 55, and purchase additional generator and other small miscellaneous improvements and appropriate \$65,000 from the City's Emergency Reserves for this cost.

Deadline for Action: N/A

Submitting Department: Fire Department

Contact Name and Phone Number:

Mark Nelson, Fire Chief – 713-4220

Danny Wristen, Battalion Chief – 713-4056

Department Recommendation: The Fire Department recommends that the City Council:

1. Review the status of the work projects that were identified as a result of the December 2010 Storms
2. Approve the relocation of the primary EOC to Fire Station 55 and an additional emergency generator and other small miscellaneous improvements and appropriate \$65,000 from the City's Emergency Reserves for this cost.

Summary/background: During the month of December 2010, our community was impacted by a series of winter storms. As a result of these storms, the Emergency Operations Center was opened to mitigate the impacts of the storm on the community. The response costs and damage from these storms totaled almost one million dollars. Due to the nature of the storm impacts, the City of Visalia declared a Local Emergency on December 19th, which was affirmed by the City Council on December 20th. Tulare County also declared a Local Emergency, which was followed by the State of California Proclamation of Emergency on December 21st. Following a Preliminary Damage Assessment by FEMA, President Obama declared a major disaster in California on January 26, 2011.

On January 18, 2011, City staff made a presentation to the Visalia City Council and reviewed our response to the December Storms. As a result of this presentation, Council authorized the use of \$968,000 from emergency reserves to temporarily fund the storm response and repair of the infrastructure damage. In addition, Council authorized City staff to start the process to

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.): __20__

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.

request emergency response reimbursement through CalEMA and FEMA. Staff also made several recommendations regarding improvements in storm response capabilities. On January 20th, City staff participated in the preliminary damage assessment with Tulare County OES, CalEMA and FEMA. On February 7th, several City staff members attended a meeting in Bakersfield with CalEMA and FEMA to start the emergency response reimbursement process. City staff prepared the appropriate applications and formally requested the assistance through CalEMA and FEMA. On February 23rd, CalEMA and FEMA held their official Kick-Off meeting in Visalia to start the 60 day process to finalize damage assessments and project identification.

City engineering staff also began to research other funding options to assist with infrastructure repairs. The pavement depression damage at Shirk and Ferguson may be eligible for 100% repair funding through Emergency Relief Funding. Authorization has been received from Caltrans Local Assistance for construction of the temporary fire department access and some of the traffic control through this funding source. City staff is preparing additional information to submit to Caltrans Local Assistance in an effort to secure additional funding for the pavement repairs.

On February 22nd, City staff received authorization from Council to request grant funding through the Department of Water Resources, Flood Corridor Program, for four flood control projects in and around Visalia. The four projects were; 1) constructing a layoff basin on 40 acres at Road 204 and the Lower Kaweah River, 2) expansion of the Oakes Basin on an 18 acre site at Road 152 north of SR198, 3) construction of a 1.5 acre layoff area east of downtown at Mill Creek and Jennings Ditch and 4) a 3 acre expansion of the Goshen Basin at Goshen Avenue and Camp Drive.

The following is an update on the items which were identified during the January 18th Council meeting as After-Action Improvements that were recommended by City staff.

Status of Short-Term Projects

- Oval Park Area – Poor drainage in this area, develop long term plans to fix – Public Works crews cleaned all of the drainage systems where we had flooding. They removed a large amount of debris and it seemed like the problem would be solved. However during some of the latest storms, we still had some standing water.
- Downtown Area – Poor drainage area, develop long term plans to fix – Public Works crews cleaned all of the drainage systems where we had flooding. There was no standing water during the latest storms.
- Metal Trench Plates – Used for emergency repairs to roadways – Public Works has purchased 8 for \$8,000 and we recommend the purchase of 4 additional in the amount of \$4,000
- Portable Pumps – The City currently has 3 portable pumps, these are used to assist in the rapid removal of water from basins or other problem areas, and we recommend the purchase of 7 additional pumps with hose in the amount of approximately \$90,000 – All of the pumps have been ordered and the 4 four-inch pumps have arrived. The remaining pumps are scheduled to arrive within the next 30 days
- 4 X 4 Vehicles – During the storm we found that the conventional 2 wheel drive trucks are susceptible to becoming stuck when moving portable pumps into position. As the Wastewater Division replaces vehicles we recommended that 4 X 4 vehicles be considered – This has been accomplished with two vehicles that were being replaced upgraded to 4X4's

- 300 Gallon Portable Fuel Tank with Pump – During the storm we found the need to refuel the portable pumps that were running for sometimes for over 24 hours straight. We utilized private companies to refuel the pumps. We recommended purchase of the Portable Fuel Tank with Pump to be able to handle this task with City staff – After further research we found that due to DOT regulations, these can only be 100 gallon units. Public Works is currently mounting 100 gallon tanks for portable use
- Improve the Kent Street drainage in Cobblestone II – City staff will be making contact with the adjoining property owner to ask for permission to make improvements that would allow the water to flow to the south
- Damsen West of Chinowth – Public Works has evaluated the system and removed debris from the system – During the latest storm events we did not have any standing water
- Install an Emergency Generator at the Fire Station 55 Training Room and move the primary EOC to this location – Approximately \$60,000 – The current EOC is in the basement of the Public Safety Building, is not readily accessible and poorly configured for EOC purposes – We had a meeting with key EOC staff to evaluate this facility for use as the primary EOC. Staff was very supportive of this item and has made two recommendations, install an additional generator for the building and move one piece of fencing and gate to provide for improved security. We would still use the downtown EOC as a back-up facility.

Long-Term Projects

- Improve the Goshen Ocean Basin – The City applied for a grant from the Department of Water Resources, Flood Corridor Program. The grant would be used to buy additional property and expand the basin.
- Repair Lower Mill Creek east of Road 88 – Approximately \$75,000 to repair permanently – This project will be included in the CalEMA-FEMA reimbursement process, but cannot be repaired until the dry season
- Ferguson and Shirk Pavement Depressions – Approximately \$650,000 to repair permanently – Repairs have been designed and will be put out for construction bid to complete the repairs as soon as possible.
- Linwood and Mineral King Basin – Approximately \$100,000 to repair permanently – This project will be included in the CalEMA-FEMA reimbursement process. To be reimbursed through this funding source, approval must be obtained prior to start of work. Work on this project will begin immediately upon funding approval.
- Evans Ditch at Woodland – Approximately \$50,000 to repair permanently – This project will be included in the CalEMA-FEMA reimbursement process. We utilized sandbags to rebuild the bank with the assistance of a Cal Fire Inmate Crew, for a temporary fix to this problem.
- Mill Creek – The waterway is becoming increasingly vulnerable to problems, develop long term plans to decrease our use of Mill Creek and/or increase capacity – The City applied for a grant for the Department of Water Resources, Flood Corridor Program. The grant would be used to acquire new property and expand some of the upstream basins that would provide relief during large storm events.
- Install Permanent Pipe Connections for Ponding Basin Pumping – This item would allow for easy access for portable pumps for use during pumping operations – locations to be determined, the pipes will be installed in the summer months when the basins are dry, still developing a cost for this project
- Modoc Basin – Modify the drainage system to prevent backflow into the neighboring streets – City staff is working on the design for this project. Improvements should be

made within the next 90 days as the work needs to be done when there is little chance of precipitation

- Review all funds related to Storm Water Management. Make recommendations to best apply these funds for future use – Please see the Mid-Year Budget Report for further information

During further inspection of the City storm water system, we found damage to Mill Creek at Johnson Street. Approximately 10 feet of bank has been damaged and will need to be repaired, at an estimated cost of \$50,000. This project will be added to our reimbursement process through CalEMA and FEMA. We are waiting for the water flow to stop so that temporary repairs with sandbags can be made.

Prior Council/Board Actions:

1. December 20, 2010 – Council affirmed the Local Emergency
2. January 18, 2011 – Council reviewed the City response to the December Storms, authorized the use of \$968,000 of emergency reserves to cover the storm response and damage, and approved the After-Action Recommendations
3. February 15, 2011 – Council authorized the City to apply for the Department of Water Resources, Flood Corridor Grant Program

Committee/Commission Review and Actions: N/A

Alternatives:

Attachments: N/A

Recommended Motion (and Alternative Motions if expected): I move approval of the following staff recommendations:

1. The relocation of the primary Emergency Operations Center to Fire Station 55.
2. The purchase of an additional emergency generator at Fire Station 55 and other small miscellaneous improvements; appropriate \$65,000 from the City's Emergency Reserves for the project cost.

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: N/A

**City of Visalia
Agenda Item Transmittal**

Meeting Date: March 21, 2011

Agenda Item Number (Assigned by City Clerk): 3

Agenda Item Wording: FY 2010/11 mid-year financial report on the General Fund, Measure T, Transportation Funds and Enterprise Funds; and preliminary projections for FY 2011/12 General Fund with recommended actions.

Deadline for Action: None

Submitting Department: Administrative Services - Finance

Contact Name and Phone Number:

Eric Frost, Administrative Services Director	713-4474
Renee Nagel, Finance Manager	713-4475
Amee Sing, Admin Analyst	713-4170

Department Recommendation: Management recommends the following actions:

(1) General Fund

- **Staff recommends continuing administrative actions to reduce FY 10/11 deficit and direct staff to bring back a plan with options for FY 11/12 that eliminates the ongoing deficit.**
- **Direct staff to bring to Council proposed adjustments for FY 11/12 budget during their mid-cycle review in June.**

(2) Measure T – Fire

- **The Fire Chief has recommended pursuing a grant for 9 firefighters and amending the 11/12 plan, during the annual recertification process in June, to fund a captain that is currently funded from the General Fund and Airport contributions.** This personnel level is 4 less than the Measure T plan of 14 but appears appropriate given that the sales tax measure's revenues are less than the original plan. Further, **staff recommends only hiring additional firefighters when revenues increase sufficiently to support the additional staff.**

(3) Measure T – Police

- **Due to the decrease in revenues, staff recommends returning in June with a plan that is fiscally sound. Finance has prepared one scenario which appears**

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.

sustainable by current revenues. The plan would allow, through attrition, a reduction of funded Measure T officers as follows:

- **Reduce sworn officers from 27 to 22 in year 11/12.** Currently, General Fund has one vacant position. Therefore, 4 other positions will need to be left vacant through attrition.
- **Add staff as revenues increase to support those positions.**

(4) Measure R - Regional

Appropriate funds to be reimbursed from Measure R Regional and CMAQ grant for the following projects:

- **Caldwell Widening design and right-of-way acquisition (\$1.1 million from Measure R Regional).**
- **Demaree and Mill Creek Traffic Signal and Synchronization (\$540,000 from CMAQ grants and \$95,000 from Regional Measure R.).**

(5) Transportation Impact Fee Fund

- **Due to the decrease in revenues, staff recommends postponing future projects until revenues can fund additional projects. Staff will return in June with recommendations to postpone a portion of the \$5.4 million, currently budgeted for projects, in FY 11/12.**

(6) Building Safety

- **Authorize operating cash advances to cover the FY 2010/11 Building Safety deficit. The actual cash advance may be as small as \$7,000.**

(7) Airport

- **Continue to monitor Airports expenses and work with Airport staff to reduce operating costs. Staff will return in June with additional recommendations.**

(8) Storm Sewer Fund

Direct staff to do the following:

1. **Evaluate capital projects that need to be added to the storm sewer system;**
2. **Engage an assessment engineer to determine how storm sewer assessments would be equitably allocated if enacted in Visalia;**
3. **Bring back to Council several options in managing the fund, including:**
 - a. **A potential reauthorization of the Kaweah Dam charges to be dedicated to storm sewer fund activities; and,**
 - b. **Potential increased revenues to address needed maintenance and capital needs in the storm sewer fund.**

Summary/background:

The purpose of this report is to outline the current financial status of the General Fund, Measure T Fund, and the Enterprise Funds for FY10/11. Additionally, Finance has made preliminary

General Fund forecasts for FY 11/12 along with several recommended budgetary actions to meet the needs of the City.

General Fund Situation

For the past couple of years the City has worked hard to reduce costs in the General Fund. In FY 08/09, the City was able to overcome a \$2.8 million deficit by holding positions vacant, monitoring expenses such as travel and trainings, and using reserves of \$1.8 million. In FY 09/10, the budget deficit was projected to be \$5.7. This required the City to make larger cuts in operations which included limited layoffs, an early retirement incentive for police management, holding additional positions vacant, operational changes such as outsourcing the Senior meals, and using reserves of \$2.3 million.

In July 2010, Council adopted the City's biennial budget with a deficit in FY 10/11 of \$2.1 million and \$1.6 million for FY 11/12. Since the budget adoption, Council implemented a Police Towing Franchise Fee, Fire Inspection Fees, and negotiated employee compensation reductions.

Despite all these efforts to reduce the budget gap, the General Fund deficit for FY 10/11 is projected to be \$2.6 million and \$1.3 million in FY 11/12. The FY 10/11 budget forecast is shown on Table I, General Fund Forecast.

Table I – General Fund Forecast:

General Fund Projections	Current - 10/11		
	Budget	Projection	Difference
REVENUES			
Sales Tax	\$ 14,643,900	\$ 14,541,400	\$ (102,500)
Property Tax	9,009,800	7,965,166	\$ (1,044,634)
Property Tax - Triple Flip	4,482,900	4,825,272	\$ 342,372
Property Tax - VLF Swap	8,784,000	8,902,300	\$ 118,300
Investment Earnings	873,550	463,424	\$ (410,126)
Transit Occupancy Tax	1,810,100	1,877,405	\$ 67,305
Franchise Fee	2,264,900	1,982,200	\$ (282,700)
Business License Fee	2,291,300	2,185,297	\$ (106,003)
VUSD YSO Contract	276,000	320,852	\$ 44,852
Street Maintenance Fees	515,050	515,050	\$ -
Property Tax - Prior/Current Supplemental	634,300	198,431	\$ (435,869)
Real Property Tax Transfer	285,400	315,400	\$ 30,000
All Other Revenues	6,566,080	6,538,912	\$ (27,168)
Allocated Reimbursement	18,171,690	18,185,126	\$ 13,436
Total Resources	\$ 70,608,970	\$ 68,816,235	\$ (1,792,735)
EXPENDITURES			
Non Departmental	\$ 760,100	\$ 869,235	\$ 109,135
Administration	4,593,760	3,992,598	(601,162)
Administrative Services	4,393,360	4,374,166	(19,194)
Community Development	7,401,990	6,888,724	(513,266)
Housing and Economic Development	1,370,810	1,316,799	(54,011)
Parks and Recreation	9,300,130	9,055,644	(244,486)
Police	25,283,860	25,430,260	146,400
Fire	11,470,200	11,487,196	16,996
Public Works	3,995,880	3,977,369	(18,511)
Total Operating Expenditures	\$ 68,570,090	\$ 67,391,991	\$ (1,178,099)
Capital Expenditures	775,170	807,670	32,500
Transfers Out to Other Funds	3,409,190	3,272,500	(136,690)
Total Expenditures	\$ 72,754,450	\$ 71,472,161	\$ (1,282,289)
Surplus/(Deficit)	\$ (2,145,480)	\$ (2,655,926)	\$ (510,446)

Visalia's Revenues are projected to be lower than the budget by \$1.7 million. The decrease in revenues is partly due to the County discontinuing the Teeter Plan. Under the Teeter Plan, the County would purchase all the cities property tax receivables (delinquent accounts) at face value. Staff estimates the City of Visalia's delinquent accounts to be \$1 million annually. This receivable will roll from year to year and the City will be paid with interest, when the County eventually collects the property tax.

Sales Tax is lower than budget by \$0.1 million. However, Sales Tax is projected to be higher than last fiscal year by \$0.3 million. This is a sign that economic activity is slowly improving.

Interest earnings also show a decline of \$0.4 million from the budget. The interest earnings projected are in line with last fiscal years earnings. The City's Portfolio is earning approximately 1%. However, the General Fund is earning approximately 2% due to advancing other funds cash when needed. The rate charged on the cash advances is the portfolio rate plus 1%.

Visalia's Operating Expenditures are lower than budget by \$1.2 million. The operating savings are from changes in compensation and vacant positions. The full value of compensation changes are only partly reflected in this year's budget because they were implemented mid-year. These savings are fully recognized in FY 11/12 projections and will help reduce future budget deficits.

Although operational costs are generally down, some overtime costs are up. This winter's storm response cost the City about \$40,000 in overtime costs and another \$60,000 in operational costs. Most of these costs will be reimbursed by FEMA. In addition, the Police Department had a gang member sweep which was funded by over-time. These sweeps are anticipated to continue in the future.

Preliminary Forecast for FY 11/12

This coming fiscal year offers a number challenges, such as:

- **An increase in pension costs.** Over the next three years, CalPERS costs in the General Fund are expected to increase by \$3 million.
- **An increase in operating costs** such as health costs and energy costs.
- **A reduced State Budget.** A dramatic budget problem at the State level which means less State grants and probably some revenue take-aways such as State COPS Grant (\$100,000) and Booking Fee Reimbursements (\$200,000). The exact detail of what will happen is not clear.
- **A reduction in Federal spending.** During the President's State of the Union speech, the President proposed freezing spending and cutting back in programs. The City could potentially see reductions in Community Development Block Grants, Economic Development Administration grants, Airport Improvement Programs, SAFER and Federal COPS programs.
- **Struggles of other governmental partners,** such as the Visalia Unified School District (VUSD). If faced with a dilemma, one item VUSD could consider cutting is the current \$0.3 million contract the City has with VUSD for Youth Service Officers. This contract has already been cut from \$.05 million to \$.03 million for FY 09/10 budget.

- **A decrease in budgeted capital.** To reduce FY 11/12 deficit, Council reduced the capital budget to \$600,000. Long term, staff believes on going capital should be at least \$1 million a year.

Of these challenges, the impact of the State and Federal budgets on the City is the most difficult to assess. The reason for the uncertainty is the sheer size of the State and Federal budget problems. The State's budget deficit is \$26.6 billion and relies heavily on an extension of the 2009 tax increases on income, sales, and vehicles. If the State tax measures do not continue, Tulare County could incur additional costs that will probably be partly passed to the City of Visalia.

Finance has prepared preliminary estimates of the City's General Fund for FY 11/12 as shown on Table II, General Fund Projections, FY 10/11 & FY 11/12. The projection builds upon this year's budget forecast and expected growth in revenues and expenditures. The projection assumes the following:

- no increase in operating costs;
- no cost of living adjustment in personnel costs; and,
- existing vacancies are held vacant.

These actions will be difficult to achieve, but if accomplished, the deficit will be held at \$1.3 million.

The decrease in the deficit from FY 10/11 to FY 11/12, is due primarily to revenue growth and a decrease in employee compensation that was approved in FY 10/11.

Recommendations: Staff recommends continuing administrative actions to reduce FY 10/11 deficit and direct staff to bring back a plan with options for FY 11/12 that eliminates the on going deficit.

Table II – General Fund Projections, FY 10/11 & FY 11/12:

General Fund Projections			
	Current - 10/11		11/12
REVENUES	Projection	Growth Assumption	Projection
Sales Tax	\$ 14,541,400	2.4%	\$ 14,904,935
Property Tax	7,965,166	1.0%	8,044,818
Property Tax - Triple Flip	4,825,272	2.9%	4,970,030
Property Tax - VLF Swap	8,902,300	1.0%	8,991,323
Investment Earnings*	463,424	20.1%	580,000
Transit Occupancy Tax	1,877,405	4.8%	1,971,275
Franchise Fee	1,982,200	3.4%	2,051,577
Business License Fee	2,185,297	3.4%	2,261,782
VUSD YSO Contract	320,852	0.0%	320,852
Street Maintenance Fees	515,050	0.6%	518,240
Property Tax - Prior/Current Supplemental**	198,431	50.4%	400,415
Real Property Tax Transfer	315,400	39.2%	518,554
All Other Revenues	6,538,912	-5.9%	6,174,922
Allocated Reimbursement	18,185,126	0.0%	18,185,156
Total Resources	\$ 68,816,235	1.5%	\$ 69,893,879
EXPENDITURES			
Non Departmental	\$ 869,235	-10.1%	\$ 789,174
Administration	3,992,598	1.4%	4,050,280
Administrative Services	4,374,166	-0.9%	4,333,205
Community Development	6,888,724	2.7%	7,078,325
Housing and Economic Development	1,316,799	0.5%	1,322,979
Parks and Recreation	9,055,644	0.4%	9,094,515
Police	25,430,260	-0.5%	25,308,697
Fire	11,487,196	-0.5%	11,432,154
Public Works	3,977,369	0.0%	3,977,335
Total Operating Expenditures	\$ 67,391,991	0.0%	\$ 67,386,664
Capital Expenditures	807,670		588,530
Transfers Out to Other Funds	3,272,500		3,272,500
Total Expenditures	\$ 71,472,161	-0.3%	\$ 71,247,694
Surplus/(Deficit)	\$ (2,655,926)		\$ (1,353,814)
*Note: In FY 11/12 interst rate is expected to grow to 2.5%. Growth rate from FY 10/11 is 20.1%.			
**Note: Over next 5 years, \$1 million in delinquent accounts will be paid to City. Growth rate from FY 10/11 is 50.4%			

SPECIAL REVENUE FUNDS

Although the mid-year report focuses on operating funds, several special revenue funds need Council attention.

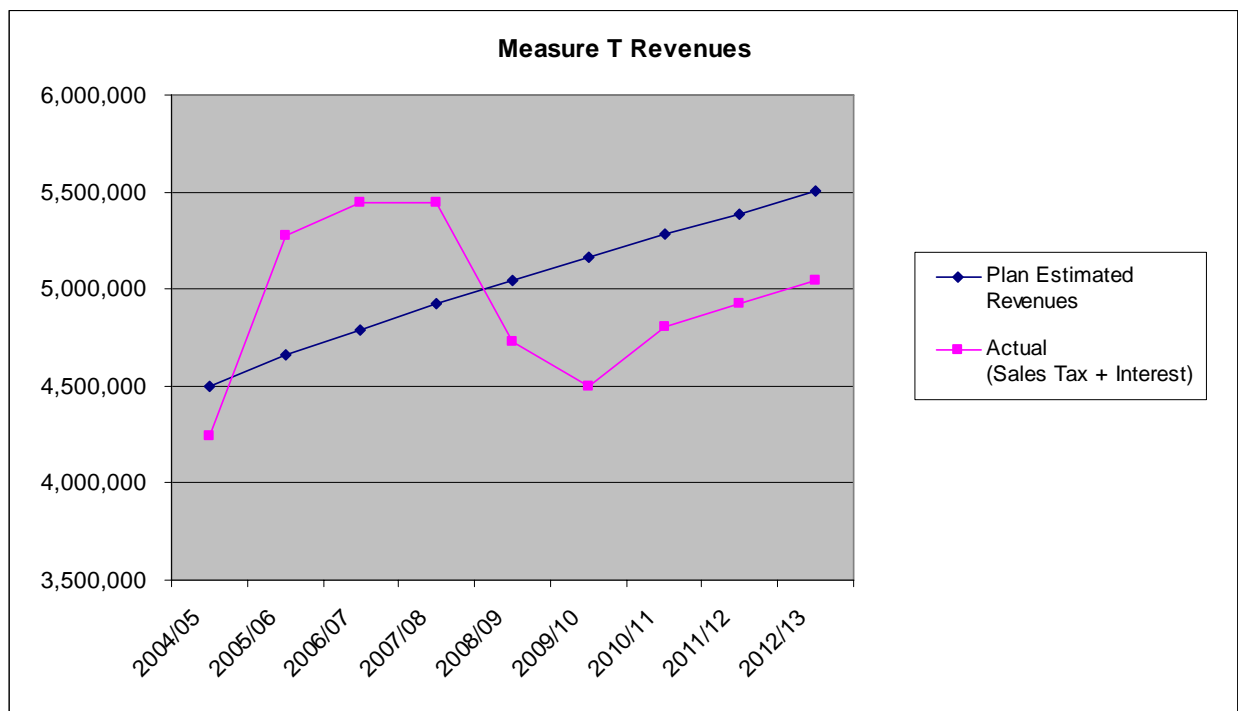
Measure T

In 2004, City of Visalia voters approved a measure to increase sales tax by ¼ cent. This is known as Measure T and the sales tax revenues are earmarked for public safety. The measure runs by a detailed, 20 year plan which includes hiring of personnel, construction of capital projects and equipment purchases. Plan elements implemented to date are as follows:

- Two Police precincts built
- 27 Police Officers hired and vehicles purchased (currently has 1 vacancy – plan funds 28 officers)
- 4 Firefighters hired
- Built Station 55 and Training Facility
- Purchased New Fire apparatus

While the Measure T plan elements are on track, sales tax revenues are less than originally projected. Table IV - Measure T Revenues, compares the revenues originally projected in the plan versus the revenues collected and projected through FY 12/13.

Table IV – Measure T Revenues:



	Plan Estimated Revenues	Actual (Sales Tax + Interest)	Variance
2004/05	4,500,000	4,238,321	(261,679)
2005/06	4,660,159	5,272,146	611,987
2006/07	4,789,980	5,446,799	656,819
2007/08	4,921,696	5,443,504	521,808
2008/09	5,040,111	4,728,744	(311,367)
2009/10	5,161,224	4,501,960	(659,264)
2010/11	5,281,824	4,805,500	(476,324)
2011/12	5,383,682	4,924,438	(459,245)
2012/13	5,503,537	5,047,144	(456,393)
Total	45,242,213	44,408,556	(833,657)

According to the ballot measure, Measure T sales tax is to be shared 60% for police and 40% for fire. Thus, the City maintains two funds: Measure T – Fire and a Measure T – Police.

Fire Measure T

The fire fund has built up fund balance in preparation for the construction, equipping and staffing of the Southwest Fire Station. However, once the new station is completed and staffed in 2012-13, the annual expenses of the Measure T- Fire fund will be approximately \$2.7 million, exceeding the projected revenues by approximately \$0.6 million per year, as shown in Table V – Fire Measure T Projections. In addition, the capital shown does not include fire's share of the Communications facility which is expected to cost \$2 - \$4 million.

Table V – Fire Measure T Projections:

Plan	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17
12/13 - Add 14 new firefighter paramedics = Total 18 firefighters							
Revenues							
Sales Tax Revenues	1,930,200	1,978,455	2,027,916	2,078,614	2,130,580	2,183,844	2,238,440
Interest & Misc Earnings	70,000	70,700	72,114	73,917	76,134	78,418	80,771
Total Revenues	2,000,200	2,049,155	2,100,030	2,152,531	2,206,714	2,262,263	2,319,211
Expenditures							
Salaries and Benefits	535,786	541,144	2,425,517	2,442,814	2,460,285	2,484,888	2,509,737
Operating Expenditures	123,531	245,407	250,315	255,321	260,427	265,636	270,949
Capital	589,984	857,315	1,445,097	-	-	-	-
Total Expenditures	1,249,301	1,643,866	4,120,928	2,698,135	2,720,713	2,750,524	2,780,686
Surplus/(Shortfall)	750,899	405,289	(2,020,898)	(545,604)	(513,999)	(488,261)	(461,474)
Beginning Fund Balance*	6,834,373	7,585,272	7,990,561	5,969,663	5,424,059	4,910,060	4,421,799
Ending Fund Balance	7,585,272	7,990,561	5,969,663	5,424,059	4,910,060	4,421,799	3,960,324

Assumptions: Sales Tax - 2.5%, Interest - 11/12 : 1%, 12/13: 2%, 13/14: 2.5%, 14/15-16/17: 3%, Salaries & Benefits: \$1,000/emp for health, Operating: 2%

*Note: Fund Balance includes the Economic Uncertainty Fund.

In fiscal year 2012/13, the plan calls for a new Fire station and 14 additional Firefighters. The Projected revenues can only support 10 additional firefighters. The Fire Chief has proposed pursuing a grant which pays for firefighters for the next two years. The grant, requires that the employed firefighters be kept on at least one year after the grant ends, which would be done in accordance with the Measure T Plan.

Recommendation: *The Fire Chief has recommended pursuing a grant for 9 firefighters and amending the 11/12 plan, during the annual recertification process in June, to fund a captain that is currently funded in the General Fund.* This level of commitment appears appropriate given that the sales tax measure's revenues are less than the original plan. Further, **staff recommends only hiring a total of 10 firefighters until revenues increase sufficiently to support the additional staff.**

Measure T - Police

The police fund is projected to have a deficit of \$0.7 million at the end of FY 11/12 and is expected to increase to approximately \$1.9 million in FY 12/13. If the City proceeds with the current Measure T plan, the deficit will grow to \$3.6 million over the next 6 years and exhausts the economic uncertainty fund as shown in Table VI – Police Measure T Projections. This projection assumes no cost of living adjustment and not sustainable.

Table VI – Police Measure T Projections:

Plan							
	Total 28 officers						
	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Revenues							
Sales Tax Revenues	2,795,300	2,865,183	2,936,812	3,010,232	3,085,488	3,162,625	3,241,691
Interest & Misc Earnings	10,000	10,100	10,302	10,560	10,876	11,203	11,539
Total Revenues	2,805,300	2,875,283	2,947,114	3,020,792	3,096,365	3,173,828	3,253,230
Expenditures							
Salaries and Benefits	3,106,088	3,185,388	3,212,988	3,218,858	3,251,046	3,283,557	3,316,392
Operating Expenditures	266,034	271,355	276,782	282,317	287,964	293,723	299,597
Capital	173,896	310,397	620,794	-	-	-	-
Total Expenditures	3,546,018	3,767,140	4,110,564	3,501,175	3,539,010	3,577,280	3,615,990
Surplus/(Shortfall)	(740,718)	(891,857)	(1,163,450)	(480,383)	(442,646)	(403,452)	(362,760)
Beginning Fund Balance*	898,572	157,854	(734,003)	(1,897,453)	(2,377,837)	(2,820,482)	(3,223,934)
Ending Fund Balance	157,854	(734,003)	(1,897,453)	(2,377,837)	(2,820,482)	(3,223,934)	(3,586,694)

Assumptions: Sales Tax - 2.5%, Interest - 11/12 : 1%, 12/13: 2%, 13/14: 2.5%, 14/15-16/17: 3%,
Salaries & Benefits: \$1,000/emp for health, Operating: 2%

*Note: Fund Balance includes the Economic Uncertainty Fund.

Recommendation:

Both the Police and the Fire Measure T funds will have operating deficits given current revenues. To support the planned expenditures, revenues would need to increase by 15% for the next two years, an unlikely scenario.

The Measure T guidelines gave an order to how the plan was to be implemented:

1. First, implement the plan;
2. Fund the economic uncertainty fund;
3. Accelerate the fund; and then,
4. Add to the plan.

The current state of Measure T funds is not sufficient to accomplish the first goal of the plan, let alone the other elements. This leaves the Council with few choices because Measure T is used mainly to pay for personnel. The way to balance the fund is to hire fewer personnel until revenues increase sufficiently to pay for the plan's full personnel contingent. The Fire Chief has recommended hiring 10 (9 firefighters + 1 captain) instead of 14 firefighters to match costs with Fire Measure T revenues. Police needs to consider a similar approach.

As a result, **Finance has prepared one scenario which appears sustainable by current revenues. The plan would allow, through attrition, a reduction of funded Measure T officers as follows:**

- **Reduce sworn officers from 27 to 22 in year 11/12.** Currently, General Fund has one vacant position. Therefore, 4 other positions will need to be left vacant through attrition.
- **Evaluate future years.**

Table VII – Proposed Police Measure T Plan, shows the fund cash balance turning positive in FY 14/15. The officers funded in Measure T will be transferred into the General Fund positions that are vacant and vacancies in the Measure T Fund will be frozen. Currently, Measure T Fund and General Fund each have one vacant position. Therefore, 4 other positions will need to be left vacant through attrition.

Table VII – Proposed Police Measure T Plan:

Proposed Amendment to Plan							
11/12 - 6 vacant officers = Total 22 officers (shift officers to GF vacancies)							
	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Revenues							
Sales Tax Revenues	2,795,300	2,865,183	2,936,812	3,010,232	3,085,488	3,162,625	3,241,691
Interest & Misc Earnings	10,000	10,100	10,302	10,560	10,876	11,203	11,539
Total Revenues	2,805,300	2,875,283	2,947,114	3,020,792	3,096,365	3,173,828	3,253,230
Expenditures							
Salaries and Benefits	3,106,088	2,481,163	2,503,163	2,504,163	2,529,205	2,554,497	2,580,042
Operating Expenditures	266,034	255,755	260,870	266,087	271,409	276,837	282,374
Capital	173,896	310,397	620,794	-	-	-	-
Total Expenditures	3,546,018	3,047,315	3,384,827	2,770,250	2,800,614	2,831,334	2,862,415
Surplus/(Shortfall)	(740,718)	(172,032)	(437,713)	250,542	295,751	342,494	390,814
Beginning Fund Balance*	898,572	157,854	(14,178)	(451,891)	(201,349)	94,402	436,896
Ending Fund Balance	157,854	(14,178)	(451,891)	(201,349)	94,402	436,896	827,710

Assumptions: Sales Tax - 2.5%, Interest - 11/12 : 1%, 12/13: 2%, 13/14: 2.5%, 14/15-16/17: 3%,
Salaries & Benefits: \$1,000/emp for health, Operating: 2%

*Note: Fund Balance includes the Economic Uncertainty Fund.

Recommendation: Due to the decrease in revenues, staff recommends returning in June with a plan that is fiscally sound.

Measure R Evaluation

Measure R, the County-wide, ½ cent sales tax, became effective April 1, 2007. The sales tax is split into three components:

- Local Program (35%) - Funds are to be used for street improvements/maintenance.
- Regional Projects (50%) – Funds are to be used for specific projects listed in the ballot measure.
- Transit/Bike/Environmental Projects (14%) – Funds are to be used to enhanced transit services and the environment.

Overall, the Measure R sales tax is coming in as projected in the plan. The Tulare County Association of Governments (TCAG) is currently projecting revenues to stabilize and slightly increase in the next couple of years.

The Measure R Regional Projects are moving forward as listed in the plan. Currently Measure R Local funds are used to support Measure R Regional project expenditures until reimbursement is obtained. The most recent finished project is the Santa Fe Bridge which was fully funded by Measure R. The City is currently working on regional projects, such as the Ben Maddox/Highway 198 widening, Lovers Lane interchange and Plaza Drive/Highway 198 widening.

In preparing the document, staff found two previously approved projects that Council needs to appropriate funds from Measure R:

Caldwell Widening – Phase 1: design and right-of-way acquisition: This project is to widen Caldwell from Santa Fe to Lovers Lane, adding two more travel lanes. Phase 1 of the project is to obtain the land and design widening of Caldwell. This project has been approved by TCAG and is funded by Measure R Regional at \$1.1 million.

Demaree and Mill Creek Traffic Signal and Synchronization: This project is to install a traffic signal at Demaree and Mill Creek and install conduit from Mill Creek to Riggins to provide for signal synchronization. Design is currently underway. Funding will come from CMAQ Grants (\$540,000) and Regional Measure R (\$95,000).

Recommendation: Appropriate funds to be reimbursed from Measure R Regional and CMAQ grant for the following projects:

- ***Caldwell Widening design and right-of-way acquisition (\$1.1 million from Regional Measure R).***
- ***Demaree and Mill Creek Traffic Signal and Synchronization (\$540,000 from CMAQ grant and \$95,000 from Regional Measure R.).***

Transportation Impact Fee Fund.

The Transportation Impact Fee Fund is derived from fees collected at the time of building permit issuance. These funds can only be used for new street improvements and expansion of transportation facilities related to growth. The revenues collected in this fund have dropped dramatically due to the decrease in development. Table VIII – Transportation Impact Fees. shows residential is projected to collect 11% (\$650,000) of the fees collected in FY 06/07 and

commercial is projected to collect 8% (\$700,000) of fees collected in 07/08. Commercial development typically lags a year behind residential development.

Table VIII – Transportation Impact Fees:

	06/07	07/08	08/09	09/10	10/11
Residential Impact Fee	6,156,090	3,654,407	1,535,877	1,271,363	650,000
Commercial Impact Fee	1,819,547	8,479,499	2,102,240	357,645	700,000
Office Impact Fee	455,234	802,067	174,081	282,515	300,000
Industrial Impact Fee	956,584	577,623	343,513	167,827	200,000
Total Fees Collected	9,387,455	13,513,595	4,155,710	2,079,349	1,850,000

The Transportation Impact Fee Fund currently has \$7.0 million in agreements with developers to reimburse them for infrastructure and \$7.3 million committed to capital projects. Due to the time it takes to design, purchase right-of-way, conduct environmental studies (if needed), and construct; staff projects \$4 million will be spent this year on capital projects and \$1.5 million for developer reimbursement. The Transportation Impact Fee Ordinance requires the City to reimburse developers no later than two years after the City accepts the improvements. Table IX – Transportation Impact Fund Cash Flow, shows a deficit starting in FY 11/12. To reduce the deficit, staff is postponing future projects until revenues can fund additional projects.

Table IX – Transportation Impact Fund Cash Flow:

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Beginning Cash For Capital	4,139,200	504,200	(4,510,800)	(4,169,500)	(3,763,100)	(3,288,600)
Revenues						
Transportation Impact Fees*	1,850,000	1,905,500	1,962,700	2,021,600	2,082,200	2,144,700
Interest Earnings	45,000	10,100	(90,200)	(83,400)	(75,300)	(65,800)
Total Revenues	1,895,000	1,915,600	1,872,500	1,938,200	2,006,900	2,078,900
Expenditures						
Operating Expenditures	(30,000)	(30,600)	(31,200)	(31,800)	(32,400)	(33,000)
Developer Reimbursements	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
Capital Expenditures	(4,000,000)	(5,400,000)	-	-	-	-
Total Expenditures	(5,530,000)	(6,930,600)	(1,531,200)	(1,531,800)	(1,532,400)	(1,533,000)
Ending Cash Available	504,200	(4,510,800)	(4,169,500)	(3,763,100)	(3,288,600)	(2,742,700)

* Note: Starting in 11/12, revenue is projected to grow annually at 3%

Recommendation: *Due to the decrease in revenues, staff recommends postponing future projects until revenues can fund additional projects. Staff will return in June with recommendations to postpone a portion of the \$5.4 million, currently budgeted for projects, in 11/12.*

Redevelopment

At the March 7, 2011 Council Meeting, a number of actions were taken to improve the City's fiscal position based upon potential actions by the State legislature. These actions included paying off debt, transferring land back to the General Fund in exchange for debt reduction and paying Downtown Property Owners assessment obligations. At this writing, budget developments do not clearly indicate what will happen with Redevelopment, but the City has taken a number of actions to improve its fiscal position.

In addition, management has taken steps to further reduce costs by transferring one full-time

worker to an open position in Fire. Another position may also be transferred if redevelopment ceases to exist due to State legislation. Further adjustments will probably be necessary but should wait for State legislative developments.

Recommendation: None

Wait for further developments at the State level before additional actions are taken in regards to redevelopment.

ENTERPRISE FUND EVALUATIONS

Enterprise Funds have different accounting requirements than the Governmental Funds. Accounting for the General Fund focuses on paying current year's operating expenditures, with separate accounting for capital assets and debt service.

However, the accounting for enterprises must:

1. Cover current operating costs;
2. Pay debt service; and,
3. Replace capital assets.

The evaluation of enterprise funds must determine if all of these financial measurements are occurring or if there are financial circumstances that allow the enterprise to overcome these financial necessities. If the first two items are being covered, then an evaluation of the individual fund's cash balance is needed to determine if the fund has adequate resources to replace capital assets.

In the enterprise accounting model, one element of cost is depreciation. Depreciation is a non-cash expense intended to represent the proportional usage of an entity's capital plant. For short-term analysis, the fund will deduct depreciation from an operation's projected income statement to determine the projected change in cash.

BUILDING SAFETY

Covering operations:	No
Meeting budget objective:	Yes
Meeting debt service:	N/A
Meeting capital needs:	No

Comment: *Temporary loan required from General Fund*

The Building Safety division was changed to an enterprise fund at the beginning of fiscal year 2008-09, better enabling the City to monitor Building Safety's self-sufficiency. In prior years, Building Safety was accounted for as part of the General Fund. The activity's accumulated revenues less expenditures were reported as part of the General Fund's fund balance. These accumulated gains or losses are now reported in this fund. Building Safety, as of June 30, 2010, had a \$633,061 loss.

Heading in to FY 10/11, the division anticipated a loss. This is a reflection of the continuing downturn in the economy, resulting in lower residential and commercial building permits. In light of the current economy, the division implemented cost control measures beginning in FY 07/08 which continue today. From a peak in 05/06 of 20 employees, the division now operates with 9

employees. Four positions have been temporarily assigned to other tasks in the City in a cost saving effort.

The Building Safety revenues are projected to be slightly up from the 10/11 budget. Expenses are projected to be down by \$60,000, as shown in Table X, Building Safety. The decrease in expenses is due to salary savings from the retirement of the Chief Building Official. Costs are expected to increase once the position is filled; however, the position will be reclassified to a lower salary level.

Although City management has discussed further reducing costs, the current level is low and further reductions in service would potentially hamper the building industry. Because the City wishes to encourage development, management has not made additional recommendations to reduce Building Safety funding. This action will mean that the fund expects a \$30,000 loss this year and an accumulated cash deficit of \$400,000.

**Table X
BUILDING SAFETY
10/11 BUDGET PROJECTION**

<u>OPERATIONS</u>	<u>Budget</u>	<u>Projected</u>	<u>Variance</u>
<u>REVENUES</u>			
Operating Revenues	\$ 1,538,400	\$ 1,571,956	33,556
Non Operating (Grants, Reimburse., etc.)	114,170	141,576	27,406
	<u>1,652,570</u>	<u>1,713,532</u>	<u>60,962</u>
<u>EXPENSES:</u>			
Personnel	(984,300)	(922,425)	61,875
Operations & Maintenance	(97,900)	(95,959)	1,941
Depreciation	(23,170)	(23,172)	(2)
Capital Outlay	-	-	-
Allocated Costs	(699,400)	(702,424)	(3,024)
	<u>(1,804,770)</u>	<u>(1,743,980)</u>	<u>60,790</u>
RESOURCES AVAILABLE FOR CAPITAL	<u>\$ (152,200)</u>	<u>\$ (30,448)</u>	<u>121,752</u>
<u>CASH AVAILABLE FOR CAPITAL ASSETS</u>			
Beg. Capital Asset Cash	(408,988)	(408,988)	-
Add: Curr. Yr. Net Oper. Resources Avail.	(152,200)	(30,448)	121,752
Add: Depreciation Transfer	23,170	23,172	2
Less: Capital Purchases	-	-	-
ENDING CAPITAL ASSET CASH	<u>\$ (538,018)</u>	<u>\$ (416,264)</u>	<u>121,754</u>

Possibly of greater importance, the fund's average monthly revenues have begun to increase, although modestly, as shown in Table XI, Monthly Building Safety Revenues.

**Table XI
Monthly Building Safety Revenues**

<u>Revenues:</u>			
Monthly Average:			
fy 06/07	\$	204,484	
fy 07/08	\$	239,279	17%
fy 08/09	\$	146,185	-39%
fy 09/10	\$	140,741	-4%
fy 10/11	\$	147,059	4%

Recommended Action: Authorize operating cash advances to cover the FY 2010/11 Building Safety deficit. The actual cash advance may be as small as \$7,000.

Continue to monitor the fund and its performance measures on a monthly basis to assure the division is providing timely service and is making progress toward reducing its dependency upon General Fund advances. Find ways to provide services which are supportive of the building industry without increasing costs.

CONVENTION CENTER

Covering operations: No
Meeting budget objective: Yes
Meeting debt service: No
Meeting capital needs: No

Comment: Supported by the General Fund

The Convention Center operation is treated as an enterprise even though its revenues do not cover operating costs, debt service or capital purchases as shown in Table XII, Convention Center. While it can be argued the operation should not be accounted for in this manner, the fund is accounted for as an enterprise because it supplies a service that is based upon user fees and the City wants the operation to be as self-sufficient as possible.

The financial statement evaluation does not reflect the Convention Center's positive financial impact on other local businesses. Visitors come to the Center, stay the night in the local hotels, eat in Visalia's restaurants, and shop with the local merchants, benefiting the local economy.

Event revenues for the Convention Center peaked in FY 2007-08. The Center's FY 2009-10 revenues decreased by 6.7% from the peak year. Considering that many convention centers are off 30% or more, Visalia has been able to weather the financial storm well. Visalia has been able to capitalize on changes in the market as many groups are now looking for facilities that allow their dollars to stretch further. The Convention Center had 9 conventions in our peak year, FY 2007-08, but is expected to double that to 18 in the current year.

With the State of California facing sizable budget deficits, a potential challenge facing the Convention Center is reduced funding to governmental agencies that hold events. State, County or Local agencies may not have future funding levels sufficient to host conferences and trainings used for outreach and education.

Another potential issue is the loss of the University of Phoenix, which has been a steady client for five years. They have expressed interest in building their own facility. They submitted plans for a new facility to the Site Plan Review Committee for a second time, which they did about a year ago but did not move forward. University of Phoenix has also asked for a sign variance on a

vacant building, indicating they are looking a purchasing an existing building. On the positive side, they just renewed their annual contract for office space at the Convention Center for another year.

Crossroads Community Church had talked of moving to another facility in the past. Over the last year, they have had some staffing changes along with reduced weekly offerings due to the economy. For now, they will probably not be moving as the Church reduced their space usage and fees to an amount that is sustainable for them.

Revenues and expenditures for FY 10/11 are projected to be down 8% from the last year, but revenues and expenditures are up slightly from budget. The increases are mainly coming from the increased usage revenue and entertainment vendor costs.

**Table XII
Convention Center
10/11 BUDGET PROJECTION**

<u>OPERATIONS</u>	<u>Budget</u>	<u>Projected</u>	<u>Variance</u>
<u>REVENUES</u>			
Operating Revenues	\$ 3,074,200	\$ 3,232,999	\$ 158,799
<u>EXPENSES</u>			
Personnel	(1,944,150)	(1,963,756)	(19,606)
Operations & Maintenance	(1,754,400)	(1,946,862)	(192,462)
Allocated Costs	(718,890)	(687,214)	31,676
	(4,417,440)	(4,597,832)	(180,392)
OPERATIONS	\$ (1,343,240)	\$ (1,364,833)	(21,593)
<u>OTHER / NON-OPERATING</u>			
Revenues - Interest Income & Misc.	-	92,794	92,794
Debt Service Expenditures	(745,400)	(745,354)	46
General Fund Transfers	2,897,740	2,897,740	-
	2,152,340	2,245,180	92,840
RESOURCES AVAILABLE FOR CAPITAL	\$ 809,100	\$ 880,347	71,247
<u>CASH AVAILABLE FOR CAPITAL ASSETS</u>			
Beginning Capital Asset Cash	-	-	-
Add: Curr. Yr. Net Oper. Resources Avail.	809,100	880,347	71,247
Add: Depreciation Transfer	(109,172)	(109,172)	-
Less: Capital Purchases	-	-	-
ENDING CAPITAL ASSET CASH	\$ 699,928	\$ 771,175	71,247

As for operations, the most important effort by the Convention Center is to assure the Center is being fully used. Their statistics from last year are shown in Table XIII, Convention Center Occupancy. The Center continues to be used at about 50% of its capacity.

Table XIII
Convention Center Occupancy

Facility Space	Occupancy Trends				
	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10
Charter Oak Ballroom	57%	59%	61%	55%	55%
Downstairs Meeting Rooms	50%	49%	51%	54%	58%
Upstairs Meeting Rooms	47%	54%	57%	65%	70%
Exhibit Hall	33%	46%	49%	44%	39%
AVERAGE FACILITY OCCUPANCY	40%	50%	52%	49%	47%

Recommended Action: None

Monitor operations. Convention Center may be able to suggest additional ways to lower cost but will also coordinate activities with the Convention & Visitor's Bureau and local hotels to maximize revenues.

VALLEY OAK GOLF

Covering operations: Yes
Meeting debt service: Yes
Meeting capital needs: No

Comment: CIP rate surcharge is currently paying for some capital assets. Debt service costs have declined due to variable rate loan.

Valley Oaks Golf is run by an outside vendor, CourseCo. Table XIV, Valley Oaks Golf Course Operating Results, compares several years of operating results to the projected results for this year. The golf course has recently hired the general manager on full time which has increased cost but should also increase revenues. This year the golf course has started the construction for the \$1.7 million irrigation project.

The irrigation project is to replace the old system with a new system that allows the golf course to utilize treated water from the City's Wastewater Treatment Plan for irrigation. Due to construction, rounds are projected to be down compared to last year. During construction approximately 1/3 of the golf course was out of service for 4 months. Despite the partial closure, golf rounds are projected to be about the same as last year. The increase in revenues, however, is entirely due to a small increase in the CIP surcharge.

All other things being equal, the fund should improve performance this next year with improved fairway conditions and all 27 holes being operational.

The Golf Fund is projected to pay a total of \$335,000 towards debt this fiscal year. The remaining debt balance on the General Fund will be \$2.5 million and \$1.65 million on CIP.

Table XIV

**Valley Oaks Golf Course Operating Results
Comparison Summary
2008 Thru 2011**
(Amounts in Thousands)

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>Projected 2010-2011</u>
Revenues				
Green Fees	\$ 881	\$ 792	\$ 768	\$ 746
Monthly Tickets	230	216	176	162
CIP Surcharge	270	247	285	324
Cart Fees	495	487	468	463
Range	204	172	164	182
Merchandise	202	206	167	156
Food/Beverage	428	367	367	382
Other	32	33	24	11
Total Revenues	2,742	2,520	2,419	2,426
Expenses				
Cost of Goods Sold	(315)	(309)	(249)	(253)
Operating Expenses	(1,825)	(1,851)	(1,794)	(1,838)
Total Expenses	(2,140)	(2,160)	(2,043)	(2,091)
Net From Operations	\$ 602	\$ 360	\$ 376	\$ 335
Debt Payment				
CIP Debt Payment	270	247	285	324
GF Debt Payment	332	112	91	11
Total Debt Payment	\$ 602	\$ 360	\$ 376	\$ 335
Surplus/(Deficit)	\$ -	\$ -	\$ -	\$ -
<hr style="border-top: 1px dashed black;"/>				
Rounds	77,120	70,645	64,847	64,730
Average Income Per Round	\$ 35.55	\$ 35.67	\$37.31	\$ 37.48

Recommended Action: NONE

Continue to monitor debt repayment. Complete irrigation project.

AIRPORT

Covering operations: No
Meeting debt service: Yes
Meeting capital needs: Yes

Comment: Capital needs subsidized by Federal Grants.

The Airport does not generate much operating income. The majority of the Airports operating revenues are from aviation fuel sales. Fuel sales for this fiscal year are up from last year by 3%. However, they are down from 07/08 approximately 60% (\$1 million). Expenditures are also higher than last fiscal year and budget due to aviation fuel prices increasing.

Fuel sales today are less than ½ of what they were three years ago as shown in Table XV, Airport Fuel Sales.

Table XV
Airport Fuel Sales in Gallons

	FY 07/08	FY 08/09	FY 09/10	FY 10/11
AV 100LL	125,420	94,340	78,749	64,630
Jet	298,492	145,179	113,740	129,141
	<u>423,912</u>	<u>239,519</u>	<u>192,489</u>	<u>193,772</u>

To compensate for these lost profits, the Airport operation has reduced costs by reducing staffing and changing operations. It is also seeking new rents for its leased property but will need to continue to lower costs.

Overall, Airports deficit is much smaller than budgeted as shown on Table XVI, Airport. As long as the Airport receives capital grant funding to replace and expand the Airport's capital assets the fund will remain healthy. With the uncertainty of the Federal Budget, it is unclear how much grant money will be available or if capital improvements will be delayed.

To improve the fund's cash position, the airport has taken a number of positive steps, including:

- Changing to a part-time receptionist from a full-time receptionist;
- Renegotiating its security contracts and taking greater advantage of the Airport security cameras;
- Appropriately renegotiating airport leases to increase revenues;
- Reducing some outside contracts that full-time staff can accomplish; and,
- Working with Fire to reduce the standby Fire costs for incoming and outgoing commercial flights.

Collectively, these actions should earn or save the Airport \$100,000 a year or more.

Recommended Action: Continue to monitor Airports expenses and work with Airport staff to reduce operating costs. Staff will return in June with additional recommendations.

Table XVI

AIRPORT
10/11 BUDGET PROJECTION

<u>OPERATIONS</u>	<u>Budget</u>	<u>Projected</u>	<u>Variance</u>
<u>REVENUES</u>			
Operating Revenues	<u>\$ 1,575,880</u>	<u>\$ 1,605,552</u>	<u>\$ 29,672</u>
<u>EXPENSES:</u>			
Personnel	(420,900)	(438,464)	(17,564)
Operations & Maintenance	(843,616)	(910,038)	(66,422)
Allocated Costs	(223,870)	(180,498)	43,372
	<u>(1,488,386)</u>	<u>(1,528,999)</u>	<u>(40,613)</u>
OPERATIONS	<u>\$ 87,494</u>	<u>\$ 76,553</u>	<u>\$ (10,941)</u>
<u>OTHER / NON-OPERATING</u>			
Revenues - Grants and Misc.	703,000	450,000	(253,000)
Depreciation	(665,840)	(665,844)	(4)
Debt Service Expenditures	(29,707)	(29,923)	(216)
	<u>7,453</u>	<u>(245,767)</u>	<u>(253,220)</u>
RESOURCES AVAILABLE FOR CAPITAL	<u>\$ 94,947</u>	<u>\$ (169,214)</u>	<u>\$ (264,161)</u>
<u>CASH AVAILABLE FOR CAPITAL ASSETS</u>			
Beg. Capital Asset Cash	(189,123)	(189,123)	-
Add: Curr. Yr. Net Oper. Resources Avail.	94,947	(169,214)	(264,161)
Add: Depreciation Transfer	665,840	665,844	4
Less: Capital Purchases	(3,346,727)	(500,000)	2,846,727
ENDING CAPITAL ASSET CASH	<u>\$ (2,775,063)</u>	<u>\$ (192,493)</u>	<u>\$ 2,582,570</u>

TRANSIT

<i>Covering operations:</i>	<i>Yes</i>
<i>Meeting debt service:</i>	<i>Yes</i>
<i>Meeting capital needs:</i>	<i>Yes</i>

Comment: Capital and operational needs are subsidized by Federal and State funding.

The City's Transit operation remains financially sound because of significant federal and state funding it receives. Without these funds, Transit would not be able to operate or replace its capital assets. Further, operating grants pay approximately 80% of its operating costs. As long as Transit continues to receive adequate operating and capital funding from state and federal grants, the fund will remain healthy. Table XVII, Transit, projects the fund to be able to contribute \$5.3 million towards capital projects this year.

Table XVII

**TRANSIT
10/11 BUDGET PROJECTION**

<u>OPERATIONS</u>	<u>Budget</u>	<u>Projected</u>	<u>Variance</u>
<u>REVENUES</u>			
Operating Revenues	\$ 2,303,800	\$ 2,315,709	11,909
Non Operating (Grants, Reimburse., etc.)	16,134,550	12,342,555	(3,791,995)
	<u>18,438,350</u>	<u>14,658,264</u>	<u>(3,780,086)</u>
<u>EXPENSES</u>			
Personnel	(500,300)	(502,666)	(2,366)
Operations & Maintenance	(7,924,908)	(7,187,686)	737,222
Depreciation	(1,389,180)	(1,389,180)	-
Allocated Costs	(258,310)	(203,473)	54,837
	<u>(10,072,698)</u>	<u>(9,283,005)</u>	<u>789,693</u>
 RESOURCES AVAILABLE FOR CAPITAL	 <u>\$ 8,365,652</u>	 <u>\$ 5,375,259</u>	 <u>(2,990,393)</u>
 <u>CASH AVAILABLE FOR CAPITAL ASSETS</u>			
Beg. Capital Asset Cash	1,666,291	1,666,291	-
Add: Curr. Yr. Net Oper. Resources Avail.	8,365,652	5,375,259	(2,990,393)
Add: Depreciation Transfer	1,389,180	1,389,180	-
Less: Capital Purchases	(14,212,140)	(5,237,312)	8,974,828
ENDING CAPITAL ASSET CASH	<u>\$ (2,791,017)</u>	<u>\$ 3,193,418</u>	<u>5,984,435</u>

Transit appears to be financially sound, for the moment. The major operational initiatives facing Transit are as follows:

1. Sequoia Shuttle expanded service inside the park.

The Sequoia Shuttle 2010 Season was again operated by the City of Visalia Transit Division and experienced significant ridership increases. The City operated the shuttle inside the park under a cooperative agreement with the National Park Service and transported over 180,000 passengers during the summer season. The City also operated shuttles from Visalia to the Sequoia Park carrying over 7800 passengers, which was a 40% increase over previous years. The NPS has requested several additions to the shuttle operation for the 2011 season including an early hiker shuttle, extra buses on Moro Rock Rd., new stops and a short route during a few winter holidays.

2. New buses on order.

The Transit Division continues to replace older buses and expand its alternative fueled fleet with six new Dial-A-Ride buses, six new shuttle buses, and three new trolleys expected to be on order this next year. The transit fleet is 90% alternative fueled taking advantage of the low cost Compressed Natural Gas station built several years ago. Within a couple of years, the fleet will be 100% fueled by alternative fuels. Further, the City's fueling facility is being used by several other public and private fleets.

3. Facility expansions in progress

The expanded Transit center was opened in 2010 and continues to provide a comfortable location to get transit information and catch many different bus services including Visalia Transit, Visalia Town Trolley, Dial-A-Ride, Tulare City Transit, Tulare County Transit, Kings

County Transit, Greyhound and Amtrak. It also provides new real-time information about the Visalia Transit bus arrivals.

4. Federal & State Transit Funding

The 2010 year was a volatile year for State and Federal transit funding; however, Visalia Transit has been preparing and was able to survive so far without any major cuts in service. The City continues to be aggressive in its pursuit of new sources of funding and conservative in preparing for any potential increases in service, all of which have been postponed for several years so far.

Recommended Action: None

Continue to monitor expansions, operations and funding of Transit. Monitor fare box match, which is currently well above 20%, to assure Transit meets minimum fare box requirements.

UTILITY ENTERPRISES

The City has three utility operations: sewer, storm water and solid waste. These three utilities operate very efficiently and tend to be among the lowest costs in the South San Joaquin Valley. Chart XVIII, Combined Residential Solid Waste and Sewer Rates, compares the combined residential solid waste and sewer rates to other local communities. ***Visalia's combined residential sewer and solid waste rates are among the three lowest in the survey.***

The now in place rate increases are as follows:

Waste Water Rates

Wastewater has two, 12% rate increases that become effective July 1, 2011 and July 1, 2012. The size of the increase is due to the enterprise's need to upgrade its waste water treatment plant facility to meet clean water requirements.

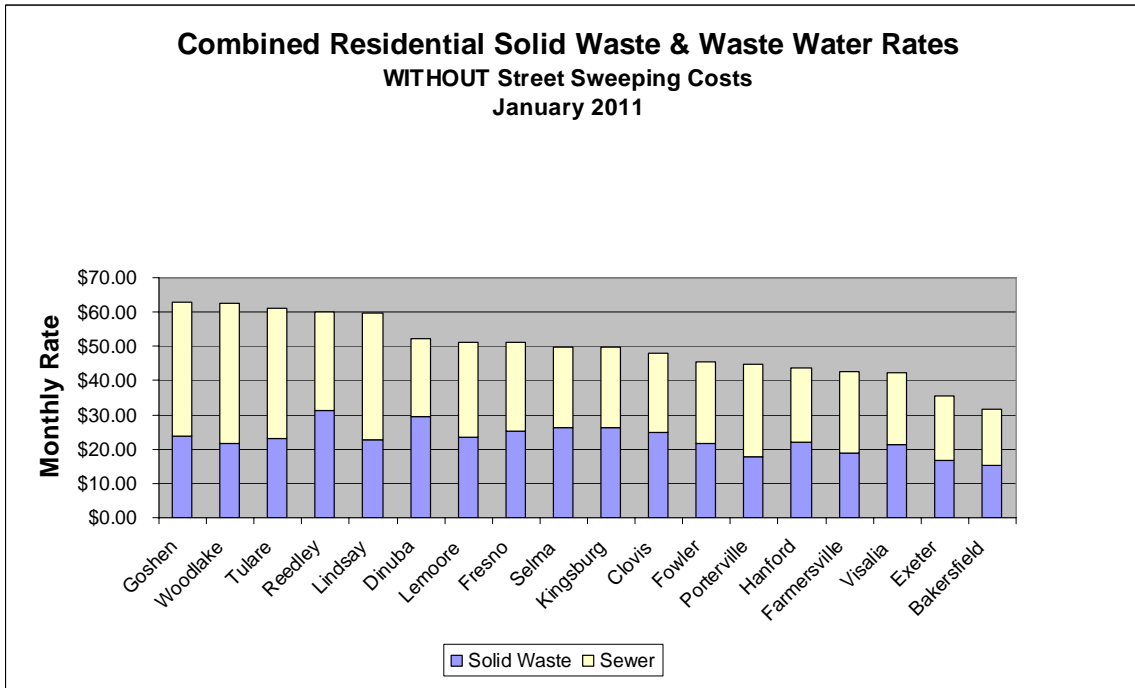
Solid Waste Rates

Solid Waste has a 7% rate increase that will become effective as of July 1, 2011. No other rate increases are approved.

Storm Water Rates

The Storm Water rate has not been increased since 2004. Currently the revenues are insufficient to cover operating and capital costs. It may be appropriate to consider some rate increases to meet operating and replacement needs.

Chart XVIII



WASTEWATER

Covering operations: Yes
Meeting debt service: Yes
Meeting capital needs: Yes

Comment: Designing major water quality improvement and water recharge project.

In response to the City’s need to comply with the National Pollution Discharge Elimination System (NPDES) permit, Council directed staff to proceed with a major project at the Waste Water Plant. The project will bring waste water discharge to tertiary standards, clean enough for all uses except drinking water. This water will be exchanged for water up stream to Visalia. The exchange water will then be put into ponding basins east of Visalia, recharging the City’s aquifer, working to reverse the long-term ground

water overdraft trend. Some water will also be recycled back to Plaza Park and Valley Oaks Golf for use on those green areas. These improvements are projected to cost about \$98 million. Table XX, Wastewater Treatment, shows the fund accumulating cash. The cash being accumulated will reduce the amount needed to be borrowed.

One significant financial event was the prepaying of the plant’s 2002 Bonds which shows as a \$2.6 million debt service expense. By prepaying the bonds from available cash, the fund saved \$100,000 this year and simplified the debt financing process for the proposed expansion.

In reviewing the fund, staff determined that one potential capital project should be added to the budget. The City has 13 sanitary lift stations that convey sewage to the treatment plant. These facilities deal with harsh effluent and chemicals and need to be periodically upgraded and refitted to maintain reliability. In addition, newer technologies can improve the operating of these lift stations.

Table XX

**Waste Water Treatment Plant
10/11 BUDGET PROJECTION**

<u>OPERATIONS</u>	<u>Budget</u>	<u>Projected</u>	<u>Variance</u>
<u>REVENUES</u>			
Charges & Fees	\$ 14,883,490	\$ 15,381,650	\$ 498,160
<u>EXPENSES</u>			
Personnel	(2,473,300)	(2,444,014)	29,286
Operations & Maintenance	(3,450,639)	(3,287,689)	162,950
Allocated Costs	(1,333,050)	(1,333,050)	-
	(7,256,989)	(7,064,753)	192,236
			-
NET OPERATIONS	7,626,501	8,316,897	690,396
<u>OTHER / NON-OPERATING</u>			
Walnuts (Net) & Misc. Revenues	105,100	178,061	72,961
Depreciation Expense	(2,567,400)	(2,567,400)	-
Debt Service Expenditures	(88,500)	(2,636,401)	(2,547,901)
	(2,550,800)	(5,025,740)	(2,474,940)
			-
RESOURCES AVAILABLE FOR CAPITAL	\$ 5,075,701	\$ 3,291,157	\$ (1,784,544)

Solid Waste

<p><i>Covering operations: Yes</i> <i>Meeting debt service: Yes</i> <i>Meeting capital needs: Yes</i></p>

<p><i>Comment: Acquiring several new CNG trucks this year</i></p>

Solid Waste is currently projected to meet the objective of covering operating costs as shown on Table XIX, Solid Waste for the current year. As of June 30, 2010, the fund had \$2.8 million in cash and appears to be improving its cash position with this year projected operating results.

Revenues are down \$600,000 from the budget. This could be due to the increase in foreclosed homes, the implementation of recycling split bins or more commercial accounts going to private haulers. A major rate factor is the cost for tipping fees. As these are approximately 1/3 of the total operating cost, any significant increase would need to be passed on through to the rate payers. There are no firm proposals to increase tipping fees, but the County of Tulare has employed a consultant to review their rates and make recommendations. The County has also approved a capital project to improve the landfill. These actions may lead the County to raise its landfill fee. If the County or other tipping fees (e.g. recyclables and green waste) were to increase, staff would return to Council to discuss potential increases in the City's solid waste rates.

Recommended Action: Monitor tipping fees.

Table XIX

**SOLID WASTE
10/11 BUDGET PROJECTION**

<u>OPERATIONS</u>	<u>Budget</u>	<u>Projected</u>	<u>Variance</u>
<u>REVENUES</u>			
Charges & Fees	\$ 19,999,510	\$ 19,400,046	\$ (599,464)
<u>EXPENSES</u>			
Personnel	4,503,200	4,331,578	(171,622)
Tipping Fees	2,589,000	2,275,016	(313,984)
Operations & Maintenance	2,962,150	3,244,273	282,123
Fleet Costs	2,130,990	1,886,337	(244,653)
Allocated Costs	4,677,420	4,706,062	28,642
	16,862,760	16,443,266	(419,494)
NET OPERATIONS	3,136,750	2,956,780	(179,970)
<u>OTHER / NON-OPERATING</u>			
Add: Revenues - Penalties & Misc.	446,000	485,720	39,720
Add: Revenues - Grants	1,541,000	1,541,000	-
	1,987,000	2,026,720	39,720
Less: Expense - Depreciation	987,750	974,532	(13,218)
	987,750	974,532	(13,218)
RESOURCES AVAILABLE FOR CAPITAL	\$ 4,136,000	\$ 4,008,968	\$ (127,032)

Storm Sewer

***Covering operations: Yes
Meeting capital needs: No***

Comment: Develop plan to cover revenue shortfalls

Storm Sewer is not meeting the objective of covering operating and capital costs for the current year, as shown on Table XXI, Storm Sewer. Storm Sewer is currently charging around \$5.00 per month for residential property and has not been increased since 2004. If it is determined that an increase is needed, the City would need to ballot the users.

Table XXI

**Storm Sewer
10/11 BUDGET PROJECTION**

<u>OPERATIONS</u>	<u>Budget</u>	<u>Projected</u>	<u>Variance</u>
<u>REVENUES</u>			
Charges & Fees	<u>\$1,218,100</u>	<u>\$1,205,607</u>	<u>\$ (12,493)</u>
<u>EXPENSES</u>			
Operations & Maintenance	(615,800)	(635,449)	(19,649)
Allocated Costs	(541,630)	(541,630)	-
	<u>(1,157,430)</u>	<u>(1,177,079)</u>	<u>(19,649)</u>
			-
NET OPERATING	<u>60,670</u>	<u>28,528</u>	<u>(32,142)</u>
<u>OTHER / NON-OPERATING</u>			
Depreciation Expense	(490,940)	(490,940)	-
	<u>(490,940)</u>	<u>(490,940)</u>	<u>-</u>
			-
RESOURCES AVAILABLE FOR CAPITAL	<u>\$ (430,270)</u>	<u>\$ (462,412)</u>	<u>\$ (32,142)</u>
<u>CASH AVAILABLE FOR CAPITAL ASSETS</u>			
Beginning Capital Asset Cash	524,661	524,661	-
Add: Curr. Yr. Net Oper. Resources Avail.	(430,270)	(462,412)	(32,142)
Add: Depreciation Transfer	490,940	490,940	-
Less: Capital Purchases Authorized - Curr. Yr.	(264,100)	(264,100)	-
Less: Capital Purchases Authorized - Prior Yrs.	(41,700)	(41,700)	-
ENDING CAPITAL ASSET CASH	<u>\$ 279,531</u>	<u>\$ 247,389</u>	<u>\$ (32,142)</u>

In a somewhat related issue, residents currently pay money towards the Kaweah Dam Enlargement project. The Kaweah Reservoir Enlargement Fund was established in 2001 to pay for the City's portion of the reservoir enlargement & maintenance of the lake. This fund receives \$.48 of the \$2.47 residential monthly storm sewer user fee. The total enlargement cost was \$59 million and Visalia's portion was \$2.3 million. To keep the project moving, Council authorized a General Fund loan that is projected to be paid back in FY 14/15.

After paying off the dam project, the City will still have about \$16,000 to \$20,000 a year maintenance costs. Staff feels that for the remaining portion of the fee, about \$200,000 a year, may be appropriately directed toward storm drain improvements. Such action would require a property owner vote. To do this, staff needs to:

- evaluate the current fiscal situation,
- determine what projects should be completed to meet the City's storm water needs;
- design a fee that appropriately spreads costs to users; and,
- provide Council with the options on how to adopt such a fee.

Given that the Storm Sewer capital deficit, authorization to direct the current Kaweah Dam Enlargement funds to Storm Sewer activities would reduce a proposed assessment to the storm fees by 40%. Although the City has applied for \$5 million in grants, the City has many more potential projects that would benefit the residents of Visalia and protect property from flooding.

Recommended Action: Direct staff to do the following:

- 1. Evaluate capital projects that need to be added to the storm sewer system;**
- 2. Engage an assessment engineer to determine how storm sewer assessments would be equitably allocated if enacted in Visalia;**
- 3. Bring back to Council several options in managing the fund, including:**
 - a. A potential reauthorization of the Kaweah Dam charges to be dedicated to storm sewer fund activities; and,**
 - b. Potential increased revenues to address needed maintenance and capital needs in the storm sewer fund.**

Summary

The City continues to have a number of challenges. Nevertheless, the challenges are being met and the actions recommended in the report improve the City's position.

Recommended Motion: I move to approve the following actions by fund:

(1) General Fund

- **Staff recommends continuing administrative actions to reduce FY 10/11 deficit and direct staff to bring back a plan with options for FY 11/12 that eliminates the ongoing deficit.**
- **Direct staff to bring to Council proposed adjustments for FY 11/12 budget during their mid-cycle review.**

(2) Measure T – Fire

- **The Fire Chief has recommended pursuing a grant for 9 firefighters and amending the 11/12 plan, during the annual recertification process in June, to fund a captain that is currently funded from the General Fund and Airport contributions.** This personnel level is 4 less than the Measure T plan of 14 but appears appropriate given that the sales tax measure's revenues are less than the original plan. Further, **staff recommends only hiring additional firefighters when revenues increase sufficiently to support the additional staff.**

(3) Measure T – Police

- **Due to the decrease in revenues, staff recommends returning in June with a plan that is fiscally sound. Finance has prepared one scenario which appears**

sustainable by current revenues. The plan would allow, through attrition, a reduction of funded Measure T officers as follows:

- **Reduce sworn officers from 27 to 22 in year 11/12.** Currently, General Fund has one vacant position. Therefore, 4 other positions will need to be left vacant through attrition.
- **Add staff as revenues increase to support those positions.**

(4) Measure R - Regional

Appropriate funds to be reimbursed from Measure R Regional and CMAQ grant for the following projects:

- **Caldwell Widening design and right-of-way acquisition (\$1.1 million).**
- **Demaree and Mill Creek Traffic Signal and Synchronization (\$540,000 from CMAQ grant and \$95,000 from Regional Measure R.).**

(5) Transportation Impact Fee Fund

- **Recommendation: Due to the decrease in revenues, staff recommends postponing future projects until revenues can fund additional projects. Staff will return in June with recommendations to postpone a portion of the \$5.4 million, currently budgeted for projects, in FY 11/12.**

(6) Building Safety

- **Authorize operating cash advances to cover the FY 2010/11 Building Safety deficit. The actual cash advance may be as small as \$7,000.**

(7) Airport

- **Continue to monitor Airports expenses and work with Airport staff to reduce operating costs. Staff will return in June with additional recommendations.**

(8) Storm Water Fund

Direct staff to do the following:

1. **Evaluate capital projects that need to be added to the storm sewer system;**
2. **Engage an assessment engineer to determine how storm sewer assessments would be equitably allocated if enacted in Visalia;**
3. **Bring back to Council several options in managing the fund, including:**
 - a. **A potential reauthorization of the Kaweah Dam charges to be dedicated to storm sewer fund activities; and,**
 - b. **Potential increased revenues to address needed maintenance and capital needs in the storm sewer fund.**

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:

Mid-Year Financial Report

March 21, 2011

Financial Management: On-going process

Budget - Plan

*Audit,
Review and
Revise Future
Plans*

*Mid-year,
Evaluate,
Adjust*



FY 2010/11 Budget Projection

General Fund Projections (Amount in Millions)

	<u>10/11 Budget</u>	<u>10/11 Projection</u>	<u>Difference</u>
Revenues	\$ 70.6	\$ 68.8	\$ (1.8)
Operating Expenditures	\$ 68.6	\$ 67.4	\$ (1.2)
Capital Expenditures	\$ 0.8	\$ 0.8	\$ 0.0
Transfers Out to Other Funds	\$ 3.4	\$ 3.3	\$ (0.1)
Total Expenditures	\$ 72.8	\$ 71.5	\$ (1.3)
Surplus/(Deficit)	\$ (2.1)	\$ (2.7)	\$ (0.5)

What is happening in the General Fund?



Revenues are down from budget \$1.7 million:

- \$1,000,000 Property Tax - County discontinued the Teeter plan.
- \$400,000 Interest earnings – in line with last fiscal year
- \$200,000 Franchise Tax – in line with last fiscal year
- \$100,000 Sales Tax - 2% higher than last fiscal.

Expenditures are down from budget \$1.2 million:

- Savings from vacant positions.
- Negotiated compensation reductions.

FY 2011/12 Budget Projection

General Fund Projections (Amount in Millions)

	10/11 Projection	11/12 Projection
Revenues	\$ 68.8	\$ 69.9
Operating Expenditures	\$ 67.4	\$ 67.4
Capital Expenditures	\$ 0.8	\$ 0.6
Transfers Out to Other Funds	\$ 3.3	\$ 3.3
Total Expenditures	\$ 71.5	\$ 71.2
Surplus/(Deficit)	\$ (2.7)	\$ (1.4)

FY 11/12 Assumptions

Revenues:

- Sales Tax –increase by \$400,000 (2.4% growth).
- Property Tax –increase by \$200,000. Receiving 2nd year of delinquent accounts.
- Property Tax Transfer – increase by \$200,000. Increase in real-estate sales.
- Investment Earnings – increase by \$100,000. (Interest Rate 2.5%)

FY 11/12 Assumptions (cont)

Expenditures:

- Personnel
 - Existing vacancies held vacant
 - No cost of living adjustment
 - Higher health cost and pension costs.
CalPERS costs expected to increase \$3 million over next 3 yrs.
- Operating Costs –no increase
- Capital – reduced capital to \$600,000.

Recommended Action

Continuing administrative actions to reduce FY 2010/11 deficit and direct staff to bring back a plan with options for FY 11/12 that eliminates the on-going deficit.

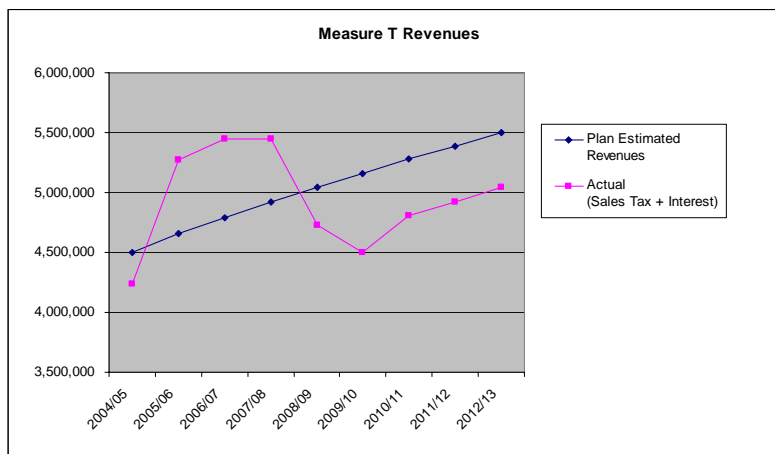


Measure T

- ¼ cent Sales Tax for enhanced police and fire services.
- Sales Tax is split – 40% fire & 60% police.
- Sales Tax has declined.



Measure T



Plan Elements For Fire

Plan Elements Implemented:

- Hired 4 firefighters
- Purchased 1 apparatus
- Built Station 55 & Training Facility
- Saved money to construct and equip Southwest station

Elements to Implement:

- Contribute towards Public Safety Facility
- Build Southwest station
- Purchase 2nd apparatus
- Hire firefighters in FY 12/13.
 - Plan calls for 14 firefighters. Projected revenues can only support 10 firefighters.
 - Recommend hiring the remaining 4 firefighters as revenues increase to support the positions.

Fire Measure T Projection

Plan

12/13 - Add 14 new firefighter paramedics = Total 18 firefighters

	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Revenues							
Sales Tax Revenues	1,930,200	1,978,455	2,027,916	2,078,614	2,130,580	2,183,844	2,238,440
Interest & Misc Earnings	70,000	70,700	72,114	73,917	76,134	78,418	80,771
Total Revenues	2,000,200	2,049,155	2,100,030	2,152,531	2,206,714	2,262,263	2,319,211
Expenditures							
Salaries and Benefits	535,786	541,144	2,425,517	2,442,814	2,460,285	2,484,888	2,509,737
Operating Expenditures	123,531	245,407	250,315	255,321	260,427	265,636	270,949
Capital	589,984	857,315	1,445,097	-	-	-	-
Total Expenditures	1,249,301	1,643,866	4,120,928	2,698,135	2,720,713	2,750,524	2,780,686
Surplus/(Shortfall)	750,899	405,289	(2,020,898)	(545,604)	(513,999)	(488,261)	(461,474)
Beginning Fund Balance*	6,834,373	7,585,272	7,990,561	5,969,663	5,424,059	4,910,060	4,421,799
Ending Fund Balance	7,585,272	7,990,561	5,969,663	5,424,059	4,910,060	4,421,799	3,960,324

Fire Measure T – Recommended Action

Staff recommends pursuing a grant for 9 firefighters and amending the 11/12 plan, during the annual recertification process in June, to fund a captain that is currently funded from the General Fund and Airport contributions.

Plan Elements for Police

Plan Elements Implemented:

- Hired 27 officers (currently has 1 vacancy – plan funds 28 officers)
- Purchased vehicles
- Built 2 precincts

Elements to Implement:

- Build Public Safety Facility
- Fund Operations

Police Measure T Projection

Plan

Total 28 officers

	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Revenues							
Sales Tax Revenues	2,795,300	2,865,183	2,936,812	3,010,232	3,085,488	3,162,625	3,241,691
Interest & Misc Earnings	10,000	10,100	10,302	10,560	10,876	11,203	11,539
Total Revenues	2,805,300	2,875,283	2,947,114	3,020,792	3,096,365	3,173,828	3,253,230
Expenditures							
Salaries and Benefits	3,106,088	3,185,388	3,212,988	3,218,858	3,251,046	3,283,557	3,316,392
Operating Expenditures	266,034	271,355	276,782	282,317	287,964	293,723	299,597
Capital	173,896	310,397	620,794	-	-	-	-
Total Expenditures	3,546,018	3,767,140	4,110,564	3,501,175	3,539,010	3,577,280	3,615,990
Surplus/(Shortfall)	(740,718)	(891,857)	(1,163,450)	(480,383)	(442,646)	(403,452)	(362,760)
Beginning Fund Balance*	898,572	157,854	(734,003)	(1,897,453)	(2,377,837)	(2,820,482)	(3,223,934)
Ending Fund Balance	157,854	(734,003)	(1,897,453)	(2,377,837)	(2,820,482)	(3,223,934)	(3,586,694)

Recommended Action

Staff recommends returning in June with a plan that is fiscally sound. Finance has prepared one scenario which appears sustainable by current revenues. The plan would allow, through attrition, a reduction of funded Measure T officers as follows:

- ***Reduce sworn officers from 27 to 22 in year 11/12.***
Currently, General Fund has one vacant position. Therefore, 4 other positions will need to be left vacant through attrition.
- ***Add staff as revenues increase to support those positions.***

Measure R

- Measure R, the County-wide, ½ cent sales tax. The sales tax is split into three components:
 - Local Program (35%)
 - Regional Projects (50%)
 - Transit/Bike/Environmental Projects (14%)

Measure R – cont.

- Revenues are projected to stabilize and slightly increase over the next couple of years
- **Recommended Action: Appropriate funds from Measure R Regional and CMAQ grant to the following projects:**
 - **Caldwell Widening design and right-of-way acquisition** (\$1.1 million from Regional Measure R).
 - **Demaree and Mill Creek Traffic Signal and Synchronization** (\$540,000 from CMAQ grant and \$95,000 from Regional Measure R.).

Transportation Impact Fee

- The Transportation Impact Fee Fund is derived from fees collected at the time of building permit issuance.
- The revenues collected in this fund have dropped dramatically due to the decrease in development.

Transportation Impact Fund Cash Flow

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Beginning Cash For Capital	4,139,200	504,200	(4,510,800)	(4,169,500)	(3,763,100)	(3,288,600)
Revenues						
Transportation Impact Fees*	1,850,000	1,905,500	1,962,700	2,021,600	2,082,200	2,144,700
Interest Earnings	45,000	10,100	(90,200)	(83,400)	(75,300)	(65,800)
Total Revenues	1,895,000	1,915,600	1,872,500	1,938,200	2,006,900	2,078,900
Expenditures						
Operating Expenditures	(30,000)	(30,600)	(31,200)	(31,800)	(32,400)	(33,000)
Developer Reimbursements	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
Capital Expenditures	(4,000,000)	(5,400,000)	-	-	-	-
Total Expenditures	(5,530,000)	(6,930,600)	(1,531,200)	(1,531,800)	(1,532,400)	(1,533,000)
Ending Cash Available	504,200	(4,510,800)	(4,169,500)	(3,763,100)	(3,288,600)	(2,742,700)

* Note: Starting in 11/12, revenue is projected to grow annually at 3%

Transportation Impact Fee Fund

- **Recommendation:**

- *Due to the decrease in revenues, staff recommends postponing future projects until revenues can fund additional projects. Staff will return in June with recommendations to postpone a portion of the \$5.4 million, currently budgeted for projects, in FY 11/12.*

Enterprise vs. Governmental Funds

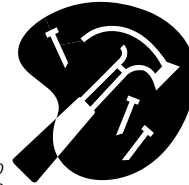
Enterprises

- Cover current operating costs;
- Pay debt service; and,
- Replace capital assets.

Governmental

- Cover current operating costs

BUILDING SAFETY
10/11 BUDGET PROJECTION
 (Amount in Millions)



OPERATIONS	Budget	Projected	Variance
REVENUES			
Operating Revenues	\$ 1.5	\$ 1.6	\$ 0.0
Non Operating (Grants, Reimburse., etc.)	\$ 0.1	\$ 0.1	\$ 0.0
	<u>\$ 1.7</u>	<u>\$ 1.7</u>	<u>\$ 0.1</u>
EXPENSES:			
Personnel	\$ (1.0)	\$ (0.9)	\$ 0.1
Operations & Maintenance	\$ (0.1)	\$ (0.1)	\$ 0.0
Depreciation	\$ (0.0)	\$ (0.0)	\$ (0.0)
Capital Outlay	\$ -	\$ -	\$ -
Allocated Costs	\$ (0.7)	\$ (0.7)	\$ (0.0)
	<u>\$ (1.8)</u>	<u>\$ (1.7)</u>	<u>\$ 0.1</u>
RESOURCES AVAILABLE FOR CAPITAL	<u>\$ (0.2)</u>	<u>\$ (0.0)</u>	<u>\$ 0.1</u>
CASH AVAILABLE FOR CAPITAL ASSETS			
Beg. Capital Asset Cash	\$ (0.4)	\$ (0.4)	\$ -
Add: Curr. Yr. Net Oper. Resources Avail.	\$ (0.2)	\$ (0.0)	\$ 0.1
Add: Depreciation Transfer	\$ 0.0	\$ 0.0	\$ 0.0
Less: Capital Purchases	\$ -	\$ -	\$ -
ENDING CAPITAL ASSET CASH	<u>\$ (0.5)</u>	<u>\$ (0.4)</u>	<u>\$ 0.1</u>

Building Safety

- **Recommended Action:**
 - *Authorize operating cash advance to cover FY 2010/11 Building Safety deficit. The actual cash advance may be as small as \$7,000.*



Convention Center
10/11 BUDGET PROJECTION
(Amounts in Millions)



	<u>Budget</u>	<u>Projected</u>	<u>Variance</u>
OPERATIONS			
REVENUES			
Operating Revenues	\$ 3.1	\$ 3.2	\$ 0.2
EXPENSES			
Personnel	\$ (1.9)	\$ (2.0)	\$ (0.0)
Operations & Maintenance	\$ (1.8)	\$ (1.9)	\$ (0.2)
Allocated Costs	\$ (0.7)	\$ (0.7)	\$ 0.0
	<u>\$ (4.4)</u>	<u>\$ (4.6)</u>	<u>\$ (0.2)</u>
OPERATIONS	<u>\$ (1.3)</u>	<u>\$ (1.4)</u>	<u>\$ (0.0)</u>
OTHER / NON-OPERATING			
Revenues - Interest Income & Misc.	\$ -	\$ 0.1	\$ 0.1
Debt Service Expenditures	\$ (0.7)	\$ (0.7)	\$ 0.0
General Fund Transfers	\$ 2.9	\$ 2.9	\$ -
	<u>\$ 2.2</u>	<u>\$ 2.2</u>	<u>\$ 0.1</u>
RESOURCES AVAILABLE FOR CAPITAL	<u>\$ 0.8</u>	<u>\$ 0.9</u>	<u>\$ 0.1</u>
CASH AVAILABLE FOR CAPITAL ASSETS			
Beginning Capital Asset Cash	\$ -	\$ -	
Add: Curr. Yr. Net Oper. Resources Avail.	\$ 0.8	\$ 0.9	\$ 0.1
Add: Depreciation Transfer	\$ (0.1)	\$ (0.1)	\$ -
Less: Capital Purchases	\$ -	\$ -	\$ -
ENDING CAPITAL ASSET CASH	<u>\$ 0.7</u>	<u>\$ 0.8</u>	<u>\$ 0.1</u>

Convention Center

- **Recommended Action:**
 - Monitor operations. Convention Center may be able to suggest additional ways to lower cost but will also coordinate activities with the Convention & Visitor's Bureau and local hotels to maximize revenues.

**Valley Oaks Golf Course Operating Results
Comparison Summary
2008 Thru 2011**

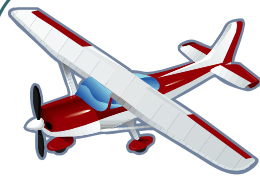
(Amounts in Thousands)



	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>Projected 2010-2011</u>
Revenues				
Green Fees	\$ 881	\$ 792	\$ 768	\$ 746
Monthly Tickets	230	216	176	162
CIP Surcharge	270	247	285	324
Cart Fees	495	487	468	463
Range	204	172	164	182
Merchandise	202	206	167	156
Food/Beverage	428	367	367	382
Other	32	33	24	11
Total Revenues	2,742	2,520	2,419	2,426
Expenses				
Cost of Goods Sold	(315)	(309)	(249)	(253)
Operating Expenses	(1,825)	(1,851)	(1,794)	(1,838)
Total Expenses	(2,140)	(2,160)	(2,043)	(2,091)
Net From Operations	\$ 602	\$ 360	\$ 376	\$ 335
Debt Payment				
CIP Debt Payment	270	247	285	324
GF Debt Payment	332	112	91	11
Total Debt Payment	\$ 602	\$ 360	\$ 376	\$ 335
Surplus/(Deficit)	\$ -	\$ -	\$ -	\$ -
<hr/>				
Rounds	77,120	70,645	64,847	64,730
Average Income Per Round	\$ 35.55	\$ 35.67	\$37.31	\$ 37.48

Valley Oak Golf

- **Recommended Action:**
 - Continue to monitor debt repayment.
 - Complete irrigation project.



AIRPORT
10/11 BUDGET PROJECTION
 (Amount in Millions)

	<u>Budget</u>	<u>Projected</u>	<u>Variance</u>
OPERATIONS			
REVENUES			
Operating Revenues	\$ 1.6	\$ 1.6	\$ 0.0
EXPENSES:			
Personnel	\$ (0.4)	\$ (0.4)	\$ (0.0)
Operations & Maintenance	\$ (0.8)	\$ (0.9)	\$ (0.1)
Allocated Costs	\$ (0.2)	\$ (0.2)	\$ 0.0
	<u>\$ (1.5)</u>	<u>\$ (1.5)</u>	<u>\$ (0.0)</u>
OPERATIONS	<u>\$ 0.1</u>	<u>\$ 0.1</u>	<u>\$ (0.0)</u>
OTHER / NON-OPERATING			
Revenues - Grants and Misc.	\$ 0.7	\$ 0.5	\$ (0.3)
Depreciation	\$ (0.7)	\$ (0.7)	\$ (0.0)
Debt Service Expenditures	\$ (0.0)	\$ (0.0)	\$ (0.0)
	<u>\$ 0.0</u>	<u>\$ (0.2)</u>	<u>\$ (0.3)</u>
RESOURCES AVAILABLE FOR CAPITAL	<u>\$ 0.1</u>	<u>\$ (0.2)</u>	<u>\$ (0.3)</u>
CASH AVAILABLE FOR CAPITAL ASSETS			
Beg. Capital Asset Cash	\$ (0.2)	\$ (0.2)	\$ -
Add: Curr. Yr. Net Oper. Resources Avail.	\$ 0.1	\$ (0.2)	\$ (0.3)
Add: Depreciation Transfer	\$ 0.7	\$ 0.7	\$ 0.0
Less: Capital Purchases	\$ (3.3)	\$ (0.5)	\$ 2.8
ENDING CAPITAL ASSET CASH	<u>\$ (2.8)</u>	<u>\$ (0.2)</u>	<u>\$ 2.6</u>

Airport

- **Recommended Action:**
 - Continue to monitor Airports expenses and work with Airport staff to reduce operating costs. Staff will return in June with additional recommendations.

TRANSIT
10/11 BUDGET PROJECTION
(Amounts in Millions)



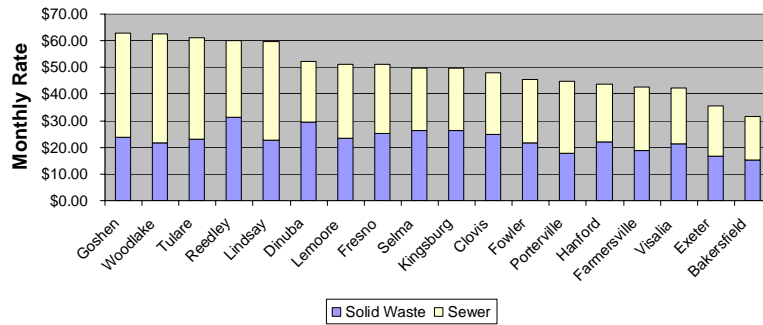
<u>OPERATIONS</u>	<u>Budget</u>	<u>Projected</u>	<u>Variance</u>
<u>REVENUES</u>			
Operating Revenues	\$ 2.3	\$ 2.3	\$ 0.0
Non Operating (Grants, Reimburse., etc.)	\$ 16.1	\$ 12.3	\$ (3.8)
	<u>\$ 18.4</u>	<u>\$ 14.7</u>	<u>\$ (3.8)</u>
<u>EXPENSES</u>			
Personnel	\$ (0.5)	\$ (0.5)	\$ (0.0)
Operations & Maintenance	\$ (7.9)	\$ (7.2)	\$ 0.7
Depreciation	\$ (1.4)	\$ (1.4)	\$ -
Allocated Costs	\$ (0.3)	\$ (0.2)	\$ 0.1
	<u>\$ (10.1)</u>	<u>\$ (9.3)</u>	<u>\$ 0.8</u>
RESOURCES AVAILABLE FOR CAPITAL	<u>\$ 8.4</u>	<u>\$ 5.4</u>	<u>\$ (3.0)</u>
<u>CASH AVAILABLE FOR CAPITAL ASSETS</u>			
Beg. Capital Asset Cash	\$ 1.7	\$ 1.7	\$ -
Add: Curr. Yr. Net Oper. Resources Avail.	\$ 8.4	\$ 5.4	\$ (3.0)
Add: Depreciation Transfer	\$ 1.4	\$ 1.4	\$ -
Less: Capital Purchases	\$ (14.2)	\$ (5.2)	\$ 9.0
ENDING CAPITAL ASSET CASH	<u>\$ (2.8)</u>	<u>\$ 3.2</u>	<u>\$ 6.0</u>

Transit

● **Recommended Action:**

- Continue to monitor expansions, operation and funding of Transit. Monitor fare box match, which is currently well above 20%, to assure Transit meets minimum fare box requirements

**Combined Residential Solid Waste & Waste Water Rates
WITHOUT Street Sweeping Costs
January 2011**



**SOLID WASTE
10/11 BUDGET PROJECTION
(Amounts in Millions)**

	<u>Budget</u>	<u>Projected</u>	<u>Variance</u>
OPERATIONS			
REVENUES			
Charges & Fees	21.5	20.9	(0.6)
EXPENSES			
Personnel	4.5	4.3	(0.2)
Tipping Fees	2.6	2.3	(0.3)
Operations & Maintenance	5.6	5.5	(0.0)
Fleet Costs	2.1	1.9	(0.2)
Allocated Costs	7.8	7.6	(0.2)
	<u>22.6</u>	<u>21.6</u>	<u>(1.0)</u>
OPERATIONS	<u>(1.0)</u>	<u>(0.6)</u>	<u>0.4</u>
OTHER / NON-OPERATING			
Add: Revenues - Penalties & Misc.	0.4	0.5	0.0
Add: Revenues - Grants	1.5	1.5	-
	<u>2.0</u>	<u>2.0</u>	<u>0.0</u>
Less: Expense - Depreciation	1.0	1.0	(0.0)
Less: Expense - Debt Service	-	-	-
	<u>1.0</u>	<u>1.0</u>	<u>(0.0)</u>
RESOURCES AVAILABLE FOR CAPITAL	<u>(0.0)</u>	<u>0.4</u>	<u>0.4</u>
CASH AVAILABLE FOR CAPITAL ASSETS			
Beginning Capital Asset Cash	2.8	2.8	-
Add: Curr. Yr. Net Oper. Resources Avail.	(0.0)	0.4	0.4
Add: Depreciation Transfer	1.0	1.0	(0.0)
Less: Capital Purchases	(3.7)	(4.8)	(1.1)
ENDING CAPITAL ASSET CASH	<u>0.0</u>	<u>(0.6)</u>	<u>(0.6)</u>



**Recommended
Action: Monitor
tipping fees**

Waste Water Treatment Plant
10/11 BUDGET PROJECTION
(Amounts in Millions)



<u>OPERATIONS</u>	<u>Budget</u>	<u>Projected</u>	<u>Variance</u>
REVENUES			
Charges & Fees	\$ 14.9	\$ 15.4	\$ 0.5
EXPENSES			
Personnel	\$ (2.5)	\$ (2.4)	\$ 0.0
Operations & Maintenance	\$ (3.5)	\$ (3.3)	\$ 0.2
Allocated Costs	\$ (3.9)	\$ (3.9)	\$ -
	<u>\$ (9.8)</u>	<u>\$ (9.6)</u>	<u>\$ 0.2</u>
			\$ -
NET OPERATIONS	<u>\$ 5.1</u>	<u>\$ 5.7</u>	<u>\$ 0.7</u>
OTHER / NON-OPERATING			
Walnuts (Net) & Misc. Revenues	\$ 0.1	\$ 0.2	\$ 0.1
Depreciation Expense	\$ (0.0)	\$ (0.0)	\$ -
Debt Service Expenditures	\$ (0.1)	\$ (2.6)	\$ (2.5)
	<u>\$ 0.0</u>	<u>\$ (2.5)</u>	<u>\$ (2.5)</u>
			\$ -
RESOURCES AVAILABLE FOR CAPITAL	<u>\$ 5.1</u>	<u>\$ 3.3</u>	<u>\$ (1.8)</u>
CASH AVAILABLE FOR CAPITAL ASSETS			
Beginning Capital Asset Cash	\$ 20.6	\$ 20.6	
Add: Curr. Yr. Net Oper. Resources Avail.	\$ 5.1	\$ 3.3	\$ (1.8)
Add: Depreciation Transfer	\$ 2.6	\$ 2.6	\$ -
Less: Capital Purchases Authorized - Curr. Yr.	\$ (42)	\$ (41.8)	\$ -
Less: Capital Purchases Authorized - Prior Yrs.	\$ (11.4)	\$ (11.4)	\$ -
ENDING CAPITAL ASSET CASH	<u>\$ (25.0)</u>	<u>\$ (26.8)</u>	<u>\$ (1.8)</u>

**Recommended
Action: None**

Storm Sewer
10/11 BUDGET PROJECTION
(Amounts in Millions)

<u>OPERATIONS</u>	<u>Budget</u>	<u>Projected</u>	<u>Variance</u>
REVENUES			
Charges & Fees	\$ 1.2	\$ 1.2	\$ (0.0)
EXPENSES			
Operations & Maintenance	\$ (0.6)	\$ (0.6)	\$ (0.0)
Allocated Costs - Public Works & Wastewater	\$ (0.4)	\$ (0.4)	\$ -
Allocated Costs	\$ (1.0)	\$ (1.0)	\$ -
	<u>\$ (2.1)</u>	<u>\$ (2.1)</u>	<u>\$ (0.0)</u>
			\$ -
OPERATING	<u>\$ (0.9)</u>	<u>\$ (0.9)</u>	<u>\$ (0.0)</u>
OTHER / NON-OPERATING			
Depreciation Expense	\$ (0.5)	\$ (0.5)	\$ -
	<u>\$ (0.5)</u>	<u>\$ (0.5)</u>	<u>\$ -</u>
			\$ -
RESOURCES AVAILABLE FOR CAPITAL	<u>\$ (1.3)</u>	<u>\$ (1.4)</u>	<u>\$ (0.0)</u>
CASH AVAILABLE FOR CAPITAL ASSETS			
Beginning Capital Asset Cash	\$ 0.5	\$ 0.5	\$ -
Add: Curr. Yr. Net Oper. Resources Avail.	\$ (1.3)	\$ (1.4)	\$ (0.0)
Add: Depreciation Transfer	\$ 0.5	\$ 0.5	\$ -
Less: Capital Purchases Authorized - Curr. Yr.	\$ (0.3)	\$ (0.3)	\$ -
Less: Capital Purchases Authorized - Prior Yrs.	\$ (0.0)	\$ (0.0)	\$ -
ENDING CAPITAL ASSET CASH	<u>\$ (0.6)</u>	<u>\$ (0.7)</u>	<u>\$ (0.0)</u>

Storm Sewer

- **Recommended Action:**

- *Direct staff to do the following:*
 - *Evaluate capital projects*
 - *Engage an assessment engineer to determine how storm sewer assessments would be equitably allocated if enacted in Visalia;*
 - *Bring back to Council several options in managing the fund, including:*
 - *A potential reauthorization of the Kaweah Dam charges*
 - *Potential increased revenues to address needed maintenance and capital needs in the storm sewer*

Summary

- The City continues to have a number of challenges. Nevertheless, the challenges are being met and the actions recommended in the report improve the City's position.
 - (1) **General Fund**
 - Staff recommends continuing administrative actions to reduce FY 10/11 deficit and direct staff to bring back a plan with options for FY 11/12 that eliminates the ongoing deficit.
 - Direct staff to bring to Council proposed adjustments for FY 11/12 budget during their mid-cycle review in June.
 - (2) **Measure T – Fire**
 - The Fire Chief has recommended pursuing a grant for 9 firefighters and amending the 11/12 plan, during the annual recertification process in June, to fund a captain that is currently funded from the General Fund and Airport contributions. This personnel level is 4 less than the Measure T plan of 14.
 - Staff recommends only hiring additional firefighters when revenues increase sufficiently to support the additional staff.

Summary – cont.

(3) Measure T – Police

- Staff recommends returning in June with a plan that is fiscally sound. Finance has prepared one scenario which appears sustainable by current revenues. The plan would allow, through attrition, a reduction of funded Measure T officers as follows:
 - Reduce sworn officers from 27 to 22 in year 11/12. Currently, General Fund has one vacant position. Therefore, 4 other positions will need to be left vacant through attrition.
 - Add staff as revenues increase to support those positions.

(4) Measure R - Regional

- Appropriate Funds to projects from Measure R Regional and CMAQ Grant, namely:
 - Caldwell Widening design and right-of-way acquisition (\$1.1 million).
 - Demaree and Mill Creek Traffic Signal and Synchronization (\$635,000 from \$540,000 from grants and \$85,000 from Regional Measure R.).

(5) Transportation Impact Fee Fund

- Due to the decrease in revenues, staff recommends postponing future projects until revenues can fund additional projects. Staff will return in June with recommendations to postpone a portion of the \$5.4 million, currently budgeted for projects, in FY 11/12.

Summary – cont.

(6) Building Safety

- *Authorize operating cash advances to cover the FY 2010/11 Building Safety deficit. The actual cash advance may be as small as \$7,000.*

(7) Airport

- *Continue to monitor Airports expenses and work with Airport staff to reduce operating costs. Staff will return in June with additional recommendations.*

Summary – cont.

(8) Storm Water Fund

- **Direct staff to do the following:**
 - **Evaluate capital projects that need to be added to the storm sewer system;**
 - **Engage an assessment engineer to determine how storm sewer assessments would be equitably allocated if enacted in Visalia;**
 - **Bring back to Council several options in managing the fund, including:**
 - **A potential reauthorization of the Kaweah Dam charges to be dedicated to storm sewer fund activities; and,**
 - **Potential increased revenues to address needed maintenance and capital needs in the storm sewer**

Questions?

**City of Visalia
Agenda Item Transmittal**

Meeting Date: March 21, 2011

Agenda Item Number (Assigned by City Clerk): 8b

Agenda Item Wording: Request authorization to file a Notice of Completion for the construction of Mill Creek Garden Park Playground located at North Lover's Lane Avenue and Mill Creek Parkway in northeast Visalia, Project No. 3011-0-72-0-9336, at a final construction cost of \$155,389.41

Deadline for Action: None

Submitting Department: Parks and Recreation Department

Contact Name and Phone Number: Jim Bean, Parks and Urban Forestry Manager, 713-4564, Jeff Fultz, Park Supervisor, 713-4426

Department Recommendation: Authorize staff to file a Notice of Completion on Project No. 3011-0-72-0-9336 for the completion of the playground at Mill Creek Garden Park located at North Lovers Lane Avenue and Mill Creek Parkway in northeast Visalia, for a final construction cost of \$155,389.41

Project Summary:

On April 5, 2010, the City Council awarded a contract to Hobbs Construction of Fresno to remove an existing parking lot and construct a new playground at Mill Creek Garden Park at North Lovers Lane Avenue and Mill Creek Parkway in northeast Visalia for a bid amount of \$138,756.00. The project was financed using park impact developer fees.

The project involved site grading; the installation of an automated irrigation system and water conserving landscaping; special play surfaces; specialty concrete; playground equipment; electrical work and site furnishings. Hobbs Construction along with several sub-contractors completed the work.

The park opened to the general public on Saturday, December 10, 2010.

The original contract amount for this project was \$138,756. The project included four change orders totaling \$16,633.41, bringing the final project total cost to \$155,389.41 (\$138,756 + \$16,633.41).

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.

A description of the four change orders is outlined below:

Change Order # 1:

Drinking fountain upgrade to include dog bowl option (\$450.00).

Change Order # 2:

Light pole height increase from 16' to 20' for a wider span of light for safety (\$227.91).

Change Order # 3:

Sprinkler heads added along east perimeter of project (\$955.50).

Change Order # 4:

For improved line of sight into park and for aesthetic improvement along park frontage, work consisted of removing old plant material, clear and grub, remove old benches, haul off rubbish, lower grades and reshape north perimeter mounding, reinstall irrigation. (\$15,000)

In the original design for this playground the mound on the north side of the playground by Mill Creek Parkway was to be removed, but the engineers estimated budget prohibited this work so it was removed from the project. Since the low bid for this project was approximately \$70,000 less than the engineers estimate staff felt this improvement must be completed as part of the project so the Visalia Police Department had a better line of sight into the playground from the street.

Prior Council/Board Actions: Award of Mill Creek Park construction project to Hobbs Construction of Fresno on April 5, 2010.

Committee/Commission Review and Actions:

Alternatives: None

Attachments: None

Recommended Motion (and Alternative Motions if expected): That the City Council authorize City staff to file a Notice of Completion for Project # 3011-0-72-0-9336 for playground improvements for Mill Creek Garden Park.

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 21, 2011

Agenda Item Number (Assigned by City Clerk): 8c

Agenda Item Wording:

Council authorization to apply for *Let's Move City* status.

Deadline for Action:

Submitting Department: Parks and Recreation

Contact Name and Phone Number:

John Bradley, Recreation Supervisor, 713-4585

Recommendation:

City staff is forwarding the recommendation from the Healthy Visalia Committee to the City Council to apply for *Let's Move City* status. This Committee is recommending that the City Council authorize staff to apply for said status.

Background Information:

The Healthy Visalia Committee is made up of members from the City of Visalia, Kaweah Delta Health Care District, Visalia Unified School District, Family Healthcare Network, Tulare County Health & Human Services and the College of the Sequoias. These organizations support Visalia as they become a *Let's Move City*.

Over the past three decades, childhood obesity rates in America have tripled and today, nearly one in three children in America are overweight or obese. One-third of all children born in 2000 or later will suffer from diabetes at some point in their lives; many others will face chronic obesity-related health problems like heart disease, high blood pressure, cancer and asthma. A recent study put the health care costs of obesity-related diseases at \$147 billion per year. This epidemic also impacts the nation's security as obesity is now one of the most common disqualifiers for military service.

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.

In an address to mayors in January, 2010, First Lady Michelle Obama called for City Leaders to take a leadership role in the *Let's Move!* campaign to solve the epidemic of childhood obesity. "The idea here is very simple: put in place common sense and innovative solutions that empower families and communities to make healthy decisions for their kids," stated Mrs. Obama.

On December 16, 2010, Herb Schultz, the new Regional Director with US Department of Health and Human Services contacted members of the Healthy Visalia Committee. Mr. Schultz shared that he is impressed by the current collaborative and recommended that Visalia become a *Let's Move City*. He offered to visit Visalia and speak at a future event promoting health and wellness in Visalia.

At the monthly Healthy Visalia Committee meeting in January, 2011, members voted to ask the City of Visalia to become a *Let's Move City*. The requirements of this designation are already being met with various City and collaborative programs. Additionally, becoming a *Let's Move City* would demonstrate community commitment to health & wellness and potentially provide future grant opportunities to further Visalia's cause.

Steps to become a *Let's Move City*:

1. **Helping Parents Make Healthy Family Choices:** Offer parents tools, support, and information to make healthier choices for their families.

The City is part of the Healthy Visalia collaborative which has a website and annual Fall Festival that promotes healthy family choices.

2. **Improving the Health of Schools:** Promote healthier food in schools.

Visalia Parks and Recreation participates on a committee presented by Visalia Unified School District. This committee focuses on student health and wellness.

Visalia Parks and Recreation serves healthy snacks to afterschool programs and youth camps.

Visalia Parks and Recreation provides the Summer Food Service Program at two locations in Visalia in partnership with Foodlink.

3. **Increasing Physical Activity Opportunities:** Promote physical activity in your schools, city or town.

This is being accomplished through recreational programs offered by the Parks and Recreation Department and many other organizations throughout our community.

Programs are available for all ages, from toddlers to senior citizens.

Scholarships are available for youth sports programs assuring that all children have the opportunity for healthy play. Examples of low-cost wellness programs include “Get Fit Visalia”, a 12- week nutrition and fitness program and Lunch-Time Fit, a program designed for people who have a short window of opportunity to exercise during their lunch break.

4. **Making Healthy Food Affordable and Accessible:** Eliminate food deserts in your community and improve the affordability of healthy food.

The Visalia Parks and Recreation Commission recommends that programs and special events at City Parks and City ballfields offer healthy food options.

The City of Visalia and Healthy Visalia Committee members are offering more healthy options in their vending machines. The Healthy Visalia Committee has a current grant and is in the process of developing a promotion to reduce sugar sweetened beverages, an initiative called “Re Think Your Drink”.

The City of Visalia supports community groups that offer Farmer Markets and Community Gardens.

Recommended Motion (and Alternative Motions if expected):

City Council authorizes City staff to apply for Visalia’s designation as a *Let’s Move City*.

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 21, 2011

Agenda Item Number (Assigned by City Clerk): 8d

Agenda Item Wording: Resolution 2011-10 Acceptance of City owned property into the public street system along the north side of the alley located between Center Street and Main Street in the block between Church Street and Court Street.

Deadline for Action: None

Submitting Department: Community Development Department/
Engineering Division

Contact Name and Phone Number:

Adam Ennis, Assist. Director of Engineering, 713-4323
Chris Young, Community Development Director, 713-4392

Department Recommendation: Staff recommends approval of Resolution 2011-10, accepting City owned property into the public street system along the north side of the alley located between Center Street and Main Street in the block between Church Street and Court Street.

Summary and Background: Additional above ground utilities are needed in the alley located between Main Street and Center Avenue in the block between Court Street and Church Street to facilitate upgrading of the adjacent building's utility systems (see Exhibit #1). The primary access for utilities to this block are along the alley on the north side of the buildings. The alley is currently at the minimum width needed for solid waste and emergency vehicles. Since the existing buildings were originally built on the property line, there is no room for the needed above ground utilities in the alley or on the building properties. The City currently owns the parking lot on the north side of the alley and anticipates that a future parking structure will be located there. Staff recommends that an approximately 16 feet (north-south) and 31 feet (east-west) area of the parking lot, immediately north of the alley and about 56 feet west of the west Church Street right-of-way line, be accepted into the City street system (see Exhibit #1). This area would be converted from City property to part of the alley, which is part of the City street system, allowing utilities to be located there under the current utility franchise agreements. The area would eliminate three spaces from the parking lot but would provide additional "right-of-way" for utilities needed in that block for adjacent property owner's to renovate and upgrade their buildings. The location was selected to: 1) minimize the impact to the current parking lot, 2) minimize conflicts with a future parking structure, which should be able to be designed around the proposed utility area and 3) provide an acceptable location for the utilities. The area could be converted back to City property in the future if desired. However, any utilities existing in the area at the time would have to be either relocated or given an easement.

Prior Council/Board Actions: None.

Committee/Commission Review and Actions: None

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.

Alternatives: None

Attachments: Exhibit #1 - Location Map and Site Plan, Resolution 2011-10.

Recommended Motion (and Alternative Motions if expected):

I move to authorize approval of Resolution 2011-10, accepting City owned property into the public street system along the north side of the alley located between Center Street and Main Street in the block between Church Street and Court Street.

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:

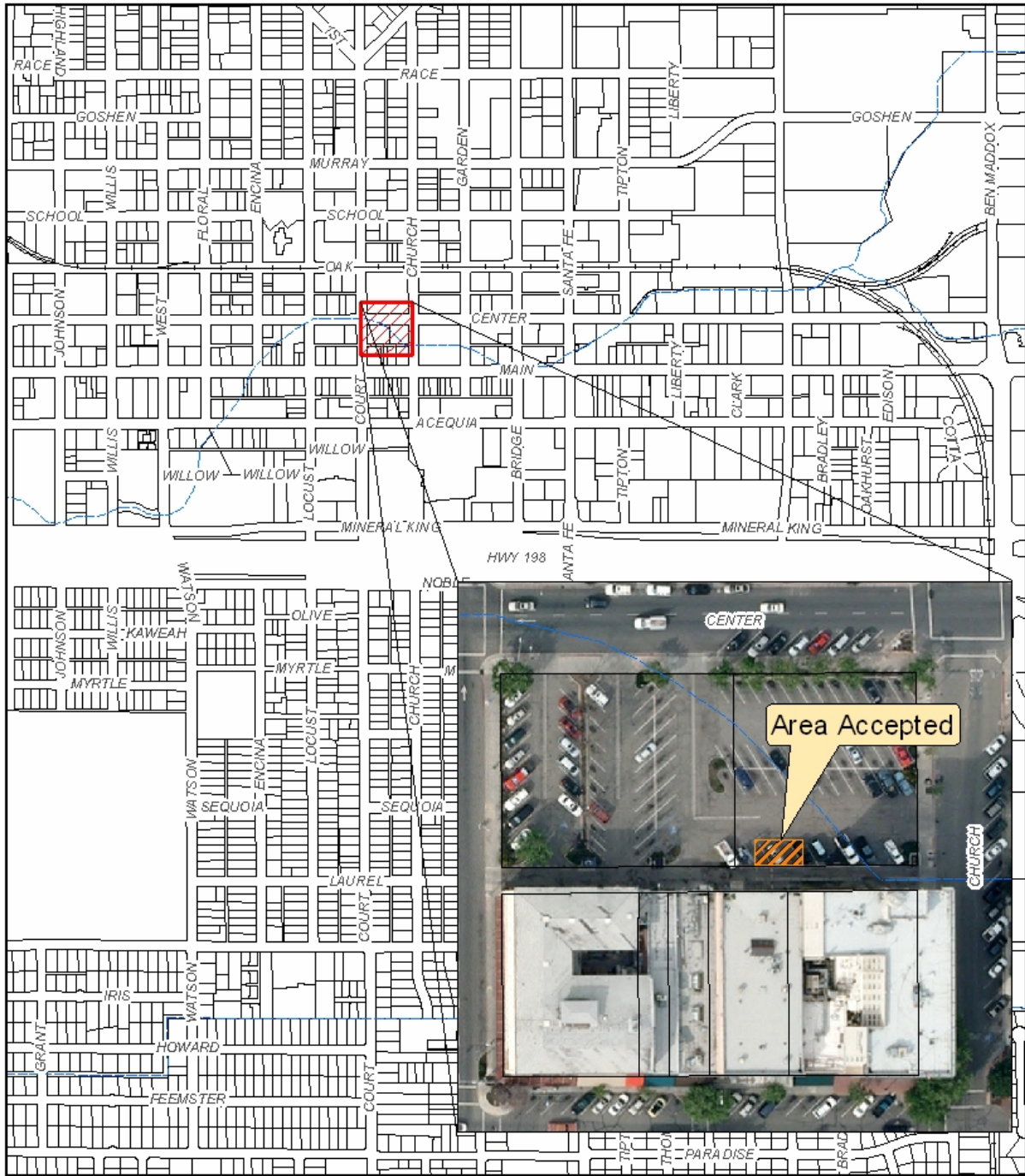


Exhibit 1



RESOLUTION NO. 2011-10

**ACCEPTANCE OF CITY OWNED
PROPERTY INTO PUBLIC STREET SYSTEM**

WHEREAS, the City of Visalia owns those properties commonly known as a portion of Lot 2 and Lot 1 of Block 28 of the original town site; and,

WHEREAS, the City of Visalia desires to accept real property into the public street system; and,

WHEREAS, said portions are more particularly described as follows:

See Exhibit "A" (Legal Description) and Exhibit "B" (Diagram of the area designated) attached and made a part thereof;

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Visalia does hereby accept into the public street system the above-described parcel of land.

EXHIBIT 'A'

Lane Engineers, Inc. Job No. 10264
March 11, 2011

The South 16.00 feet of the East 22.50 feet of Lot 2 and the South 16.00 feet of the West 8.50 feet of Lot 1 in Block 28 of the 'Original Townsite of the City of Visalia' recorded in Volume 3 of Maps at Page 48, T.C.R. situated in a portion of the SE1/4 of the SW1/4 of Section 29, Township 18 South, Range 25 East, Mount Diablo Base and Meridian in the City of Visalia, County of Tulare, State of California.

EXCEPTING THEREFROM the following described parcels:

Parcel A – the East 1.50 feet of the West 8.50 feet of the South 4.00 feet of said Lot 1;
Parcel B – the West 6.00 feet of the East 10.00 feet of the South 4.00 feet of said Lot 2;
Parcel C - the West 1.50 feet of the East 22.50 feet of the South 4.00 feet of said Lot 2;

SEE EXHIBIT 'B' ATTACHED HERETO.



EXHIBIT 'B'

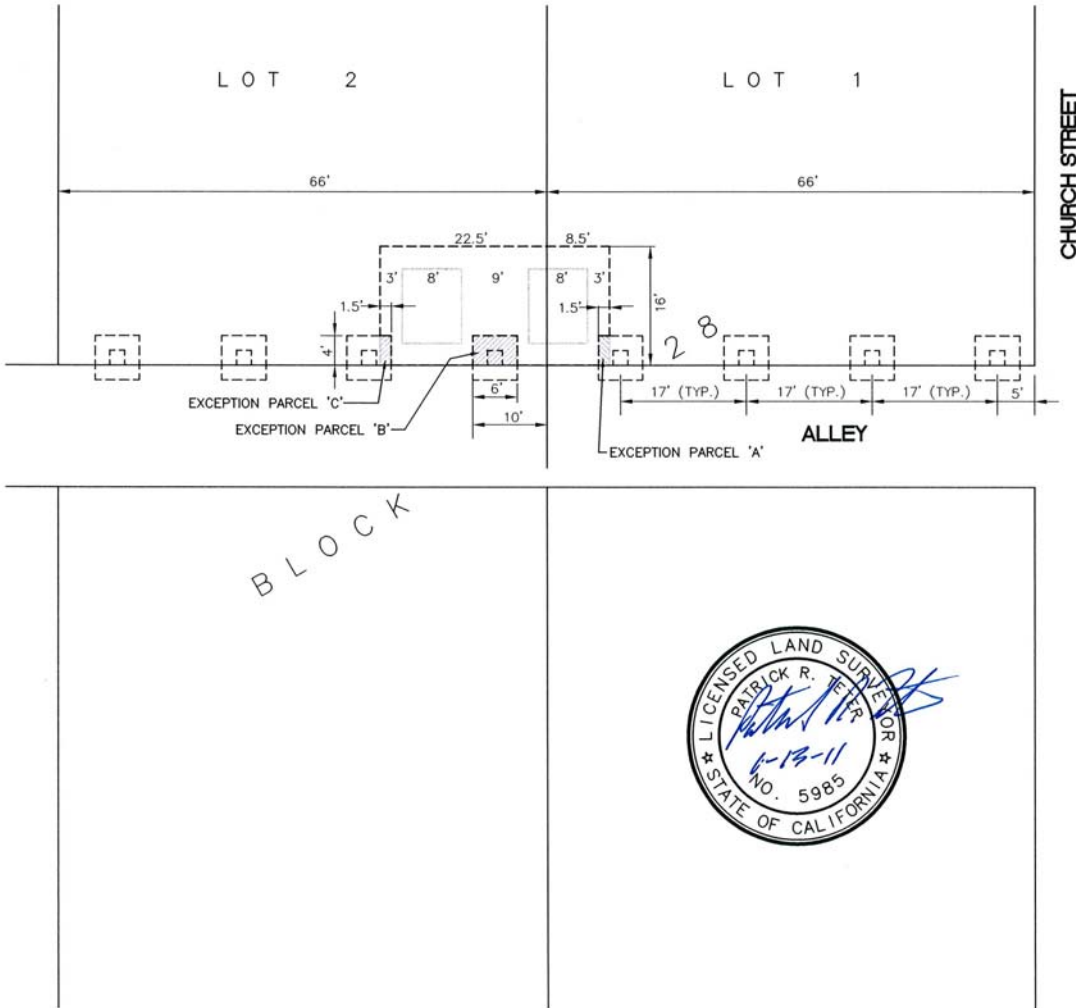
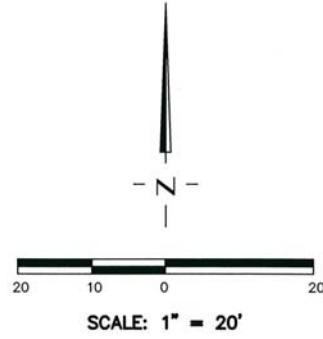


Exhibit A.dwg 1-13-11 7:24:07 am PST

**City of Visalia
Agenda Item Transmittal**

Meeting Date: March 21, 2011

Agenda Item Number (Assigned by City Clerk): 8e

Agenda Item Wording: Authorization for the City Manager to enter into a contract for professional services for labor relations, negotiations and/or other mediation services with Liebert Cassidy Whitmore, a Professional Law Corporation.

Deadline for Action: March 21, 2011

Submitting Department: Administrative Services

Contact Name and Phone Number: Eric Frost, Administrative Services Director x4474; Diane Davis, Human Resources Manager x4575

Department Recommendation: Staff recommends entering into a professional services agreement with the firm of Liebert Cassidy Whitmore to perform various services for the City relating to labor relations, negotiations, and/or mediation activities.

Summary/background: The Memoranda of Understanding for four of the five employee bargaining units expire June 30, 2011. The City is obligated to commence negotiations on the successor agreements no less than 60 or 90 days prior to the expiration date, depending on bargaining unit.

The City needs good representation in order to achieve the best agreement for all parties. Therefore, it remains critical to have well-qualified and experienced labor negotiators representing the City's interests. Working once again with the firm of Liebert Cassidy Whitmore (LCW) for the upcoming negotiations process will provide the greatest level of continuity for the City.

Attorneys Shelline Bennett and Gage Dungy from LCW served as lead negotiators for the City of Visalia in the last round of collective bargaining. Through that process they have developed solid working relationships with the City's negotiation team, City Council, and the various bargaining units despite the rather contentious nature of negotiations. They are familiar with the bargaining groups as well as the key players on each team, which will allow them to hit the ground running. The firm of LCW is considered one of the premier firms in public sector labor law and provides a wealth of resources upon which the City can draw. Rates for LCW are \$190 per hour for Associate Gage Dungy and \$250 per hour for Partner Shelline Bennett. This includes a concession to the City in forgoing a planned rate increase of \$30 per hour.

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.

Prior Council/Board Actions:

Committee/Commission Review and Actions:

Alternatives:

Attachments: Professional Services Agreement

Recommended Motion (and Alternative Motions if expected): I move the City Council authorize the City Manager to enter into a contract with Liebert Cassidy Whitmore to perform various labor relations, negotiations and/or mediation services for the City beginning March 22, 2011

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 21, 2011

Agenda Item Number (Assigned by City Clerk): 8f

Agenda Item Wording: Sale of 210 NW 2nd Avenue (APN: 094-031-009) from the City of Visalia to the Visalia Rescue Mission. Ordinance No. 2011-04 (First Reading)

Deadline for Action: March 21, 2011

Submitting Department: Housing & Economic Development Department

Contact Name and Phone Number:

Ricardo Noguera, Housing and Economic Dev. Director, 713-4190
Rhonda Haynes, Housing Specialist, 713-4460

Recommendation: Authorize the City Manager to execute a Purchase and Sale Agreement for the disposition of the property located at 210 NW 2nd Avenue (Assessor Parcel No. 094-031-009) to the Visalia Rescue Mission ("VRM") for the total purchase price of \$ 140,000. Ordinance No. 2011-04 (First Reading)

Summary/Background. On January 11, 2010, Council authorized staff to purchase the site under the federal Neighborhood Stabilization Program (NSP) utilizing NSP funds for the price of \$166,758. Upon completing the acquisition, staff utilized additional NSP funds to complete the rehabilitation of the four units by late October 2010 for a cost of \$135,472. The intent was to substantially rehabilitate the interior and exterior to meet energy, accessibility and current building code requirements. The rehabilitation process included significant building and code upgrades.

Shortly following completion of the renovations of the complex, the City released a Request For Proposal (RFP) to retain a property management company, however there were no interested qualified entities. In light of this outcome, staff then began discussions with VRM regarding the potential sale of the property for transitional housing to support graduates of their residency program.

Disposition of the Property. Staff is recommending that the City Council authorize the disposition of the property to the VRM. VRM proposes to utilize the four-plex as transitional housing for graduates from its program to reintegrate homeless citizens into the community.

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.

Staff supports this use of the property because it is one that is similar to the original intended use for the property.

The purchase price is \$140,000, which is based upon a fair market value appraisal conducted in September 2010. The proceeds will be returned to the CDBG-NSP Program fund to allow additional property acquisitions. The sales price of the property is based on comparable multi-family complexes sold elsewhere in the City.

Prior Council/Board Actions:

- January 11, 2010 Council authorized purchase
- March 7, 2011 Council authorized change in use and disposal of property

Committee/Commission Review and Actions: None

Alternatives:

- None recommended

Attachments:

- Ordinance No. 2011-04 Authorizing sale of property by City (requires 4/5ths vote for approval)
- Purchase and Sale Agreement for the transaction.

Recommended Motion (and Alternative Motions if expected):
Authorize the City Manager to execute a Purchase and Sale Agreement for the disposition of the property located at 210 NW 2nd Avenue (Assessor Parcel No. 094-031-009) to the Visalia Rescue Mission (“VRM”) for the total purchase price of \$ 140,000. Ordinance No. 2011-04

Environmental Assessment Status

CEQA Review: N/A
NEPA Review: N/A

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)*
Purchase and Sell Agreement

Ordinance
ORDINANCE NO. 2011-04

DECLARING CERTAIN REAL PROPERTY SURPLUS
AND DECLARING INTENT TO SELL TO
THE VISALIA RESCUE MISSION

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VISALIA

Section 1: The City of Visalia ("City") owns all the legal and beneficial interest in certain real property commonly referred to as 210 NW 2nd Avenue ("Property"), and 094-031-009.

Section 2: Said Property bordered by Highway 63, and Pearl Street and more particularly and legally described in Exhibit "A", attached hereto and made a part hereof, and

Section 3: The City Council of the City, having considered evidence submitted in oral and written form, finds the subject Property is not now, nor will be of public use or necessity, and

Section 4: Said City Council finds and determines said Property is surplus and should be sold, and

Section 5: The City of Visalia wishes to sell and the Visalia Rescue Mission ("VRM") wishes to purchase the Property and the rights and entitlement for the purpose of affordable housing.

Section 6: Having found the subject property to have no further public use or necessity, the City Council declares said Property to be surplus and hereby authorizes the transfer of ownership in and to said Property to VRM pursuant to the terms and conditions of the Purchase and Sale Agreement by, between and approved by the City and VRM.

Section 7: This ordinance shall become effective thirty days after passage hereof.

PASSED AND ADOPTED:

Bob Link, Mayor

ATTEST:
ATTORNEY:

APPROVED BY CITY

STEVEN M. SALOMON, CITY CLERK

(name)

Exhibit "A"

LOT 12 IN BLOCK 98 OF AUGHINBAUGH'S ADDITION, IN THE CITY OF VISALIA,
COUNTY OF TULARE, STATE OF CALIFORNIA, ACORDING TO THE MAP THEREOF
RECORDED IN BOOK 3, PAGE 48 OF MAPS, TULARE COUNTY RECORDS APN: 094-031-
009

Purchase and Sell Agreement
Draft
PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS

THIS PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (hereinafter "Agreement") is made and effective as of March __, 2011, by and between the CITY OF VISALIA ("CITY" or "SELLER"), a municipal corporation and a charter law city organized under the laws of the State of California and VISALIA RESCUE MISSION, INC., a private, non-profit community-based organization ("BUYER"). This Agreement is made with reference to the following facts, understandings, and intentions of the parties:

- A. CITY owns all of the legal and beneficial interests in that certain multi-family residential Real Property generally known as 210 NW 2ND Avenue (APN: 094-031-009), more particularly described in Exhibit "A", which is attached hereto and made a part hereof by this reference (the "Property").
- B. CITY acquired the Property for the purposes of developing affordable housing consistent with its use of funds awarded to CITY under the Community Development Block Grant ("CDBG"), Neighborhood Stabilization Program ("NSP") funds pursuant to Title I of the Housing and Community Development Act of 1974 , as amended, 24 CFR Part 570 of the regulations of the United States Department of Housing and Urban Development ("HUD"), as the same may be amended from time to time, Title III of Division B of the Housing and Economic Recovery Act ("HERA") of 2008, as amended by the American Recovery and Reinvestment Act ("ARRA") of 2009.
- C. CITY determined in accordance with 24 CFR §570.505(b), after consultation with affected citizens at a noticed public hearing held on March 7, 2011, that it is appropriate to change the use of the Property to a use which does not qualify as one of the national objectives of the NSP program.
- D. CITY desires to sell the Property to BUYER at the current fair market value and to reimburse its NSP program with the proceeds of the sale in accordance with the requirements of 24 CFR §570.505(b).
- E. Upon reimbursements of CITY'S NSP program with the proceeds from this transaction, the Property shall no longer be subject to any CDBG requirements.
- F. BUYER desires to acquire the Property as part of its community-based social service activities.
- G. CITY is authorized to sell the Property pursuant to 24 CFR §570.505(b) and all other applicable CDBG and NSP laws and regulations.

NOW, THEREFORE, in consideration of the above-referenced facts, the mutual covenants of CITY and BUYER contained in this Agreement and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CITY and BUYER agree as follows:

1. Purchase and Sale. Subject to all of the terms, conditions and provisions of this Agreement and for the consideration enumerated in Section 3 below, CITY agrees to sell to BUYER and BUYER agrees to buy at the Closing, the Property. The sale and purchase of the Property shall be consummated by means of Escrow (the "Escrow") opened at the offices of Chicago Title Company (the "Escrow Holder") by March __, 2011. This Agreement shall constitute the instructions for the Escrow upon acceptance by Escrow Holder. CITY's manager is authorized, at his sole discretion, to extend the deadline for the open of escrow for an additional thirty (30) days.

2. Obligation to Sell/Buy. CITY is obligated to sell, and BUYER is obligated to buy the Property herein described, subject to and pursuant to the terms and conditions set forth in this Agreement.

3. Amount and Terms of Payment. The purchase price for the Property described in Exhibit "A" shall be **ONE HUNDRED AND FORTY THOUSAND AND 00/100THS DOLLARS (\$140,000.00)** (hereinafter the "Purchase Price"). The purchase price shall be payable at the close of escrow. Should BUYER elect to terminate this Agreement prior to Closing as provided in this Agreement or should any of the conditions precedent identified in Sections 4, 16 or 17 of this Agreement not be satisfied or waived by the party having the right to waive such condition prior to Closing, the CITY or BUYER shall bear their respective costs as identified in this Agreement.

4. Conditions Precedent. The transfer of title to the Property to which the parties obligated themselves in Section 2 hereof is expressly made contingent upon all of the following:

- (a) The deposit by BUYER of the Purchase Price into escrow; and
- (b) The removal of all exceptions to title as specified in paragraph 9 hereof;
and
- (c) The completion of all inspections and remediation, if necessary, as specified in paragraph 11 hereof; and
- (d) The completion of all conditions specified in paragraphs 16 and 17 hereof.

5. Vesting. Title to the Property shall vest as directed by BUYER prior to the Closing.

6. Possession. CITY shall deliver possession of the Property to BUYER at the Closing.

7. Risk of Loss. Risk of physical loss to the Property shall be borne by BUYER from and after the Closing. In the event of the loss or destruction of a material

part of the Property prior to the Closing from a cause other than the intentional act or omission or negligence of BUYER, then, unless CITY has agreed to reduce the Purchase Price by an amount equal to amount of the loss or destruction, at BUYER's option, both Parties shall be relieved of their obligations and this Agreement shall be deemed void and without further effect. Prior to the Closing, CITY shall manage the Property in accordance with Section 8 below and shall not make or allow any uses, changes or alterations of the Property that could materially reduce the value of the Property.

8. Condition of Title to Property. CITY shall convey fee title to the Property and any mineral rights owned by CITY to BUYER subject only to those encumbrances, contracts, agreements, rights, easements, rights of way, and mineral leases, rights and reservations set forth in a preliminary report of title to the Property to be prepared by Escrow Holder (the "Title Report") promptly after the opening of the Escrow that have been specifically approved by BUYER in writing prior to the Closing (the "Permitted Exceptions").

9. Title.

(a) CITY will order from Title Company, and shall deliver to BUYER, immediately upon CITY's receipt thereof, a preliminary title report pertaining to the Real Property (the "PTR"), together with copies of all documents relating to the title exceptions referred to in such PTR (the "Underlying Documents").

(b) Within **seven (7)** calendar days after the receipt of the PTR and all Underlying Documents, BUYER shall notify CITY in writing of any title exceptions identified in the PTR which BUYER reasonably disapproves. Any exception not disapproved in writing within said **seven (7)** calendar day period shall be deemed approved by BUYER, and shall constitute a "Permitted Exception" hereunder. BUYER and CITY agree that (i) all non-delinquent property taxes and assessments, and (ii) all matters created by or on behalf of BUYER, including, without limitation, any documents or instruments to be recorded as part of any financing for the acquisition of the Property by BUYER, shall constitute "Permitted Exceptions". Within **seven (7)** days after receipt of BUYER's notice of disapproval of title exceptions, CITY shall notify BUYER in writing of any such disapproved title exceptions which CITY is unable or unwilling to cause to be removed or insured against prior to or at Closing and, with respect to such exceptions, BUYER then shall elect, by giving written notice to CITY within **five (5)** days thereafter, 1) to terminate this Agreement, or 2) to waive its disapproval of such exceptions, in which case such exceptions shall then be deemed to be Permitted Exceptions. BUYER's failure to give such notice shall be deemed an election to waive the disapproval of any such exception.

(c) In the event BUYER elects to terminate this Agreement in accordance with this Section 9, (i) any deposit shall be immediately refunded to BUYER, (ii) all documents in escrow shall be returned to the party depositing the same, and (iii) this Agreement and all rights and obligations of the parties hereunder shall terminate; except that, BUYER and CITY each shall be responsible for one-half of any title or escrow cancellation fees and BUYER's indemnification obligations contained in this Agreement shall survive such termination.

10. Title Insurance. CITY shall cause to be delivered to BUYER at the Closing written assurances from Title Company that it is prepared to issue to BUYER a CLTA owner's policy of title insurance in the amount of the Purchase Price, insuring BUYER as fee owner of the Property, subject only to Title Company's standard printed exclusions and exceptions and the Permitted Exceptions (the "Title Policy"). BUYER may at its sole cost and expense arrange with Title Company to have the Title Policy issued (i) as an ALTA Form B policy in place of a CLTA Policy, and (ii) with such endorsements as BUYER may desire.

11. Physical Inspection

(a) From the Effective Date of this Agreement, for a period of **ten (10) days** thereafter, BUYER, and its designated agents shall have access and the right to enter the Property at all reasonable times for purposes of conducting inspections, environmental audits or surveys, studies and tests of the Property, soil, water, and improvements. BUYER shall have the right to take samples of soil and water from the surface and subsurface of the Property. In the event that BUYER's inspection and testing of the Property discloses at any time prior to the end of the **ten day due diligence period** that the Property, or any portion thereof, is contaminated by or there has been any discharge or release of Hazardous Materials (as defined in Cal. Health & Safety Code § 25117), which contamination CITY is unwilling or unable to fully remediate to BUYER's satisfaction, or shall materially and adversely change the condition of the Property, or any portion thereof, BUYER shall have the right until the end of the 60-day due diligence period to elect to terminate this Agreement. In no event shall CITY be obligated to undertake any remediation; however, in the event CITY in its sole and absolute discretion elects, upon request by BUYER, to undertake remediation and completes it to BUYER's satisfaction prior to the Closing, the Closing shall proceed as scheduled. If CITY in its sole and absolute discretion does not elect to undertake such remediation, or does not complete it to BUYER's satisfaction prior to the Closing, then BUYER may elect either to proceed with the purchase of the Property in its then-existing condition, or to terminate this Agreement. If BUYER elects to terminate this Agreement, the provisions of paragraph 9(c) of this Agreement shall apply to such termination.

(b) BUYER hereby indemnifies and holds CITY and the Property harmless from and against any and all loss, costs, damage, expense, claim or liability including personal injury, loss of life and/or property damage that might or could result from the acts or omissions of BUYER or its agents in performing or preparing for any inspection and/or testing activity on or about the Property. BUYER shall promptly pay all costs, fees and expense incurred as a result of or associated with such inspection work done or caused to be done by it on the Property as permitted by this Section. BUYER shall keep the Property free from any and all mechanics or similar liens or charges resulting from such inspection work.

12. Condition of Property.

(a) In fulfillment of the purposes of California Health and Safety Code section 25359.7(a), CITY represents and warrants that it has no knowledge and no

reasonable cause to believe that any release of hazardous substances has come to be located on or beneath the Property except as disclosed to BUYER. BUYER shall be responsible, solely at BUYER's expense, for obtaining a Phase I environmental review report, an asbestos survey for the Property, and any other relevant investigations as determined by the BUYER.

(b) Prior to the Closing, BUYER shall have (i) physically inspected the Property to BUYER's satisfaction and (ii) investigated to BUYER's satisfaction and have knowledge of applicable operative or proposed governmental laws, regulations, ordinances and decisions (including without limitation zoning, environmental and land use laws and regulations) to which the Property is or may be or become subject. In addition to the rights granted to BUYER under Section 11 of this Agreement, in the event BUYER's inspection or investigation discloses at any time prior to the Closing any circumstance or condition not known to BUYER at the time this Agreement is executed by BUYER which BUYER reasonably determines materially and adversely affects the Property, or any portion thereof, BUYER shall have the right until the Closing to elect to terminate this Agreement. The Closing shall be deemed BUYER's acknowledgment that BUYER and/or BUYER's representatives have conducted such inspection and investigation to BUYER's satisfaction. If BUYER elects to terminate this Agreement, the provisions of paragraph 9(c) of this Agreement shall apply to such termination.

(c) Except with respect to representations, warranties and covenants of CITY set forth in this Agreement and in any documents provided or delivered by CITY hereunder, from and after the Closing, BUYER hereby waives, releases, remises, acquits and forever discharges CITY, its officers, employees, and agents of and from any and all suits, causes of action, legal or administrative proceedings, claims, demands, actual damages, punitive damages, losses, costs, liabilities, interest, attorneys fees and expenses of whatever kind and nature, in law or in equity, known or unknown, which BUYER ever had, now has, hereafter can, shall or may have or acquire or possess or arising out of or in any way connected with directed or indirectly out of, or in any way connected with, based upon, arising out of the condition, status, quality, nature, contamination or environmental state of the Property. It is the intention of this Agreement that except as otherwise expressly set forth herein, any and all responsibilities and obligations of CITY to BUYER, and any and all rights or claims of BUYER, its successors and assigns and affiliated entities, as against CITY arising by virtue of the physical or environmental condition of the Property are by this release provision declared null and void and of no present or future effect as to such parties; provided, that notwithstanding any other provision of this Section, nothing contained in this Section shall be deemed to create an obligation on the part of BUYER to indemnify, defend or hold harmless CITY or its directors, officers, shareholders, employees, or agents, or their respective heirs, successors, personal representatives and assigns, from or against any suits, causes of action, legal or administrative proceedings, claims, demands, actual damages, punitive damages, losses, costs, liabilities, interest, attorneys fees or expenses of whatever kind and nature, in law or in equity, brought or asserted by any third party against CITY. This release includes claims against CITY arising under the Comprehensive Environmental Response Compensation and Liability Act of 1980, as Amended ("CERCLA"), and Resource Conservation and Recovery Act ("RCRA"), and companion state laws, and state and

federal common law, but is not intended to and shall not diminish, extinguish or interfere with claims of BUYER against third parties who may be deemed Responsible or Liable Parties therefore. With respect to the matters released by BUYER pursuant to this Section, BUYER agrees to waive the benefits of Section 1542 of the Civil Code of the State of California, which provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

13. Representations of CITY.

(a) CITY is a municipal corporation and charter law city formed and existing pursuant to the laws of the State of California with full power to enter into this Agreement and is duly qualified to transact business in California.

(b) CITY is the sole owner of the Property. CITY and BUYER agree that the execution and delivery of this Agreement by CITY is being done pursuant to authorization and approval by the City Council. However, should CITY determine, in its sole discretion, that consummation of the transaction contemplated hereby requires further authorization from the City Council, it cannot be completed until such further action has been duly authorized and approved by all requisite action of the City Council. No other authorizations or approvals, whether of government bodies or otherwise, are necessary to enable CITY to enter into or fully comply with the terms of this Agreement.

(c) The individuals executing this Agreement and the instruments referenced herein on behalf of CITY have the legal power, right, and actual authority to bind the CITY to the terms and conditions hereof.

(d) This Agreement and all documents required hereby to be executed by CITY are and shall be valid, legally binding obligations of and enforceable against CITY in accordance with their terms subject to any limitation under applicable law.

(e) Neither the execution and delivery of this Agreement and the documents and instruments referenced herein, nor the occurrence of the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Agreement and the documents and instruments referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any instrument to which CITY is a party or affecting the Property or a violation of any law, rule, regulation or ordinance applicable to CITY.

(f) Except as disclosed to BUYER in writing by CITY, to the best of CITY's knowledge, CITY is not aware of any actions, suits, proceedings or governmental investigations pending or threatened against or affecting the Property, in law or equity.

(g) CITY has received no notice and has no knowledge of any violation of any

applicable law, ordinance, rule, regulation or requirement of any governmental agency, body or subdivision affecting or relating to the Property.

(h) There are no leases or other agreements (whether oral or written) affecting or relating to the rights of any party with respect to the possession of the Property or any portion thereof which will be in effect after Closing other than Permitted Exceptions of Title.

(i) All documents delivered to BUYER by CITY pursuant to this Agreement are true and correct copies of originals; to the extent such documents are in CITY's possession.

(j) CITY shall not voluntarily subject any right, title and interest in or to the Property to any mortgage, pledge, lien or other hypothecation or encumbrance that is not in effect on the Effective Date of this Agreement, and if the Property involuntarily becomes subject to any such encumbrance, CITY shall immediately notify BUYER thereof.

(k) CITY represents, by its signatures to this Agreement, that it has either consulted with Counsel or affirmatively elected not to, and fully understands the terms, conditions, and ramifications of entry into this Agreement.

14. Representations by BUYER.

(a) BUYER is a private, non-profit community-based organization with full power to enter into this Agreement.

(b) No other authorizations or approvals are necessary to enable BUYER to enter into or fully comply with the terms of this Agreement.

(c) This Agreement and all documents required hereby to be executed by BUYER are and shall be valid, legally binding obligations of and enforceable against BUYER in accordance with their terms subject to any limitation under applicable law.

(d) Neither the execution and delivery of this Agreement and the documents and instruments referenced herein, nor the occurrence of the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Agreement and the documents and instruments referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any instrument to which BUYER is a party or a violation of any law, rule, regulation or ordinance applicable to BUYER.

(e) BUYER represents, by its signature to this Agreement, that it has either consulted with Counsel or affirmatively elected not to, and fully understands the terms, conditions, and ramifications of entry into this Agreement.

15. Survival of Warranties. The satisfaction, truth, accuracy and completeness of each of the representations, warranties and covenants of BUYER and CITY contained in this Agreement, as of the date hereof and as of the Closing, shall

constitute a condition precedent to the obligations of BUYER and CITY respectively, hereunder. All representations, warranties and covenants set forth herein shall survive the Closing, and BUYER and CITY each agree to indemnify, defend and hold the other harmless from any claim, demand, liability, loss or cost (including without limitation reasonable attorneys' fees and costs) which the other may sustain arising out of any breach of or inaccuracy in the respective representations, warranties and covenants of BUYER and CITY set forth in this Agreement; provided, that the representations and warranties of BUYER and CITY shall survive only until the first anniversary of the Closing.

16. Conditions Precedent to CITY's Obligations to Perform. In addition to satisfaction of the conditions identified in Paragraph 4 of this Agreement, CITY's obligation to perform as set forth herein is hereby expressly conditioned on satisfaction of each and every one of the following conditions precedent:

(a) BUYER shall have timely performed each of the acts to be performed by it hereunder.

(b) Each of the BUYER's representations and warranties set forth herein shall be true at the Closing as if affirmatively made at that time.

17. Conditions Precedent to BUYER's Obligations to Perform. In addition to satisfaction of the conditions identified in Paragraph 4 of this Agreement, BUYER's obligation to perform as set forth herein is hereby expressly conditioned on satisfaction of each and every one of the following conditions precedent:

(a) CITY shall have timely performed each of the acts to be performed by it hereunder.

(b) Each of the CITY's representations and warranties set forth herein shall be true at the Closing as if affirmatively made at that time.

18. Establishment of Escrow. CITY and BUYER agree that escrow shall be opened upon execution of this Agreement between BUYER to CITY, and that a duplicate original of this Agreement shall be deposited with Escrow Holder, and Escrow Holder shall execute a counterpart hereof for both CITY and BUYER, acknowledging its agreement to act as Escrow Holder as set forth herein.

19. Deposits into Escrow. The Parties shall make the following deposits into Escrow at or prior to the Closing:

(a) CITY and/or BUYER shall deposit executed and acknowledged one (1) original grant deed conveying good and marketable title to the Property to BUYER, subject only to the Permitted Exceptions (the "Grant Deed");

(b) CITY shall deposit a duly executed certificate regarding Seller's non-foreign status, in the form of attached Exhibit "B";

(c) BUYER shall deposit all funds when and as required hereby;

(d) BUYER and CITY shall deposit escrow fees as required herein;

(e) Such other documents and instruments as may be reasonably necessary of BUYER or CITY to allow the Closing to occur.

20. Costs and Expenses. Closing costs shall be borne by the Parties as follows:

(a) The Title Policy premium shall be paid by CITY. If BUYER elects an ALTA policy, it shall pay the difference between the cost of a CLTA policy and an ALTA policy.

(b) All sales taxes associated with the sale of the Property, documentary transfer taxes, ad valorem taxes, if any, and costs of preparing and recording the Grant Deed shall be paid by CITY; and

(c) All Escrow fees shall be shared equally between CITY and BUYER. The costs borne by BUYER are in addition to the Purchase Price of the Property.

(d) All other costs of closing the Escrow, including without limitation, filing fees, other recording fees and otherwise, shall be shared by the Parties equally.

21. Closing Date. Escrow for conveyance of the Property shall close on or before [REDACTED], 2010, but no later than [REDACTED], 2010. Escrow may close at an earlier date mutually agreed upon by the parties when all conditions precedent to conveyance set forth in Section 4 have been satisfied. CITY's Manager is authorized to extend escrow up to ninety (90) calendar days. Any additional extensions must be authorized by CITY's governing body.

22. Procedure for Closing. Escrow Holder shall close the Escrow by doing the following:

(a) Pay from funds deposited by BUYER all claims, demands and liens necessary to place title to the Property in the condition set forth in Section 9;

(b) Pay from funds deposited by CITY, CITY's share of the closing costs;

(c) Pay from funds deposited by BUYER, BUYER's share of closing costs;

(d) Prorate real and personal property tax and any other income or expense of the Property subject to being prorated as of the Closing;

(e) Record CITY's Grant Deed in the Official Records of Tulare County and direct the County Recorder to affix the transfer tax after recording, return the recorded Grant Deed to BUYER with a conformed copy to CITY, and file BUYER's preliminary change of ownership report with the Tulare County Assessor;

(f) Unless otherwise instructed by CITY, deliver the purchase funds and any remaining funds held in Escrow, less payments authorized hereunder, to CITY by Escrow Holder's check.

23. Indemnification of Escrow Holder. Escrow Holder shall be indemnified and held harmless by CITY and BUYER against any and all costs, damages, attorney's fees, expenses and liabilities which it incurs or sustains in connection with the Escrow, except for such items as may be caused by Escrow Holder's misconduct or negligence.

24. Broker's Commission.

Neither party is represented by a broker and no commission is due and payable.

25. Notices. All notices under this Agreement shall be effective upon personal delivery to CITY or BUYER, as the case may be, three (3) business days after deposit in the United States mail, registered or certified, postage fully prepaid and addressed to the respective parties as follows:

To CITY: Steve Salomon, City Manager
CITY OF VISALIA
425 East Oak Street, Suite 301
Visalia, California 93291

With Copy to: Alex M. Peltzer, City Attorney
Dooley Herr Peltzer & Richardson
100 Willow Plaza, Suite 300
Visalia, CA 93291

To BUYER: Visalia Rescue Mission, Inc.
Attn: Chief Executive Officer
500 East Race Street
Visalia, CA 93292

or such other address as the Parties may from time to time designate in writing. As a matter of convenience, however, communication between CITY and BUYER shall, to the extent feasible, be conducted orally by telephone or in person, which such communications to be confirmed and made effective in writing as set forth above provided no such oral notice or communication shall be effective unless so confirmed in writing.

26. Entire Agreement. This Agreement and items incorporated herein contain all of the agreements of the Parties hereto with respect to the matters contained herein, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions hereof may be amended or modified in any manner whatsoever except by an agreement in writing signed by duly authorized representatives of each of the Parties hereto, except that any modifications which relate to the adjustment of time limitations or the form of documents may be made by joint agreement of the Parties.

27. Agreement Survives Escrow. This Agreement shall survive the Closing of escrow and shall remain binding upon the parties with respect to those provisions for which performance is required after Closing of escrow.

28. Successors. The terms, covenants and conditions hereof shall be binding upon and shall inure to the benefit of the heirs, executors, administrators and assigns of the respective Parties hereto.

29. Further Action. The Parties agree to perform all further acts, and to execute, acknowledge, and deliver any documents that may be reasonably necessary, appropriate or desirable to carry out the purposes of this Agreement.

30. Waiver. A waiver of any breach of this Agreement by any Party shall not constitute a continuing waiver or a waiver of any subsequent breach of the same or any other provision of this Agreement.

31. Choice of Law - Venue. This Agreement shall be governed by the laws of the State of California and any questions arising hereunder shall be construed or determined according to such law. Venue for the legal action arising from or in connection with this Agreement or the Property shall be in Tulare County, California.

32. Attorneys' Fees. In the event either party commences any action, arbitration or legal proceedings for the enforcement of this Agreement, the prevailing party shall be entitled to recovery of its attorney's fees and court costs incurred in the action brought thereon.

33. Construction. This Agreement is the product of negotiation and compromise on the part of each party and the parties agree, notwithstanding Civil Code Section 1654, that in the event of uncertainty the language will not be construed against the party causing the uncertainty to exist.

THE REST OF THIS AGE INTENTIONALLY LEFT BLANK

34. Headings. Headings at the beginning of each numbered Section of this Agreement are solely for the convenience of the Parties and are not a part of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first hereinabove written.

“CITY” or “SELLER”

Dated: _____ By: _____
City Manager

ATTEST:

Dated: _____ By: _____
City Clerk

APPROVED AS TO FORM BY:

Dated: _____ By: _____
City Attorney

Dated: _____ By: _____
Risk Manager

“VISALIA RESCUE MISSION”

Dated: _____ By: _____
Chief Executive Officer

Escrow Holder’s Acknowledgement

Escrow Holder hereby acknowledges the foregoing and agrees to act as Escrow Holder as set forth hereinabove.

Date: _____

By: _____

EXHIBIT "A"

That certain real property in the City of Visalia, County of Tulare, State of California, otherwise known as 210 NW 2nd Avenue (APN: 094-031-009), and more particularly described as follows:

LOT 12 IN BLOCK 98 OF AUGHINBAUGH'S ADDITION, IN THE CITY OF VISALIA, COUNTY OF TULARE, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF RECORDED IN BOOK 3, PAGE 48 OF MAPS, TULARE COUNTY RECORDS.

EXHIBIT "B"

**FIRPTA CERTIFICATE
and
CALIFORNIA WITHHOLDING CERTIFICATE**

This Certificate is made in connection with the real property identified as: the eastern portion of property located at 309 N. Santa Fe Street (APN 094-284-006).

FOREIGN INVESTMENT REAL PROPERTY TAX ACT (FIRPTA)

Section 1445 of the Internal Revenue Code of 1986, as amended (the "Code"), provides that a transferee of a United States real property interest must withhold part of the purchase price as security for the potential tax obligation if the transferor is a foreign person. This certificate is made to inform the transferee that the withholding of amounts pursuant to Section 1445 of the Code is not required upon the disposition of a United States real property interest by transferor. Transferor hereby certifies that:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate, as defined in the Code and income tax regulations;
2. Transferor's United States taxpayer identification number is: 94-60000449;
3. Transferor's office address is: 425 East Oak Street, Suite 301, Visalia, California 93291; and
4. Transferor understands that this certificate may be disclosed to the Internal Revenue Service by the transferee and that making a false statement in this certificate may be punished by fine, imprisonment, or both.

SELLER'S CALIFORNIA WITHHOLDING CERTIFICATION

California Revenue and Taxation Code §§ 18662 and 18668 provide that a purchaser of California real estate must withhold tax if the seller has no permanent place of business in California. The withholding rate is three and one-third percent (3 1/3%) of the selling price. This certificate is made to inform the transferee that the withholding of amounts pursuant to California Revenue and Taxation Code §§ 18662 and 18668 is not required upon the disposition of a California real property interest by transferor. Transferor hereby certifies that:

1. Transferor has a permanent place of business in California at 425 East Oak, Suite 301, Visalia, California 93291;
2. Transferor's taxpayer identification number is 94-60000449; and
3. Transferor understands that this certification may be disclosed to the Franchise Tax Board by the transferee and any false statement made by the transferor could be punished by fine, imprisonment, or both.

Under penalty of perjury, I declare that I have examined this certificate and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have the authority to sign this document on behalf of transferor.

TRANSFEROR

CITY OF VISALIA

Dated: _____

By: _____
City Manager

Attest: _____

NOTE: THE TRANSFEREE MUST RETAIN THIS CERTIFICATION UNTIL THE END OF THE FIFTH TAXABLE YEAR FOLLOWING THE TAXABLE YEAR IN WHICH THIS TRANSFER TOOK PLACE. THE INTERNAL REVENUE SERVICE MAY REQUIRE THIS CERTIFICATE TO BE FILED WITH IT.

Transferees acknowledges receipt of a copy hereof.

TRANSFEREES

Dated: _____

By: _____

City of Visalia Agenda Item Transmittal

Meeting Date: 03/21/2011

Agenda Item Number (Assigned by City Clerk): 8g

Agenda Item Wording: Appointment of Laura Florez as a Citizens Advisory Committee member and Tom Gordon as first alternate.

Deadline for Action: None

Submitting Department: Citizens Advisory Committee

Contact Name and Phone Number:

George Shelton, Citizens Advisory Chair	734-6204
Eric Frost, Staff Liaison to CAC	713-4474

Department Recommendation and Summary: It is recommended that Laura Florez be appointed as a member of the Citizens Advisory Committee as of April 1, 2011 to fill a vacancy on the committee caused by a departing member who had not completed his term.

Also, that the Council appoint the Tom Gordon as an alternate, non-voting member to the committee.

Committee/Commission Review and Actions:

The Citizens Advisory Committee maintains fifteen regular members and two alternate members. The CAC has one vacancy currently and no alternate members. On March 2, 2010, the Committee interviewed two individuals and voted to recommend one individual as committee member and one individual as non-voting alternate.

The committee reviewed the attached applications, interviewed the candidates and then voted on the candidates. The committee then discussed the results and endorsed the nominations as shown above.

Laura Florez is lives in Exeter but works in Visalia for Kaweah Delta Hospital. CAC by-laws allow individuals who live or work within Visalia to serve on the CAC. Her experience includes working as a reporter and assistant City editor for the Visalia Times Delta for 7 years and 4 years as a Media Specialist for the Lockwood Agency in Visalia. Her interest is to be involved in local government.

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.

Tom Gordon is a long time Tulare County resident. He was born in Visalia but currently lives in Woodlake. He is the owner of Cost Carpets at 640 East Murray for over 30 years. Although he has no prior community board experience, he finds himself available and interested in local government, particularly as the City develops the future Civic Center site near his place of business. Like Ms. Florez, Mr. Gordon does not live in Visalia but qualifies for service because his place of business is in Visalia.

Alternatives: These positions could be left vacant.

Attachments:

Recommended Motion (and Alternative Motions if expected): I recommend that the following be appointed as CAC members:

- Laura Florez, voting member
- Tom Gordon, Alternate, non-voting member

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 21, 2011

Agenda Item Number (Assigned by City Clerk): 8h

Agenda Item Wording: Authorize the City Manager to execute a 2nd Amendment to the loan agreement with Central Valley Christian Housing Development Corporation in the use of CalHFA-HELP Funds (California Housing Finance Agency – Housing Enabled by Local Partnership).

Deadline for Action: March 21, 2011

Submitting Department: Housing and Economic Development

Contact Name and Phone Number: Ricardo Noguera, Housing & Economic Development Director, 713-4190; Nancy Renovato, Senior Administrative Analyst, 713-4462; Rhonda Haynes, Housing Specialist

Department Recommendation:

- 1) Authorize the City Manager to execute a 2nd amendment to the loan agreement with Central Valley Christian Housing Development Corporation to include repayment of CalHFA-HELP Funds; Loan No. HELP-080101-08.
- 2) Authorize the City Manager and City Attorney to make minor conforming and clarifying changes to the agreement as necessary.

Summary/background:

In 2002, the City was awarded a \$500,000, three percent interest loan from the California Housing Finance Agency (due in 2012) to further the development of affordable housing through the Housing Enabled by Local Partnership (HELP) Fund. The City then mirrored the agreement and contracted with Central Valley Christian Homes (CVC) and Visalian's Interested in Affordable Housing (VIAH) and provided each with \$250,000 to carry out affordable housing activities in the City of Visalia to include acquisition, and/or construction/rehabilitation of single family homes for the purpose of reselling to qualified households. Since then, VIAH has constructed and resold three homes and has repaid its entire obligation to the City, including interest. CVC, to date, has constructed/rehabilitated and resold a total of 11 houses, although one house remains unsold due to the downturn in the housing market. CVC has to date repaid a total of \$201,000 (Principal Only) of the original \$250,000 loan of 2002. As of February 28, 2011, the remaining outstanding balance is \$92,109.01 which includes interest.

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.

On September 10, 2010, City staff met with CVC Housing to ascertain status of the remaining balance. In a letter dated October 6, 2010, CVC stated that due to the downturn in the housing market, CVC has been unable to resell the property located at 1443 Highland and is currently renting the property to a very low income household. CVC also requested that the City consider entering into a new agreement with a fifteen year term with no additional interest accrual.

In anticipation of a maturity date of April 15, 2012; the City opted to pay off the total loan plus interest in the amount of \$583,749.17. The City used the \$478,621.05 repaid from both CVC & VIAH and used \$105,128.12 in general funds to pay off the balance. Over the next 15 years, the City will receive \$92,109.01. This leaves approximately \$13,019.11 which the general fund will absorb. However, the City's two partners; CVC & VIAH, were able to complete, purchase and rehabilitate a total of 14 affordable housing units in Visalia.

In light of the history of this loan and discussions held between CVC and City staff, staff recommends that the City amend the existing HELP loan agreement consenting to monthly payments on the remaining balance of \$92,109.01 for fifteen years with no additional interest accrual. The amendment would also include the addition of a 10-year affordability covenant on the property located at 1443 Highland Avenue as required by CalHFA. Additionally, the City will record a deed of trust against this property as a means to secure the loan.

Staff has prepared the legal documents necessary to execute the amendment. Furthermore, CVC Housing has reviewed these documents and consents to the City's terms and conditions. Upon Council approval, said documents will be executed.

Prior Council/Board Actions: June 3, 2002, approval to execute agreement with CVC & VIAH.

Committee/Commission Review and Actions:

Alternatives:

Attachments:

CVC Proposal (Letter dated October 6, 2010)
City Response (Letter dated February 28, 2011)
Amortization Schedule
Second Amendment Loan Agreement
Affordability Restriction
Promissory Note
Deed of Trust

Recommended Motion (and Alternative Motions if expected):

- 1) Authorize the City Manager to execute the 2nd amendment to the loan agreement with Central Valley Christian Housing Development Corporation to include repayment of CalHFA-HELP Funds extended to CVC in 2002.
- 2) Authorize the City Manager and City Attorney to make minor conforming and clarifying changes to the agreements as needed.

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 21, 2011

Agenda Item Number (Assigned by City Clerk): 8i

Agenda Item wording: Receive response from Owner Tom Seidler, Top of Third, Inc. Regarding the City's Offer to Sell the Recreation Park Baseball Stadium to Top of the Third, Inc.

Deadline for Action: N/A

Submitting Department: Parks & Recreation Department

Contact Name and Phone Number: Vincent Elizondo, Director of Parks and Recreation, 713-4367

Recommendation:

That the Council accept this staff report. No further action is necessary.

Background Information:

On February 22, 2011, the City Council approved several recommendations related to the operation and maintenance of the Rawhide Baseball Club in Recreation Park. The Rawhide Baseball Club is owned and operated by Tom Seidler from Top of Third, Inc. Specifically, the Council directed City staff to, "explore options of selling the (Recreation Park) stadium to Mr. Seidler".

In response to the City's offer to sell the Recreation Park stadium to Top of the Third, Inc., Mr. Seidler provided the following written response:

"Top of the Third does not have any interest in pursuing the purchase of Recreation Ballpark.

Private ownership is rare for sports facilities. Private ownership is extremely rare for minor league sports facilities. When there is private ownership of sports facilities, the equation usually involves sports facility + contiguous parking + a substantial amount of adjacent property.

As a rule, public sports facilities do not pay for themselves, but they can add value to adjacent development (Functioning as a lake or tennis courts in a housing development).

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.): 20

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.

In my opinion, to get any interest in Recreation Ballpark ownership from the private sector (a developer), the equation would require a significant amount of adjacent property.

I think the **specific notion** of private ownership of Recreation Ballpark is a non-starter because of the under-sized facility, and the lack of significant parking or available land.

I do, however, think the **general idea** of private participation in the ballpark neighborhood is one worth pursuing. If we can continue to grow attendance for the 70+ Rawhide games, continue to add to the overall number of events (Oktoberfest), coupled with population from Redwood High School students and football game attendees, there may be at some point a market for a sports pub, pizza parlor, or other complimentary establishment. Or perhaps a few establishments, creating a 'ballpark village'."

**City of Visalia
Agenda Item Transmittal**

Meeting Date: March 21, 2011

Agenda Item Number (Assigned by City Clerk): 9

Agenda Item Wording:

PUBLIC HEARING:

**A.) Certification of Negative Declaration No. 2011-11.
(Resolution 2011-11 required)**

B.) General Plan Amendment No. 2011-01: a request by the City of Visalia to change the General Plan Land Use designation from Service Commercial to Central Business District on 12.47 acres of land. The project area generally extends along Santa Fe Street to Tipton Street, from Center Avenue to Race Avenue. (APNs: 094-100-011, 003,008, 094-240-001, -002, -013, -024, -025, -033, -040, -041, 094-250-022, -038, 039, -040, -041, 094-264-012, -015, -017, -018)
Resolution No. 2011-12 required.

C.) Introduction of Ordinance for Change of Zone No. 2011-02 A request by the City of Visalia to change the Zoning designation from Service Commercial (CS) to Central Business District (CDT) on 12.47 acres of land. The project area generally extends along Santa Fe Street to Tipton Street, from Center Avenue to Race Avenue. (APNs: 094-100-011, 003,008, 094-240-001, -002, -013, -024, -025, -033, -040, -041, 094-250-022, -038, 039, -040, -041, 094-264-012, -015, -017, -018))
Ordinance No. 2011-05 required.

Deadline for Action: None

Submitting Department: Community Redevelopment Agency and Community Development Department/Planning Division

Contact Name and Phone Number:

Paul Bernal, Senior Planner, 713-4025
Paul Scheibel, AICP, Planning Services Manager, 713-4369
Ricardo Noguera, Housing And Economic Development Director, 713-4190
Chris Young PE, Community Development Director/City Engineer, 713-4392

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.

Department Recommendation:

The Planning Commission recommends that the City Council:

1. Certify Negative Declaration No. 2011-11, and
2. Approve General Plan Amendment (GPA) No. 2011-01, and
3. Introduce Ordinance No. 2011-05, approving Change of Zone No. 2011-02.

The Planning Commission recommendation is based on the following findings:

- The General Plan Amendment and Annexation are consistent with the goals, objectives, and policies of the City's General Plan.
- The General Plan Amendment and Change in Zone will assist the City of Visalia in designating land with Downtown Commercial Zoning along this section of the Santa Fe Corridor that will foster future development and uses that are complementary to both the existing Downtown Commercial District and the emergence of Santa Fe Street, as a significant circulation corridor.

Summary: This change of land use and zoning was initiated by the City as a way to encourage the most desirable uses of the adjacent Downtown Central Business District in recognition of the extensive private and public investment occurring on the Santa Fe Street corridor. The proposal has received overwhelming support by the affected property owners, as well as support by the Downtown Visalians.

If the GPA and COZ are approved, this change would expand tenant and development opportunities for these properties within the project area with potential uses that would complement the downtown.

The C-DT Zoning is recommended because it would extend the logical boundaries of the current downtown area eastward across Santa Fe to Tipton Street. The areas that would remain in CS zone are already predominately in use with heavier type service, machine shops, and commercial retail establishments. The area to the east, including the future Civic Center site at the northeast corner of Oak and Tipton, and the area farther to the east may transition to other zoning in the future under the East Downtown Strategic Plan. The area now being proposed for this zone change would become a logical transition area between the traditional Central Downtown Area and the future Civic Center and greater East Downtown area.

The proposed GPA/COZ would foster new developments with more urbanized site design standards (such as minimized building setbacks and higher floor area ratio buildings) and would allow the types of professional and retail uses already being seen in the area (such as Buckman-Mitchel Insurance, Chamber of Commerce, the Portales Restaurant/Canby Architects bldg, Main Street Promenade Development). It would also complement the substantial investment the City has made in making Santa Fe Street an attractive and viable entrance to Downtown and as a vital north/south thoroughfare for this part of the City. The recently completed Santa Fe Bridge and the street improvements made in conjunction with the Buckman-Mitchel and Main Street Promenade Developments are examples of this commitment and tangible progress.

Description of Site: The project area is 12.47-acres and consists of 17 individual parcels (see Exhibit "A". Of the 12.47-acre area, 5.18-acres are developed with professional office / retail type uses, church, and a city parking lot. There are approximately 4.19-acres, which are predominately associated with heavy commercial uses while the remaining 3.1-acres are vacant. However, 1.30-acres of vacant property is permitted for future office buildings (i.e, 60,350 square feet of office area per the Buckman-Mitchell office development [CUP No. 2006-

58]). Although the entire project area is zoned C-S (see Exhibit "C"), over 66% of the area is developed and/or planned for development with uses closely associated with CDT zoning.

All of the properties within the GPA/COZ project area are within Parking Districts "A" and "B". The parking districts were formed to ensure that uses established within this zone meet the parking requirements of the VMC or, that uses pay in-lieu fees for future downtown parking facilities. These fees would be used exclusively for the purpose of acquiring and developing off-street parking facilities to serve the central business district.

Eleven of the properties within the project area are within the Parcel Based Improvement District (PBID) (see Exhibit "B"). The requirements regarding parking in-lieu payment(s)/requirement(s) for the Central Business District Parking Zone have since been restructured. On July 14, 2008, the City Council approved Resolution No. 2008-39, which suspended the Parking In-lieu Fees for "change in use" projects in the PBID areas if an annual payment is made by PBID to the City's Central Business District Parking Zones Parking In-lieu Fund. A change in use project applies to existing lease space where the former use (i.e., office) is being renovated to another use (i.e., restaurant). This does not apply to new construction within the PBID area.

Planning Commission Review: The Planning Commission held a public hearing on the project on February 28, 2011. One person addressed the Commission during the public hearing. Ms. Angela Vera stated that she was in support of the GPA/COZ. One Planning Commissioner asked what happens to the C-S uses that are not either "Permitted" or "Conditionally Permitted" if the land use and zoning designations are changed. Staff informed the Commission that those uses would be allowed to continue their operation but would be subject to the Non-Conforming regulations of the Visalia Zoning Ordinance (Section 17.40 of the Visalia Zoning Ordinance). In addition, staff informed the Commission that no businesses would be required to close due to the proposed land use and zone change. The Commission voted 5-0 to recommend that City Council adopt the Negative Declaration for the project, and approve the General Plan Amendment and Change of Zone.

Analysis:

General Plan Amendment No. 2011-01 and Change of Zone No. 2011-02: General Plan Amendment (GPA) No. 2011-01 and Change of Zone (COZ) No. 2011-02 is a request by the City of Visalia to change the land use designation, and zoning from Service Commercial (CS) to Central Business District (CDT) for 12.47 acres of land. The project area is located along Santa Fe Street as shown on the attached map (see Exhibit "A"). In addition, the Downtown Retail Design (DRD) District will also be adopted which will replace the existing Design District "E" for the entire project area. The "DRD" District is the district commonly used with the Central Business District zone, and accommodates a wide mix of land uses ranging from commercial and office to residential and public spaces.

Improving Santa Fe Avenue has been a priority project for the City's Capital Improvement Program (CIP). The goal has been to establish this arterial road as a full north/south corridor connecting new developments in the south (such as the South East Area Specific Plan [SEASP]) to the new residential, commercial and public facilities in the north (such as the Sports Park).

It is anticipated that the value and importance of individual properties fronting Santa Fe Avenue, such as the project area, necessitate these properties being developed and maintained concurrent with the commitment of public resources being made for the above-noted street.

Public Outreach: City staff has been in contact with property owners and prospective tenants in the subject area. Staff has conducted outreach to potentially affected property owners in this

portion of the Santa Fe Corridor. On November 18, 2010, approximately 12 persons attended an open house/information session on the proposal. As a result of these discussions, staff concluded that the existing CS zoning will not effectively facilitate the types of projects being contemplated for the area, which include new medical related uses which are not allowed in the CS zone.

Major stakeholders in the area have expressed support for the action should it be pursued. Their reasons to support this GPA/COZ lie with the potential for improving the aesthetic appeal and viability of Santa Fe as an entry into the Downtown Area. In addition, this project would help to increase the areas property development potential, while still grandfathering existing uses.

Relation to East Downtown Plan: The East Downtown Strategic framework plan was a result of the City's interest in reinforcing the city's core General Plan polices that encourages concentric growth and centered reinvestment. The East Downtown Plan identified those properties east of downtown as the area where the City should direct and invest into creating new housing, commercial/retail and civic opportunities. Although the City's interim ordinance for the East Downtown has ceased, the City continues to invest in formulating a strategy to direct new development to this area. Furthermore, the Comprehensive General Plan Update process will provide a forum for analyzing and strategizing the implementation of the East Downtown Plan within the context of the entire City and developing guiding policies.

This GPA/COZ reinforces the City's commitment to the improvement of the East Downtown area, and helps in the revitalization efforts already undertaken by private property owners and the City.

Environmental Findings: An Initial Study was prepared for the project consistent with the California Environmental Quality Act (CEQA). The Initial Study disclosed that environmental impacts are determined to be not significant. Therefore, Negative Declaration No. 2011-11 was prepared for adoption at the time that the project is acted upon by the City Council

Prior Council/Board Actions: On December 20, 2010, the City Council authorized the initiation of a General Plan Amendment and Zone Change to change the land use and zoning designations of a 12.47 acre area along Santa Fe Street.

Committee/Commission Review and Actions: On February 28, 2011, the Planning Commission recommended that the City Council approve General Plan Amendment No. 2011-01 and Change of Zone No. 2011-02 by a 5-0, vote.

Alternatives: City Council may choose not to approve the General Plan Amendment and Change of Zone request.

Attachments:

- Exhibit "A" Santa Fe Corridor Map
- Exhibit "B" Parcel Based Improvement District
- Resolution Approving Negative Declaration No. 2011-11
- Resolution Approving GPA No. 2011-01
- Ordinance introducing Change of Zone No. 2011-02

- Negative Declaration No. 2011-11
- Planning Commission Staff Report

Recommended Motion (and Alternative Motions if expected):

I move to

- a) adopt Resolution No. 2011-11 certifying Negative Declaration No. 2011-11, and
- b) adopt Resolution No. 2011-12 approving General Plan Amendment No. 2011-01, and
- c) introduce Ordinance No. 2011-05 approving Change of Zone No. 2011-02

Environmental Assessment Status

CEQA Review: An Initial Study and Negative Declaration have been prepared for use with this project, consistent with the California Environmental Quality Act (CEQA). It must be certified prior to the initiation of these entitlements.

NEPA Review: None

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)*

RESOLUTION NO. 2011-11

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VISALIA,
ADOPTING NEGATIVE DECLARATION NO. 2011-11, WHICH EVALUATES
ENVIRONMENTAL IMPACTS FOR GENERAL PLAN AMENDMENT NO. 2011-01 AND
CHANGE OF ZONE NO. 2011-02

WHEREAS, General Plan Amendment No. 2011-01 and Change of Zone No. 2011-02 is a City initiated action to change the land use designation from Service Commercial to Central Business District for 12.47 acres of land. The project area generally extends along Santa Fe Street to Tipton Street, from Center Avenue to Race Avenue. (APNs: 094-100-011, 003,008, 094-240-001, -002, -013, -024, -025, -033, -040, -041, 094-250-022, -038, 039, -040, -041, 094-264-012, -015, -017, -018); and

WHEREAS, an Initial Study was prepared which disclosed that no significant environmental impacts would result from the project, and that no mitigation measures would be required for the project; and

WHEREAS, on the basis of this Initial Study, a Negative Declaration has been prepared and noticed for public review and comment for the project pursuant to the California Environmental Quality Act of 1970 (CEQA), as amended; and

WHEREAS, any comments received during the advertised comment period were reviewed and considered in accordance with provisions of CEQA; and

WHEREAS, the City Council of the City of Visalia, after ten (10) days published notice, held a public hearing before said Council on March 21, 2011 for the Project; and

WHEREAS, the City Council of the City of Visalia considered the Initial Study and Negative Declaration and found that the Initial Study and Negative Declaration contain and reflect the independent judgment of the City of Visalia; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Visalia finds that the Negative Declaration was prepared consistent with the California Environmental Quality Act (CEQA) and the City of Visalia Environmental Guidelines.

BE IT FURTHER RESOLVED that the City Council of the City of Visalia hereby finds, on the basis of the whole record before it, that there is no substantial evidence that the project will have a significant effect on the environment and hereby certifies Negative Declaration No. 2010-73, which evaluates environmental impacts for General Plan Amendment No. 2010-08, Change of Zone No. 2010-09, and Zoning Text Amendment No. 2010-10. The documents and other material which constitute the record of the proceedings upon which the decisions based are located at the office of the City Planner, 315 E. Acequia Avenue, Visalia, California, 93291.

RESOLUTION NO. 2011-12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VISALIA, APPROVING GENERAL PLAN AMENDMENT NO. 2011-01: A REQUEST BY THE CITY OF VISALIA TO CHANGE THE GENERAL PLAN LAND USE DESIGNATION FROM SERVICE COMMERCIAL TO CENTRAL BUSINESS DISTRICT ON 12.47 ACRES OF LAND. THE PROJECT AREA GENERALLY EXTENDS ALONG SANTA FE STREET TO TIPTON STREET, FROM CENTER AVENUE TO RACE AVENUE. (APNS: 094-100-011, 003,008, 094-240-001, -002, -013, -024, -025, -033, -040, -041, 094-250-022, -038, 039, -040, -041, 094-264-012, -015, -017, -018)

WHEREAS, General Plan Amendment No. 2011-01 is a City initiated action to change the land use designation from Service Commercial to Central Business District for 12.47 acres of land. The project area generally extends along Santa Fe Street to Tipton Street, from Center Avenue to Race Avenue. (APNs: 094-100-011, 003,008, 094-240-001, -002, -013, -024, -025, -033, -040, -041, 094-250-022, -038, 039, -040, -041, 094-264-012, -015, -017, -018); and

WHEREAS, the General Plan Amendment was initiated in response to property owners and prospective tenants in the subject area. As a result of the discussions, staff has concluded that the existing CS zoning will not effectively facilitate the types of projects being contemplated for the area, including medical related uses which are not allowed in the CS zone, and

WHEREAS, the Planning Commission of the City of Visalia, after twenty (20) days published notice, held a public hearing before said Commission on February 28, 2011; and

WHEREAS, the Planning Commission of the City of Visalia considered the general plan amendment in accordance with Section 17.54.070 of the Zoning Ordinance of the City of Visalia based on evidence contained in the staff report and testimony presented at the public hearing; and

WHEREAS, the Planning Commission of the City of Visalia recommended approval of the general plan amendment by adoption of Planning Commission Resolution No. 2011-08 on February 28; 2011 and

WHEREAS, the City Council of the City of Visalia, after ten (10) days published notice held a public hearing before said Council on March 21, 2011; and

WHEREAS, an Initial Study was prepared that disclosed that no significant environmental impacts would result from the project, and that no mitigation measures would be required for the project.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Visalia hereby makes the following findings with regard to General Plan Amendment No. 2011-01:

1. No significant environmental impacts would result from this project, and no mitigation measures would be required. Negative Declaration No. 2011-11 was certified pursuant to City of Visalia Resolution No. 2011-11.

2. That the City Council of the City of Visalia has considered the proposed General Plan Amendment, staff reports, and testimony presented at the public hearing in accordance with Section 17.54.080 of the Zoning Ordinance of the City of Visalia.
3. That the proposed General Plan Amendment is consistent with the goals, objectives and policies of the General Plan, and is not detrimental to the public health, safety, or welfare, or materially injurious to properties or improvements in the vicinity.
4. That the proposed land use designation of Central Business District would be compatible with existing land uses and land use designations in the surrounding vicinity.
5. That the proposed General Plan Amendment will assist the City of Visalia in designating land with Downtown Commercial Zoning along this section of the Santa Fe Corridor that will foster future development and uses that are complementary to both the existing Downtown Commercial District and the emergence of Santa Fe Street.

NOW THEREFORE BE IT FURTHER RESOLVED that the City Council of the City of Visalia hereby approves General Plan Amendment No. 2011-01, in accordance with the terms of this resolution and under the provision of Section 17.54.080 of the Ordinance Code of the City of Visalia and based on the above findings.

ORDINANCE NO. 2011-05

AN ORDINANCE OF THE CITY OF VISALIA, APPROVING CHANGE OF ZONE NO. 2011-02, TO CHANGE THE ZONING FROM C-S (SERVICE COMMERCIAL) TO C-DT (CENTRAL BUSINESS DISTRICT) ON APPROXIMATELY 12.47 ACRES OF LAND. THE PROJECT AREA GENERALLY EXTENDS ALONG SANTA FE STREET TO TIPTON STREET, FROM CENTER AVENUE TO RACE AVENUE. (APNS: 094-100-011, 003,008, 094-240-001, -002, -013, -024, -025, -033, -040, -041, 094-250-022, -038, 039, -040, -041, 094-264-012, -015, -017, -018)

WHEREAS, Change of Zone No. 2011-02 was initiated by the City of Visalia to change the zoning from C-S (Service Commercial) to C-DT (Central Business District) on approximately 12.47 acres of land. The project area generally extends along Santa Fe Street to Tipton Street, from Center Avenue to Race Avenue. (APNs: 094-100-011, 003,008, 094-240-001, -002, -013, -024, -025, -033, -040, -041, 094-250-022, -038, 039, -040, -041, 094-264-012, -015, -017, -018); and

WHEREAS, the City Council of the City of Visalia finds as follows:

1. That no significant environmental impacts would result from this project, that no mitigation measures would be required, and that the City Council certified Negative Declaration No. 2011-11 by Resolution No. 2011-11.
2. The City of Visalia considered the Change of Zone in accordance with Section 17.44.090 of the Zoning Ordinance of the City of Visalia based on evidence contained in the staff reports and testimony presented at the public hearing.
3. That the proposed Change of Zone is consistent with the goals, objectives and policies of the General Plan, and is not detrimental to the public health, safety, or welfare, or materially injurious to properties or improvements in the vicinity.
4. That the proposed Zoning Change will assist the City of Visalia in zoning land with Downtown Commercial Zoning along this section of the Santa Fe Corridor that will foster future development and uses that are complementary to both the existing Downtown Commercial District and the emergence of Santa Fe Street.
5. That the development standards of the Downtown Retail Design District be implemented on all properties associated with this GPA and COZ.

WHEREAS, the City Council of the City of Visalia, after ten (10) days published notice, held a public hearing before said Council on March 21, 2011.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VISALIA:

SECTION 1: On February 28, 2011, the Planning Commission recommended that the City Council of the City of Visalia approve Change of Zone No. 2011-01.

SECTION 2: The official Zone Map of the City of Visalia shall be amended to show all properties currently zoned C-S (Service Commercial) along Santa Fe Street and Tipton be zoned C-DT (Central Business District) as shown on the attached Exhibit "A".

SECTION 3: This ordinance shall become effective 30 days after passage hereof.

City of Visalia



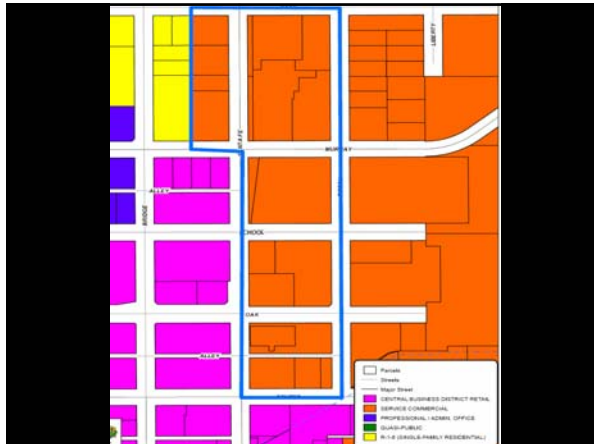
*City Council Hearing
March 21, 2011*

Project Description

- Request by the City of Visalia to do the following:
 - Change General Plan land use designation and Zoning from C-S to CDT.
 - 12.47 acres of land bounded by Race, Center, Tipton, & Santa Fe.
 - Adopt Downtown Retail Design District "DRD".

Visalia City Council Hearing
March 21, 2011





Project Description

- C-DT Zoning would extend logical boundaries of the current downtown area
- Improving Santa Fe Ave. has been a priority project for the City's CIP.
- Proposed GPA/COZ would:
 - foster new developments with more urbanized site design standards
 - allow types of professional and retail uses already seen in the area.

*Visalia City Council Hearing
March 21, 2011*

Project Description

- Staff conducted public outreach.
- Received support for project from property owners.
- Majority of area is developed and/or planned for development with uses closely associated with CDT zoning.

*Visalia City Council Hearing
March 21, 2011*

Planning Commission

- Planning Commission held a public hearing on the project on 2-28-11.
- Commission voted 5-0 to recommend approval to the Council.

*Visalia City Council Hearing
March 21, 2011*

Recommendation

- Staff recommends:
 - Certify Neg. Dec. No. 2011-11
 - Approve General Plan Amendment No. 2011-01
 - Introduce Ordinance for Change of Zone No. 2011-02.

*Visalia City Council Hearing
March 21, 2011*



City of Visalia Agenda Item Transmittal

Meeting Date: March 21, 2011

Agenda Item Number (Assigned by City Clerk): 10a

Agenda Item Wording: Authorize the Agency executive director to prepay the remaining balance of the Central Redevelopment Area loan from the General Fund.

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 Agency's executive director to prepay the outstanding balance of the Central Redevelopment Agency loan from the General Fund in the amount of \$1,296,127 plus any outstanding interest as of March 21, 2011.

Summary/background:

On Mar 7, 2011, Council authorized the prepayment of a \$2.2 million portion of the Central Redevelopment Agency (RDA) loan from the General Fund, reducing the remaining principal balance of this loan to \$1,296,127. On March 7th, Council also authorized Central RDA cash remaining after this payment be used to prepay Central RDA bank loans, if the prepayment of the bank loans was determined to be a necessary step by the Agency Executive Director and the Administrative Services Director.

These actions were taken in response to the Governor's proposal 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. ***The current wording of the proposed bill places the repayment of General Fund advances at more risk than the repayment of bank loans.*** As a result, staff is recommending a portion of the available cash in the Central RDA be used to prepay the remaining principal balance of the Central RDA General Fund loan, in the amount of \$1,296,127 plus all outstanding interest as of March 21, 2011. The balance of cash remaining in the

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.

Central RDA after this prepayment will, as directed by Council on March 7, 2011, be used to prepay Central RDA bank loans, if the prepayment of the banks loans is determined to be a necessary step by the Agency Executive Director and the Administrative Services Director.

Prior Council/Board Actions:

March 7, 2011: \$2.2 million prepayment on Central RDA General Fund loan, item 7b

March 7, 2011: Authorization to prepay Redevelopment Bank Loans, item 8a

Committee/Commission Review and Actions:

Alternatives: Use all remaining available cash in the Central RDA to prepay bank loans (if necessary), without prepaying the balance of the Central General Fund loan.

Attachments:

Recommended Motion (and Alternative Motions if expected):

I move the Visalia Redevelopment Agency Board authorize the Agency's executive director to prepay the outstanding balance of the Central Redevelopment Agency loan from the General Fund in the amount of \$1,296,127 plus any outstanding interest as of March 21, 2011.

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: